

## Standard Terms and Conditions of Purchase

**GENERAL DYNAMICS**  
United Kingdom Limited

These Standard Terms and Conditions of Purchase (“Standard Conditions”) along with any Special Conditions, Specifications and Purchase Orders (including any other documents referenced in it) form part of our agreement (the “Agreement”) for the sale and purchase of Products and/or Services between us and you.

An order of precedence of documents can be found [below](#).

### **INTERPRETATION**

Capitalised words and rules of interpretation used in this document are defined in the [definitions and interpretation table](#).

### **SYMBOLS**



#### **COMMUNICATION:**

Indicates the need for a Party to communicate information to the other.

Specific communication requirements are summarised in the [communication summary table](#).



#### **EACH PARTY TO AGREE:**

Indicates the need for each Party to come to an agreement or where our approval is required.

These are summarised in the [each Party to agree summary table](#).



#### **MANDATORY FLOWDOWN:**

Indicates the need for you to flowdown to a Third Party, the applicable condition if you sub-contract any part of the Agreement.

A full list of mandatory flowdown conditions are found in the [mandatory flowdown table](#).



#### **DIAGRAMS:**

Indicates that a diagram has been generated. The diagrams provide further information and can be found in the [diagrams section](#).

### **ORDER OF PRECEDENCE**

The Agreement constitutes the entire agreement between us and you. If there are any inconsistencies or conflict between the Agreement documents, precedence shall be given in the following order of priority:

- 1) [Special Conditions](#)
- 2) [Standard Conditions](#)
- 3) [Specification](#)
- 4) Any other documents referenced on the [Purchase Order](#)

# MAIN CONDITIONS

## 1 Acceptance of the Purchase Order

### 1.1 Confirmation of acceptance

We can revoke a Purchase Order if you fail to communicate acceptance.



- You shall communicate acceptance of the Purchase Order within fourteen (14) calendar days of the date on the Purchase Order.
- In the absence of an acceptance, you shall be deemed by us to have accepted the Purchase Order and entered into the Agreement on the date you deliver Products and/or perform Services in accordance with the Purchase Order.

### 1.2 Changes to the Agreement



- Terms and conditions proposed by you that are in addition to or differ in any way to those contained in the Agreement shall be void, unless agreed to in writing by us and included in the Special Conditions.

### 1.3 Change requests



- We may request a change to the accepted Agreement in writing (Change Request).
- If we do request a change, you shall use your reasonable endeavours and work with us in good faith to agree any amendments as reasonably necessary, in order to accommodate a Change Request.
- We shall be entitled to immediately terminate the Agreement (in whole or in part), upon written notice, if you are unable to accommodate a Change Request.

### 1.4 Further orders

- You shall use all reasonable endeavours to accept further orders for Products and/or Services at the same price(s) and delivery lead-times that you have previously delivered/performed under the Agreement.

## 2 Delivery

### 2.1 You must follow our delivery instructions

- We can refuse deliveries that do not fulfil our delivery instructions as detailed within the Agreement.

### 2.2 Delivery terms

*Incoterms® dictate which Party is responsible for the risks, costs and liabilities associated with the shipment of Products at each stage of the shipping process.*



- Unless the Special Conditions state otherwise, the delivery terms in respect of any Products shall be Delivered Duty Paid (DDP) Incoterms® 2020.
- Under the DDP Incoterms® 2020 rules, you as Seller are responsible for delivery of the Products to us as Buyer, ready for unloading, at the named place of destination.

Seller delivers Products (and risk passes) to the Buyer	Seller obligations	Buyer obligation
When the Products are placed at the disposal of the Buyer, cleared for import, on the arriving means of transport, ready for unloading, at the named place of destination or at an agreed point.	<ul style="list-style-type: none"> <li>• Pay freight costs and bear risk to Buyer's premises.</li> <li>• Clear the Products for export and import.</li> <li>• Pay import duties and taxes.</li> </ul>	Make Products available for unloading at the Buyer's premises.

### 2.3 Delivery Documentation

- Documents to be provided by you upon delivery of each consignment of Products to us are:
  - Advice note;
  - Certificate of conformity; and
  - Delivery note.
- You must reference the Purchase Order / Agreement number on all delivery documentation.
- We may reject the delivery of the Products if these documents are not included.

