

## RBSL GENERAL CONDITIONS OF PURCHASE (2021 Edition)

### 1 INTERPRETATION

1.1 The following terms shall have the meanings set out below:

Affiliate	means in relation to an entity a parent undertaking of that entity (whether direct or an ultimate holding company) or a subsidiary undertaking of a parent undertaking or an ultimate holding company of that entity, at any level, as the terms “parent undertaking” and “subsidiary undertaking” are defined within Section 1162 of the Companies Act 2006
Contract	means (i) the Purchase Order (ii) any Special Terms and Conditions, (iii) these General Conditions of Purchase (iv) the Statement of Work and (v) any other documents expressly referenced in the foregoing
Counterfeit Goods	means (i) goods that are or contain unlawful or unauthorised reproductions, substitutions, or alterations that have been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified part from the original manufacturer or a source acting under the authority of the original manufacturer; or (ii) used goods represented as new
General Conditions of Purchase	means these General Conditions of Purchase
Party	means each of the Purchaser and the Supplier and ‘Parties’ shall be construed accordingly
Purchaser	means Rheinmetall BAE Systems Land Limited a company registered in England & Wales (company registration number 414948) whose registered office is at Hadley Castle Works, PO Box 106, Telford TF1 6QW ( <b>RBSL</b> )
Supplier	means the supplier identified in the Purchase Order
Purchase Order	means any purchase order issued under the Contract
Special Terms and Conditions	means any Special Terms and Conditions under the Contract
Statement of Work	means the statement of work under the Contract
Work or Works	means all goods and services constituting the subject matter of the Contract

- 1.2 The headings used in the Contract are for convenience only and shall not affect the interpretation of the Contract.
- 1.3 The singular shall include the plural and vice versa, the words "include" and "including" shall be construed without limitation.
- 1.4 References to any statute or statutory provision include references to that statute or statutory provision as amended, consolidated or replaced from time to time.

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### **2 ACCEPTANCE OF TERMS AND CONDITIONS**

- 2.1 Terms and conditions of business contained in any acknowledgements, confirmations, standard forms or other documents issued by either Party or in the quotation, letter of offer, technical proposal or other similar documents issued by the Supplier to the Purchaser or implied by trade custom, practice or course of dealing shall not apply.
- 2.2 The Contract constitutes the entire agreement between the Parties. Neither of the Parties has entered into the Contract in reliance upon any representation, warranty or undertaking of any other Party which is not set out or referred to in the Contract.
- 2.3 The Supplier's acknowledgment, acceptance of payment, or commencement of performance, shall constitute the Supplier's unqualified acceptance of the Contract.

### **3 COMPLIANCE WITH LAWS**

- 3.1 The Supplier, in the performance of the Contract, shall comply at all times with all applicable laws and regulations in relation to the Work.
- 3.2 The Supplier shall at its own expense procure all necessary licences consents, registrations and permits which are relevant to the Work and shall ensure that all such permissions are valid and subsisting and that all conditions (whether express or implied) are complied with.

### **4 ASSIGNMENT & SUBCONTRACTS**

The Supplier may not, without the prior written consent of the Purchaser, assign or transfer all or any of its rights or obligations under the Contract and the Supplier shall be wholly liable for all Work performed or supplied by Sub-contractors under the Contract.

### **5 CHANGE IN CONTROL**

The Supplier shall, at least ninety (90) days prior to effecting any proposed change of control, notify the Purchaser in writing of the proposed change providing the identity of the potential new controlling party and provide such other information as the Purchaser may reasonably request consistent with applicable law and confidentiality restrictions.

### **6 CHANGES TO WORK**

- 6.1 Except as set out in clause 6.3, all amendments must be identified as such in writing and executed by the Parties.
- 6.2 The Purchaser may at any time by written notice to the Supplier request changes to the Work. The Supplier shall within fourteen days of the date of the Purchaser's request provide a written estimate to the Purchaser stating (i) the time required to implement the change, (ii) any increase or decrease in the price to implement the change and (iii) any other consequences of the change.
- 6.3 The Purchaser may, at the discretion of the Purchaser, amend the Contract in accordance with the estimate submitted by the Supplier and by written notice to the Supplier.

### **7 ETHICAL CONDUCT**

- 7.1 Whether acting alone or with others, the Supplier undertakes that it will not do, and warrants that prior to accepting the Contract it has not done, any of the following:

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- 7.1.1 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 Contract in return for any gift, money, benefit or other inducement; nor
- 7.1.2 without the prior written consent of the Purchaser, 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 Contract or any transaction related thereto; nor
- 7.1.3 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.
- 7.2 The Supplier undertakes that it will abide by and comply with all applicable laws and regulations relating to anti-bribery and anti-corruption, including the UK Bribery Act 2010, the U.S. Foreign Corrupt Practices Act 1977, and German- civil and criminal laws.
- 7.3 The Purchaser maintains anti-bribery and anti-corruption processes which complies with the requirements of German and English law. It expects and encourages the Supplier to have in place a policy, which complies with all applicable laws and regulations relating to anti-bribery and anti-corruption.
- 7.4 The Purchaser maintains an ethics and compliance programme that includes a written code of conduct, training and awareness for all employees, details of which can be found at [www.rbsl.com](http://www.rbsl.com). The Purchaser expects and encourages all its suppliers to embrace ethical values and legal compliance practices of a comparable standard (including a method for reporting possible violations).
- 7.5 Responsible behaviour is fundamental to how the Purchaser conducts business. Regular assessments of the Purchaser's supply base are a critical part of this commitment. The Purchaser's "best practice" expectations of all current and proposed suppliers are contained in "Supplier Code of Conduct", details of which can be found at [www.rbsl.com](http://www.rbsl.com).

## **8 COUNTERFEIT GOODS**

- 8.1 The Supplier shall not deliver Counterfeit Goods to the Purchaser under the Contract.
- 8.2 The Supplier shall immediately notify the Purchaser if the Supplier becomes aware that it has delivered Counterfeit Goods or suspected Counterfeit Goods.
- 8.3 In the event that Work delivered under the Contract constitutes or includes Counterfeit Goods, the Supplier shall, at its expense, promptly replace such Work with genuine goods conforming to the requirements of the Contract.
- 8.4 Notwithstanding any other provision in the Contract, the Supplier shall be liable for all costs relating to the removal and replacement of Counterfeit Goods, including without limitation the Purchaser's costs of removing Counterfeit Goods, of installing replacement Work and of any testing necessitated by the reinstallation of Work after Counterfeit Goods have been exchanged. The Supplier shall provide documentation that authenticates the affected Work. The Supplier shall support the Purchaser in any investigation to support resolution of any such suspect or affected Work. The remedies contained in this paragraph are in addition to any remedies the Purchaser may have at law, equity or under other provisions of the Contract.

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### **9 DATA PROTECTION**

- 9.1 Both Parties shall comply with all applicable data protection and privacy legislation in force from time to time in the UK including the retained EU law version of the General Data Protection Regulation ((EU) 2016/679) UK GDPR) and the Data Protection Act 2018 (and regulations made thereunder) to the extent that they receive any Personal Data from the other Party during the course of or in relation to the performance of the Contract. Both Parties agree that any Personal Data so received will only be used for and in relation to the performance of the Contract or for continuing business relations between the Parties.
- 9.2 The Supplier shall not Process any Personal Data in relation to the Contract and shall not appoint any sub-processors unless and until the Purchaser has authorised such Processing by way of a special condition which shall, amongst other things, set out the precise nature of the information to be Processed, the scope of Processing and the additional terms and conditions that will apply to any such Processing. Capitalized terms used and not defined herein shall have the respective meanings as ascribed to them in the UK GDPR.

### **10 DEFAULT & TERMINATION**

- 10.1 In the event that the Supplier:
- 10.1.1 becomes bankrupt or insolvent, makes an arrangement with its creditors, has a receiver appointed over any of its assets or commences to be wound-up (not being a member's voluntary winding up for the purpose of amalgamation or reconstruction);
  - 10.1.2 fails to perform or observe any of the conditions of the Contract and (where such failure is capable of remedy) fails to remedy the same within ten (10) days after receipt of notice from the Purchaser requiring the same to be remedied;
  - 10.1.3 is acquired by or merged with any third party or any change of control occurs; or
  - 10.1.4 is or may be unable, in the Purchaser's reasonable opinion, to perform its obligations under the Contract;
  - 10.1.5 then the Purchaser may by written notice to the Supplier reduce, reschedule or cancel any of the Work without any liability to the Supplier; and/or recover any and all liability, loss, claims, costs, expenses or damages of any kind whatsoever suffered or incurred by the Purchaser; and/or terminate the Contract in whole or in part.
- 10.2 The Purchaser may terminate part or all of the Contract for convenience by giving written notice to Supplier provided that the Purchaser will reimburse the Supplier for costs which the Supplier can prove were reasonably and properly incurred for Work in process up to and including the actual termination date. In no event shall the Purchaser be liable for lost profits, indirect costs or overheads and the Purchaser's liability shall not exceed the Contract value for the Works.
- 10.3 Upon termination the Supplier shall immediately: (i) cease work; (ii) minimise all its costs associated with the termination of the Contract (iii) return all of the Purchaser's information, tooling and data (iv) prepare and submit to the Purchaser an itemization of all completed and partially completed deliverables and services; (v) deliver to the Purchaser any and all Work completed up to the date of termination; and (vi) deliver upon request any Work in process.
- 10.4 The provisions of this clause shall be without prejudice to any other remedy the Purchaser may have under the Contract or any applicable law.

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### **11 ENVIRONMENTAL, HEALTH AND SAFETY REQUIREMENTS**

- 11.1 "Environmental and Health and Safety Law" means any and all laws, by-laws, common laws or other laws or legislation made by a competent authority and rules, regulations, ordinances, orders, notices, directives, practices, guidance notes, circulars, and codes issued pursuant to the same and any authoritative judicial or administrative interpretation of each of the foregoing which have as a purpose or effect or which relate to the protection of employees, the public and the environment or responsibility for health and safety including without limitation:
- 11.1.1 the Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS) Directive 2011/65/EU (RoHS 2);
  - 11.1.2 the Directive on Waste Electrical and Electronic Equipment (WEEE) 2012/19/EU;
  - 11.1.3 Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH);
  - 11.1.4 Regulation (EC) No 1272/2008 on classification, labelling and packaging of substances and mixtures;
  - 11.1.5 any National legislation implementing RoHS, WEEE or REACH;
  - 11.1.6 CE Marking and any related product safety requirements pursuant to any applicable New Approach and Global Approach Directives; and
  - 11.1.7 Section 6 of the Health and Safety at Work etc. Act 1974.
- 11.2 Notwithstanding any other provision of the Contract, the Supplier warrants and undertakes to the Purchaser that:
- 11.2.1 all Work furnished under the Contract shall at all times comply with Environmental and Health and Safety Law;
  - 11.2.2 all Work furnished under this shall be marked with a CE Marking where applicable;
  - 11.2.3 it shall not supply or use any asbestos or materials or equipment containing asbestos in the provision of Work;
  - 11.2.4 it shall not supply or use any products or materials containing Chlorofluorocarbons (CFCs) in the provision of Work without the prior written approval (entirely at its discretion) of the Purchaser;
  - 11.2.5 it shall not specify, or permit use of, in Work, any materials or components containing such retardants, including but not limited to Polybrominated Biphenyls (PBBs) and Polybrominated Biphenyl Ethers (PBEBs), also known as Polybrominated Biphenyl Oxides (PBBOs) and shall provide the Purchaser with certification of compliance as required or for the avoidance of doubt containing any other substance to the extent that it is or would reasonably be expected to be subject to any restriction or other limitation on its use under Environmental and Health and Safety Laws; and
  - 11.2.6 it shall not seek to or have any right to rely upon any derogation or exception that may apply to the Purchaser or its customer by virtue of the identity of its ultimate customer in complying with Environmental and Health and Safety Law or any other law applicable to the Work.
- 11.3 In addition to its obligations to provide a Safety Data Sheet (SDS) in accordance with Environmental and Health and Safety Law, for all Work to be supplied under the Contract, (including for finished or semi-finished articles, any replaceable part of such articles), the Supplier shall provide a declaration in relation to:
- 11.3.1 any substance in an individual concentration in the Work (or replaceable part) of at least 0.1% weight by weight (w/w) that is persistent, bioaccumulative and toxic (PBT) or very persistent

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- and very bioaccumulative (vPvB) as defined in Annex XIII of REACH or that is on the REACH 'Candidate List' of substances of very high concern;
- 11.3.2 any other substance posing human health or environmental hazards in an individual concentration in the Work (or replaceable part) of at least 0.2% weight by weight (w/w); and
  - 11.3.3 any other substance for which there are Europe-wide or UK specific workplace exposure limits.
- 11.4 Any declaration made in accordance with clause 11.3 shall state each substance by name and Chemical Abstracts Service No (or CASN) and the w/w content within the Work (or replacement part) and shall provide safe usage information. The SDS shall be provided in accordance with the requirements for the compilation of SDSs set out in Annex II to REACH.
- 11.5 The Supplier shall inform the Purchaser if at any time the Work's chemical composition or the status of the chemicals it contains changes such that an initial or modified declaration is required under clause 11.3 providing such information update to the Purchaser within 45 calendar days of any such changes. The Purchaser reserves the right to refuse/reject Work that requires a declaration pursuant to clause 11.3 unless this has been agreed before contract award. The Purchaser shall have no liability to Supplier where Work is refused/rejected in accordance with this clause.

## **12 EXPORT CONTROL**

- 12.1 The Supplier shall comply with all applicable United Kingdom, European Union (EU), U.S. and other sanctions and export control laws, rules and regulations, specifically including, but not limited to, the International Traffic in Arms Regulation ("ITAR"), 22 C.F.R. 120 et seq., the Export Control Act, the Export Administration Regulations ("EAR"), 15 C.F.R. 730-774, the Foreign Assets Control Regulations, 31 C.F.R. 500-598, E.U. controls on exports of dual-use items and technology implemented pursuant to Council Regulation (EC) No. 428/2009 and U.K. controls on exports of strategic items and technology implemented pursuant to the Export Control Act 2002 and the Export Control Order 2008 (SI 2008/3231) (collectively, "Export Laws") and any re-enactment or modification thereof. Items, technical data and services controlled by Export Laws are referred to in this clause respectively as "export controlled" items, technical data and services. Without limiting the foregoing, the Supplier agrees that it will not transfer any export controlled item or technical data, or provide any export controlled service, including transfers or provision of services to any non-UK national employed by or associated with, or under contract to the Supplier or to any third party including the Supplier's lower tier subcontractors, unless authorised in advance by an export authorization, licence, licence exception or licence exemption (collectively, "Export Authorisation"), as required.
- 12.2 The Supplier shall notify the Purchaser if any deliverable under the Contract including any service to be provided is restricted by applicable Export Laws. Before providing the Purchaser with any export controlled item, technical data or service the Supplier shall provide in writing to the Purchaser the export classification of any such item, technical data or service under the applicable Export Laws and will notify the Purchaser in writing of any changes to the export classification information regarding the item, technical data or service. The Supplier represents that an official authorised to bind the Supplier has determined that the Supplier or the designer, manufacturer, supplier or other source of the items or services has properly determined their export classification.



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- 12.3 Where the Supplier is a signatory under a Purchaser held Export Authorisation, the Supplier shall provide prompt notification to the Purchaser in the event of (i) changed circumstances including, but not limited to, ineligibility, a violation or potential violation of export or other applicable governmental restrictions, and the initiation or existence of a government investigation, that could affect the Supplier's performance under the Contract; or (ii) any change by the Supplier that might require the Purchaser to submit an amendment to an existing Export Authorisation or request a new or replacement Export Authorisation. The Supplier shall provide to the Purchaser all information and documentation as may reasonably be required for the Purchaser to prepare and submit any required Export Authorisation applications.
- 12.4 The Supplier represents that neither the Supplier nor any parent, subsidiary or Affiliate of Supplier is included on any of the restricted party lists maintained by the U.S. Government, including the Specially Designated Nationals List administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), Denied Parties List, Unverified List or Entity List maintained by the U.S. Commerce Department's Bureau of Industry and Security ("BIS") or the List of Statutorily Debarred Parties maintained by the U.S. State Department's Directorate of Defense Trade Controls, or the consolidated list of asset freeze targets designated by the United Nations, European Union, and United Kingdom (collectively, "Restricted Party Lists"). The Supplier shall immediately notify the Purchaser if the Supplier or any parent, subsidiary or Affiliate of the Supplier is, or becomes, listed on any Restricted Party List or if the Supplier's export privileges are otherwise denied, suspended or revoked in whole or in part by any United Kingdom, or other relevant governmental entity or agency.
- 12.5 The Supplier shall immediately notify the Purchaser upon learning that any subcontractor or lower-tier supplier with which it engages or the country in which it or such subcontractor or supplier is based has become listed on the Restricted Party Lists.
- 12.6 Where the Supplier is to use technical data controlled under applicable Export Laws for the performance of the Work, the Supplier shall comply with the following:
- 12.6.1 the technical data shall be used only to perform the Work required by the Contract; and
  - 12.6.2 the data shall not be disclosed to any person not authorized for receipt of the data under an applicable Export Authorization; and
  - 12.6.3 any rights in the data may not be acquired by any foreign person; and
  - 12.6.4 the Supplier, including lower tier subcontractors, shall return, or at the Purchaser's direction, destroy, all of the technical data exported to the Supplier pursuant to the Contract upon fulfilment of its terms; and
  - 12.6.5 unless otherwise directed by the Purchaser, the Supplier shall deliver the Work only to the Purchaser; and
  - 12.6.6 the Supplier shall include the terms of this clause 12.6 in all lower tier subcontracts issued under which technical data is provided to a lower tier subcontractor.
- 12.7 The Supplier shall include equivalent provisions to this clause 12 in lower tier subcontracts for the delivery of items that will be included in or furnished as Work to the Purchaser.
- 12.8 The Supplier shall be responsible for all losses, costs, claims, damages, liabilities and expense, including legal fees, all expense of litigation and/or settlement, and court costs incurred by the Purchaser, arising from any act or omission of the Supplier, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this clause.

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### **13 EXCESS**

Work shall not be supplied in excess of quantities specified in the Contract on the delivery dates specified in the Contract. The Supplier shall be liable for storage costs, handling charges and return shipment costs for any excess quantities.

### **14 FURNISHED/ISSUED PROPERTY**

- 14.1 The Purchaser may, by written authorisation, provide to the Supplier property owned by either the Purchaser or its customer (Furnished Property). Furnished Property shall be used only for the performance of the Contract.
- 14.2 Title to Furnished Property shall remain in the Purchaser or its customer. The Supplier shall clearly mark (if not so marked) all Furnished Property to show its ownership.
- 14.3 Except for reasonable wear and tear, the Supplier shall be responsible for, and shall promptly notify the Purchaser of, any loss or damage to Furnished Property. Without additional charge, the Supplier shall manage, maintain, and preserve Furnished Property in accordance with applicable law, the requirements of the Contract and good commercial practice.
- 14.4 At the Purchaser's request, and/or upon completion of the Contract, the Supplier shall submit, in an acceptable form, inventory lists of Furnished Property and shall deliver or make such other disposal as may be directed by the Purchaser.
- 14.5 The Supplier shall have no lien over Furnished Property and shall ensure that no lower tier subcontractor at any level shall have or purport to have any lien over Furnished Property and the Supplier shall procure that the exclusion of any such lien is brought to the attention of all lower tier subcontractors and any other persons who might deal with Furnished Property or otherwise claim to have a lien over it.

### **15 INDEMNITY**

The Supplier shall defend, indemnify, and hold harmless the Purchaser, its officers, directors, employees, consultants, agents, Affiliates, successors, permitted assigns and customers from and against all losses, costs, claims, damages, liabilities, and expenses, including legal fees, all expenses of litigation and/or settlement, and court costs, arising from any act or omission of the Supplier, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under the Contract.

### **16 INFORMATION OF THE PURCHASER**

- 16.1 Information provided by the Purchaser to the Supplier remains the property of the Purchaser.
- 16.2 The Supplier shall comply with the terms of any confidentiality agreement with the Purchaser and comply with all proprietary information markings and restrictive legends applied by the Purchaser to anything provided to the Supplier.
- 16.3 The Supplier shall not use any Purchaser provided information for any purpose except to perform the Contract and shall not disclose such information to third parties without the prior written consent of the Purchaser.
- 16.4 The Supplier shall maintain data protection processes and systems sufficient to adequately protect the Purchaser provided information and comply with any law or regulation applicable to such information.



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- 16.5 If the Supplier becomes aware of any compromise of information used in the performance of the Contract or provided by the Purchaser to the Supplier, its officers, employees, agents, suppliers, or subcontractors (an "Incident"), the Supplier shall take immediately take appropriate actions to investigate and contain the Incident and any associated risks, including notification within seventy-two (72) hours to the Purchaser after learning of the Incident. As used in this clause, "compromise" means that information has been exposed to unauthorized access, inadvertent disclosure, known misuse, loss, destruction, or alteration other than as required to perform the Work. The Supplier shall cooperate with the Purchaser in conducting any investigation regarding the nature and scope of any Incident. Any costs incurred in investigating or remedying Incidents shall be borne by the Supplier.
- 16.6 Any information identified by the Purchaser as proprietary or subject to restrictions on public disclosure by law or regulation shall be encrypted (i) if transmitted via the Internet, or (ii) during electronic storage if potentially accessible by the Internet or otherwise by non-authorized users.
- 16.7 The provisions set forth above are in addition to and do not alter, change or supersede any obligations contained in any confidentiality agreement between the Parties.

### **17 INFORMATION OF THE SUPPLIER**

The Supplier shall not provide any proprietary information to the Purchaser without prior execution of a confidentiality agreement by the Parties.

### **18 INSPECTION, ACCEPTANCE AND TEST**

- 18.1 The Purchaser and its customer may inspect all Work at reasonable times and places, including, when practicable, during manufacture and before shipment. The Supplier shall provide all information, facilities, and assistance necessary for safe and convenient inspection without additional charge.
- 18.2 No such inspection shall relieve the Supplier of its obligations to furnish and warrant all Work in accordance with the requirements of the Contract. The Purchaser's final inspection and acceptance shall be at destination.
- 18.3 If the Supplier delivers non-conforming Work, the Purchaser may, in addition to any other remedies available at law or at equity: (i) accept all or part of such Work at an equitable price reduction; or (ii) reject such Work; or (iii) require the Supplier, at the Supplier's cost, to make all repairs, modifications, or replacements at the direction of the Purchaser necessary to enable such Work to comply in all respects with the Contract requirements. The Purchaser reserves the right to recover from the Supplier any costs and expenses it incurs in connection with any non-conforming Work (including without limitation any investigation costs).
- 18.4 The Supplier shall not re-tender rejected Work without disclosing the corrective action taken.
- 18.5 Unless the Contract expressly provides otherwise, title to Work shall pass to the Purchaser upon final acceptance. If under the Contract any part of the price is payable before delivery, the ownership of all material allocated for the Contract shall vest in the Purchaser when it is so allocated and the Supplier shall mark the material accordingly but it shall be at the Supplier's risk until delivered to the Purchaser.

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### **19 INSURANCE**

- 19.1 The Supplier and its subcontractors shall maintain for the performance of the Contract the following insurances with reputable insurers authorised to conduct business in the jurisdictions in which the Contract is performed:
- 19.1.1 employers liability insurance in the amount of not less than £10 million per occurrence;
  - 19.1.2 public liability insurance in the amount of not less than £10 million per occurrence;
  - 19.1.3 product liability insurance in the amount of not less than £10 million per occurrence;
  - 19.1.4 professional indemnity insurance in the amount of not less than £5 million per claim;
  - 19.1.5 all such other insurance that is required by law; and
  - 19.1.6 such other insurance as the Purchaser may reasonably require.
- 19.2 The Purchaser shall have the full benefit of such policies detailed in this clause 19 and, may invoke any "indemnity to principals" clauses within the Supplier's insurance policies.

### **20 INTELLECTUAL PROPERTY**

- 20.1 In this clause, "Foreground Information" means inventions, technology, designs, works of authorship, mask works, technical information, computer software, business information and other information conceived, developed or otherwise generated in the performance of the Contract by or on behalf of the Supplier; and "Background Information" means inventions, technology, designs, works of authorship, mask works, technical information, computer software, business information and other information conceived, developed or otherwise generated by or on behalf of the Supplier otherwise than under the Contract.
- 20.2 The Supplier agrees that the Purchaser shall be the owner of all Foreground Information. The Supplier hereby assigns and shall assign all right, title, and interest in the foregoing to the Purchaser, including without limitation all copyrights, patent rights and other intellectual property rights therein and further shall execute, at the Purchaser's request and expense, all documentation necessary to perfect title therein in the Purchaser. The Supplier shall maintain and disclose to the Purchaser written records of, and otherwise provide the Purchaser with full access to, the subject matter covered by this clause and that all such subject matter will be deemed information of the Purchaser and subject to the protection provisions of the clause entitled "Confidential Information". The Supplier shall assist the Purchaser, at the Purchaser's request and expense, in every reasonable way, in obtaining, maintaining, and enforcing patent and other intellectual property protection on the subject matter covered by this clause.
- 20.3 The Supplier warrants that the Work performed or delivered under the Contract and the use by the Purchaser or its customers of any such Work will not infringe or otherwise violate the intellectual property rights of any third party in the United Kingdom or any foreign country. Supplier shall defend, indemnify, and hold harmless the Purchaser, its officers, directors, employees, consultants, agents, Affiliates, successors, permitted assigns and customers from and against all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorney's fees, all expenses of litigation and/or settlement, and court costs, arising out of any action by a third party that is based upon a claim that the Work performed or delivered under the Contract infringes or otherwise violates the intellectual property rights of any person or entity.
- 20.4 In relation to any Background Information used, included, or contained in the Work or deliverable items and not owned by the Purchaser pursuant to this or a previous agreement with the

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Supplier, the Supplier grants to the Purchaser an irrevocable, non-exclusive, world-wide, royalty-free licence to: (i) make, have made, sell, offer for sale, use, execute, reproduce, display, perform, distribute (internally or externally) copies of, transfer computer software, and prepare derivative works based upon, such Background Information and (ii) authorize others to do any, some or all of the foregoing.

20.5 The tangible medium storing copies of all reports, memoranda or other materials in written form including machine readable form, prepared by the Supplier and furnished to the Purchaser pursuant to the Contract shall become the sole property of the Purchaser.

20.6 No other provision in the Contract, shall be construed to limit the liabilities or remedies of the Purchaser under this clause.

### **21 LANGUAGE**

All reports, correspondence, drawings, notices, markings, notices and other communications shall be in the English language.

### **22 PACKING AND SHIPMENT**

22.1 Unless otherwise specified, all Work is to be packed in accordance with good commercial practice.

22.2 A complete packing list shall be enclosed with all shipments. The Supplier shall mark containers or packages with necessary lifting, loading, and shipping information, including the Purchaser Contract number, item number, dates of shipment, and the names and addresses of consignor and consignee. Bills of lading shall include the Contract number.

22.3 Unless otherwise specified, delivery shall be Delivery Duty Paid (INCOTERMS 2010 DDP) to the destination identified in the Contract.

### **23 PAYMENTS, TAXES, AND DUTIES**

23.1 Unless otherwise provided, payment shall be due for payment at the end of the calendar month following the calendar month in which the invoice is received from the latest of the following: (1) the Purchaser's receipt of the Supplier's proper invoice; (2) scheduled delivery date of the Work; or (3) actual delivery of the Work.

23.2 Each payment made shall be subject to reduction to the extent of amounts which are found by the Purchaser or the Supplier not to have been properly payable, and shall also be subject to reduction for overpayments. The Supplier shall promptly notify the Purchaser of any such overpayments and remit the amount of the overpayment except as otherwise directed by the Purchaser.

23.3 In the event Works are rejected by the Purchaser pursuant to clause 18 and an invoice for such Works has already been issued by the Supplier, the Supplier shall, upon receipt of written notification of the rejection by the Purchaser, immediately issue a credit note for the value of the rejected Works to the Purchaser. The Supplier shall issue an invoice in relation to the rejected Works that are rectified or replaced and accepted by the Purchaser.

23.4 The Supplier may charge default interest on any valid overdue payment at the rate of four per cent (4%) per annum above the Bank of England's base rate from time to time, such default interest accruing from the first day on which such payment is overdue until such payment has been received by the Supplier.

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- 23.5 The Purchaser shall have a right to recoup or setoff, as the case may be, against payments due or at issue under the Contract or any other contract between the Parties.
- 23.6 Payment shall be deemed to have been made as of the date of mailing the Purchaser's payment or electronic funds transfer.
- 23.7 The prices stated in the Contract shall be in pounds Sterling and firm i.e., not subject to variation for any reason whatsoever and include all royalties, licences and taxes (other than United Kingdom Value Added Tax and Customs Duty) which may be payable. The prices also include any cost of embodiment, packaging, handling and cost of compliance with all conditions of the Contract, unless otherwise stated elsewhere herein.

### **24 PLACE OF PERFORMANCE**

If Supplier intends to change the place of performance of Work under the Contract from the place(s) identified in Supplier's proposal, the Supplier shall provide prior advance notice to the Purchaser. Notification of changes to the place of performance from within the United Kingdom to a location outside the United Kingdom shall be provided by Supplier to the Purchaser at least six months in advance.

### **25 PRECEDENCE**

Any inconsistencies in the Contract shall be resolved in accordance with the following order of precedence: (1) the Purchase Order; (2) any special terms and conditions; (3) these General Conditions of Purchase; and (4) the Statement of Work.

### **26 QUALITY MANAGEMENT SYSTEM AND PLANS**

- 26.1 The Supplier shall provide a plan and maintain a quality management system to an industry recognised Quality Standard and in compliance with any other specific quality requirements identified in the Contract. As a minimum this should meet the requirements of ISO 9001: 2015.
- 26.2 All quality records produced by the Supplier shall be kept complete and access available to the Purchaser and its customer for seven (7) years from the date final payment is received by the Supplier.

### **27 PUBLICITY**

The Supplier shall not, and shall not permit any person to, without the Purchaser's prior written consent, publicise in any media or public announcement information regarding the terms of the Contract or the Work or use the Purchaser or Purchaser Affiliate's name or derivatives of such name or any other trademark or logo owned by the Purchaser or the Purchaser Affiliate without the prior written consent of the Purchaser.

### **28 RETENTION OF RECORDS**

Unless a longer period is specified in the Contract or by law or regulation, the Supplier shall retain all records related to the Contract for three (3) years from the date of final payment received by the Supplier. Records related to the Contract include, but are not limited to, financial, proposal, procurement, specifications, production, inspection, test, quality, shipping and export, and certification records. At no additional cost, the Supplier shall provide prompt access to such records to the Purchaser upon request.

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### **29 RIGHTS OF THIRD PARTIES**

A person who is not a Party to the Contract may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 or otherwise.

### **30 SEVERABILITY**

Each clause and sub-clause of the Contract is severable, and if one or more of them are declared invalid, the remaining provisions of the Contract will remain in full force and effect.

### **31 SURVIVABILITY**

All rights, obligations, and duties hereunder, which by their nature or by their express terms extend beyond the expiration or termination of the Contract, including but not limited to warranties, indemnifications, intellectual property (including rights to and protection of intellectual property and proprietary information), and product support obligations shall survive the expiration or termination of the Contract.

### **32 SOFTWARE**

The Supplier warrants that it has not used or modified any software to which it does not own the rights ("Third Party Software") in connection with the development of, nor has it incorporated any such Third Party Software into, any of the Work where: (a) the use, modification or incorporation of such Third Party Software obliges or otherwise requires the Purchaser, the Supplier or any customer (i) to pay any sum of money to a third party, (ii) to provide to a third party source code or software upon request, at no charge or for a nominal or minimal charge, or (iii) to notify any of the foregoing to a third party; or (b) such Third Party Software was licensed to Supplier under the "General Public License" or under the terms of any similar license.

### **33 WAIVERS**

No failure or delay by a Party to exercise any right or remedy provided under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

### **34 REMEDIES**

The rights and remedies of the Purchaser are cumulative and in addition to any other rights and remedies provided by law or in equity.

### **35 WARRANTY**

The Supplier warrants that all Work shall strictly conform to applicable specifications, drawings, samples, descriptions, and other requirements of the Contract and be free from defects in design, material, and workmanship and shall be fit for purpose and of satisfactory quality. This warranty shall begin upon final acceptance and extend for a period of one (1) year. If any nonconforming Work is identified by the Purchaser then without prejudice to any other remedy of the Purchaser, the Supplier, at the Purchaser's option, shall promptly repair, replace, or re-perform the Work. Transportation of replacement Work, return of nonconforming Work, and re-performance of

## **RBSL GENERAL CONDITIONS OF PURCHASE (2021 Edition)**

Work shall be at the Supplier's expense. If repair, or replacement, or re-performance of Work is not carried out promptly, the Purchaser may elect to return, re-perform, repair, replace, or re-procure the non-conforming Work at the Supplier's expense. All warranties shall enure to the benefit of both the Purchaser and its customers.

### **36 WORK ON PURCHASER AND THIRD PARTY PREMISES**

- 36.1 "Premises" as used in this clause means premises of the Purchaser, its customers, or other third parties where Work is being performed.
- 36.2 The Supplier shall ensure that Supplier personnel working on Premises comply with any on-premises policies and: (i) do not bring weapons of any kind onto Premises; (ii) do not manufacture, sell, distribute, possess, use or be under the influence of controlled substances or alcohol while on Premises; (iii) do not possess hazardous materials of any kind on Premises without the Purchaser's authorisation; (iv) remain in authorised areas only; (v) do not conduct any non-Purchaser related business activities on Premises, and (vi) follow instruction from the Purchaser in the event of an actual or imminent safety or environmental hazard on Premises.
- 36.3 All persons, property, and vehicles entering or leaving Premises are subject to search.
- 36.4 The Supplier's personnel, including the Supplier's subcontractors, shall comply with all the Purchaser security, safety, rules of conduct, badging and personal identity, and related requirements while on the Purchaser Premises. Prior to entry on Premises, the Supplier shall coordinate with the Purchaser to gain access. The Supplier shall provide information reasonably required by the Purchaser to ensure proper identification of personnel, including, but not limited to verification of citizenship, residency and right to work status.
- 36.5 The Supplier shall ensure that Supplier personnel: (i) do not remove the Purchaser, customer, or third party assets from Premises without the Purchaser's prior authorisation; (ii) use the Purchaser, customer, or third party assets only for purposes of the Contract; (iii) only connect with, interact with or use computer resources, networks, programs, tools or routines authorised by the Purchaser; and (iv) do not share or disclose user identifiers, passwords, cipher keys or computer dial port telephone numbers. The Purchaser may periodically audit the Supplier's data residing on the Purchaser, customer, or third party assets on Premises
- 36.6 The Purchaser may, at its sole discretion, have the Supplier remove any specified employee of the Supplier from Premises and require that such employee not be reassigned to any Premises under the Contract.
- 36.7 Violation of this clause may result in termination of the Contract in addition to any other remedy available to the Purchaser at law or in equity. The Supplier shall reimburse the Purchaser, customer, or third party for any unauthorised use of the Purchaser, customer, or third party assets.
- 36.8 The Supplier shall advise the Purchaser promptly of any breach of this clause 36.

### **37 LAW & JURISDICTION**

- 37.1 The Contract, and any non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with laws of England and Wales.
- 37.2 If there is any dispute at any time between the Parties arising out of or in connection with the Contract, then the Parties shall use reasonable endeavours to resolve the dispute amicably.



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37.3 The Parties agree that any dispute arising out of or in connection with the Contract that cannot be resolved amicably in accordance with clause 37.2 or which one or both of the Parties considers is not suitable for amicable resolution, including any question regarding its existence, validity or termination, and any dispute relating to any non-contractual obligations arising out of or in connection with the Contract, shall be referred to and finally resolved by arbitration under the Rules of the London Court of International Arbitration, which Rules are deemed to be incorporated by reference into this clause. The number of arbitrators shall be one. The seat or legal place of arbitration shall be London. The language to be used in the arbitration shall be English.

# COUNTERFEIT GOODS AVOIDANCE POLICY

## PY-BMD-001

**15 June 2021: Issue number 1.0**

<b>Point of contact</b>	<b>Caroline Douglas</b>
<b>Authoriser</b>	<b>Jon Borthwick</b>

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**In this document, RBSL is referenced as the Company.**

## **1 Purpose and scope**

Counterfeit parts can jeopardize the performance, reliability, and safety of our products. Authentic parts have a known reliability, which is used to calculate a variety of performance parameters however Counterfeit Supplies do not have a known reliability associated with them. Counterfeits parts represent a major safety risk for all platforms. The unintended use of Counterfeit supplies represents a major and increasing threat to our products. Procurement from OCMs, OEMs, and other certified suppliers or via their approved, authorised, appointed distributor(s), with original material traceability documentation, is the only source of supply, which can be fully relied upon to avoid Counterfeit Supplies.

This policy deals with the prevention of procurement, receipt and use of Misrepresented (fraudulent), Counterfeit or Suspected Counterfeit supplies and process for dealing with Counterfeit or Suspected Counterfeit supplies received.

## **2 Compliance**

This policy applies to all stages of the product and/or project lifecycle for which the company has responsibility under its customer and supplier contracts. Line Managers shall ensure that employees understand the requirements of this policy and shall implement the necessary processes for compliance, taking into account all Financial and Legal Controls.

This Policy meets the requirements of DEF-STAN 05-135 - Avoidance of Counterfeit Material and HB06/22 – The Handbook for Counterfeit Parts Prevention in Procurement, and applies across the company.

## **3 Abbreviations and Definitions**

Adulterated Supplies	Genuine supplies that have been subjected to unauthorised modification. Note: This is particularly relevant but not limited to equipment modifications that may introduce unwanted software viruses, spyware, or access overrides.
Counterfeit Avoidance Maturity Model	Counterfeit Avoidance Maturity Model used to assess Suppliers compliance with Defence Standard 05-135 and support consistent interpretation in the Supply Chain. To be used in conjunction with Defence Standard 05-135. Key parts of the maturity model include: Annex A – Counterfeit Avoidance Maturity Matrix, Annex B – Guidance for Assessors and Annex C – Assess Maturity Level.
Counterfeit Supplies	<p>Means supplies whose origin, age, composition, configuration, certification status or other characteristic (including whether or not the supplies have been used previously) has been falsely represented without legal right by:</p> <ul style="list-style-type: none"><li>a) misleading marking of the supplies' labelling or packaging;</li><li>b) misleading documentation; or</li><li>c) any other means, including failing to disclose information;</li></ul> <p>In addition, whose material, performance including those parts that have been re-marked to disguise them; defective parts scrapped by the original manufacturer. Such supplies are subject to strict quarantine and a possible legal enforcement investigation. These parts should be controlled to prevent them re-entering the supply chain.</p> <p>Counterfeit Supplies include Adulterated Supplies.</p>

Note: Regardless of the governing law of the supply contract, the term "origin" is to be accorded the same meaning as the equivalent term found in European Directive 2008/95/EC (the "Trade Marks" Directive), and the terms "falsely represented", "misleading", "failing to disclose information" and "dishonesty" are to be accorded the same meaning as the equivalent terms found in the Fraud Act 2006.

Independent Distributors

Persons and businesses that are not part of an OCM's authorized distribution chain. These also may be referred to as un-franchised distributors, unauthorized distributors or brokers.

LCM

Lifecycle Management

Misrepresented Part

A suspect part misrepresented to the customer as meeting the customer's requirements, e.g. previously used parts provided as "new", or parts not matching the specification, for example, Lead-free electronic components sold as Lead-finished. These parts should be subject to legal fraudulent investigation.

OCM

Original Component Manufacturer and the company that is the originating source of production for legitimate components

OEM

Original Equipment Manufacturer

## **4 Policy**

### **4.1 Counterfeit Supplies Prevention and Detection**

The company shall work with external organisations to share best practice and limit the risk from Counterfeit Supplies. All supplies including materials, parts, finished goods, equipment and services shall be specified to conform to all applicable regulatory and company requirements.

To ensure the integrity of its products the policy of the company is as follows;

- a) The selection of supplies shall include an assessment of the risk of counterfeiting.
- b) The company shall establish working processes and practices coherent with DefStan 05-135 and assess compliancy with this Defence Standard using the Counterfeit Avoidance Maturity Model (CAMM).
- c) All sources of supply shall be positively vetted for the implementation of suitable counterfeit prevention and response measures in accordance with the company – Supplier Questionnaire, question 47 in form FM-BMD-103a.
- d) All procured material/components/parts shall be sourced from the Original Component Manufacturer (OCM) and/or their franchised/authorised distribution chain to the maximum extent possible.
- e) All procured finished goods and equipment shall be sourced from the Original Equipment Manufacturer (OEM) and/or their franchised/authorised distribution chain to the maximum extent possible.
- f) Supplier contracts shall include a supplier obligation to provide the purchaser with certificates of conformity and civil approved certificates and, if the supplier is not the original manufacturer of the supplies, copies of the original manufacturer's certificate of conformity or civil approved certificate together with test figures, heat treatment particulars etc., where applicable.
- g) Supplier contracts shall include Counterfeit prevention Supplies clauses in accordance with those required by the company Standard Conditions of Purchase.
- h) Received supplies shall be evaluated to the extent necessary to provide confidence in their regulatory compliance and authenticity, and where necessary shall be verified by suitably qualified personnel in

accordance with BS ISO 12931. Confirmed and suspected counterfeit supplies shall be dealt with in accordance the relevant supplier contract including any non-conformance procedures and as set out within this policy.

i) Independent Distributors (Brokers) used only as a last resort. The use of brokers must be approved by Quality Assurance, Engineering and Project Management. Brokers are only used after consideration of alternate parts, re-design, schedule adjustments, and a reasonable and documented search for OCM's and franchised/authorized distributors.

j) Purchases shall only be made from Independent Distributors who have been thoroughly vetted and approved for use by Supply Chain. Vetting teams should be composed of Quality Assurance, Engineering and Procurement for fact finding necessary to support decision-making and to provide consistency for use of brokers.

k) The company shall establish Subject Matter Experts (SME) for manufacturers and distribution chains through its Supply Chain team that has regulatory and compliance responsibility and as communicated by name from time to time.

l) Extra measures shall be used when procuring from Independent Distributors, including:

- i. Purchase order quality assurance clauses and other terms and conditions;
- ii. Specific inspection requirements;
- iii. Third party and in-house validation and testing requirements; and
- iv. Certificates of conformance, certificates of origin and other documentation to support the authenticity of the parts.
- v. Counterfeit Supplies shall not re-enter the Supply Chain. Counterfeit Supplies shall not be returned to the supplier. Any supplies suspected or proved to be Counterfeit Supplies shall be clearly identified, both physically where possible and electronically in the relevant Materials Management System and where possible Counterfeit Supplies shall be quarantined to avoid accidental use. xxxxx will ensure suspected counterfeit materiel is not returned to the sub-supplier unless under controlled circumstances for validation or testing

m) In the event that Counterfeit Supplies being suspected or proved THE COMPANY shall convene a meeting of relevant stakeholders to assess the implications of the Counterfeit Supplies and develop a plan accordingly. Part of that plan shall be to:

- i. verify the origin of the supplies where necessary
- ii. circulate relevant information about the supplier and the Counterfeit Supplies to relevant stakeholders within the company
- iii. ensure the occurrence of Counterfeit Materiel is reported to the Customer, Supplier of the materiel, the owner of the Intellectual Property Rights of the genuine materiel, appropriate information / data gathering organisations including, but not limited to: British Electrotechnical and Allied Manufacturers' Association (BEAMA), Electronic Systems Community (ESCO) and Medicines and Healthcare Products Regulatory Agency (MHRA)
- iv. review supplier approval status and where necessary remove the supplier from the the company list of active suppliers;
- v. highlight to the relevant support authority any Counterfeit Supplies that form part of an in-service platform
- vi. detail the marking, handling and disposal actions for the Counterfeit Supplies; and
- vii. detail the costs associated with the supply of the Counterfeit Supplies including the replacement supplies and clearly attribute these to the supplier for recovery.



Further guidance is contained within; HB06/22 – The Handbook for Counterfeit Parts Prevention in Procurement.

## 5 Reference and related documents

DOC REFERENCE	DOCUMENT TITLE/DESCRIPTION
DEF-STAN 05-135	Avoidance of Counterfeit Material
European Directive 2008/95/EC	Trade Marks Directive
Fraud Act 2006	Fraud Act 2006
HB06/22	The Handbook for Counterfeit Parts Prevention in ProcurementUK-Standard-Conditions-of-Purchase 2018UK Standard Conditions of Purchase
<a href="#">PR-BMD-103</a>	The company Supplier Evaluation, Approval and Deactivation Process
TBC - DRAFT	The Company Anti Counterfeiting Management Plan (ACMP)
Counterfeit Avoidance Maturity Model	Counterfeit Avoidance Maturity Model (CAMP) version 2