### 2.4 Packaging

- Unless otherwise stated in the Special Conditions or otherwise agreed, Products must be packaged and labelled to conform with good commercial practice.
- All Products must be delivered in a way that avoids any deterioration, loss or damage during delivery.

### 2.5 Risk of loss

- Title to the Products as soon as they are constructed, purchased by you or allocated by you for the purpose of fulfilling the Agreement shall immediately pass to us. Risk of loss or damage to the Products shall pass to us on delivery.
- If we reject the Products, risk of loss or damage to the Products shall immediately pass to you, upon notice of rejection.
- The passing of title in property and risk in products will not affect our rights to reject or cancel a Purchase Order.

### 2.6 Early / partial / excess deliveries



- You must get our prior written approval if you wish to make a delivery in advance of the Delivery Schedule or make partial deliveries.
- In the event of early delivery or partial deliveries, any costs shall be at your expense, and our original payment obligations shall continue to apply.
- We shall not be obligated to accept delivery of Products and/or Services in excess of that provided for in the Agreement.
- Excess quantities may be rejected upon delivery or returned to you at your own cost.

## 3 Performance

### 3.1 Performance

*A material breach shall entitle us to claim damages for losses arising as a result of the breach and shall trigger our rights to terminate the Agreement.*



- Your failure to deliver the contracted quantities or meet the Delivery Schedule of the Agreement (including as to the time, date or delivery location) shall be deemed a material breach.
- You shall promptly notify us in writing if you anticipate that you cannot meet the Delivery Schedule.
- You must state the reasons for the delay and the actions you are taking to overcome or minimise the delay.
- We may reject deliveries deviating from the Agreement and recover from you all reasonable costs incurred as a result.
- Without affecting or limiting any of our rights or remedies under the Agreement, we may, at our option, accept deliveries deviating from the Agreement.
- We shall be entitled to request that you (at your own cost) expedite delivery via other methods.

## 4 Prices

### 4.1 Prices

- Prices shall be set out within the Agreement and be exclusive of Value Added Tax (VAT), but inclusive of all other taxes, fees, duties, costs and expense.
- No charges shall be made for packing, insurance or delivery unless already agreed by us in writing in advance and any such charge shall be itemised separately on the invoice.

## 5 Inspection

### 5.1 We and our customers can inspect the Products and/or Services at any time



*The UK Ministry of Defence mandates that all requirements of defence contracts may be subject to government quality assurance (GQA) activities.*

- You shall allow us, upon notice, to enter your facilities to inspect:
  - the Products and/or Services;
  - the production methods and organisation.
- You shall provide reasonable facilities and assistance for our inspection personnel.
- You shall also allow us, upon notice, to conduct inspection at Third Party facilities used by you.
- Subject to Section 6.1 – Acceptance of Products, any inspection carried out by us or any failure to inspect will not relieve you of your obligation to comply fully with the Agreement and shall not mean that we have accepted the Products and/or Services.
- All requirements of this contract may be subject to GQA. You will be notified of any GQA activity to be performed.

### 5.2 Notification of discrepancies / non-conformance



- You shall notify us immediately, in writing, if you find discrepancies in your processes relating to the Products or non-conformities in the Products, regardless of whether the Products have been or will be delivered under the Agreement.

## 6 Acceptance of Products and Services

### 6.1 Acceptance of Products



- If acceptance tests are required in the Special Conditions or Specification, acceptance of the Products shall be subject to completion of the acceptance tests to our satisfaction.
- If acceptance tests are not a requirement we may inspect the Products to check if they fulfil the Agreement before we accept them.
- If we inspect the Products, we shall inform you if they are deemed accepted within thirty (30) calendar days after delivery.
- If we inform you that the Products are rejected we may at our option:
  - return to you, at your expense, any Product which fails to meet the terms, conditions or specifications of the Agreement;
  - ask you to either repair or replace the Products at your own expense within seven (7) calendar days of us notifying you;
  - cancel the whole Agreement and recover any monies we have paid you;
  - cancel part of the Agreement relating to the rejected Products or any Products yet to be delivered and recover any monies we have paid you in respect of the rejected Products.
- Failure to inspect does not mean we have accepted the Products and shall not limit any of our rights or remedies under the Agreement.

### 6.2 Acceptance of Services

- We shall inspect the results or execution of the Services and inform you if they are deemed accepted within thirty (30) calendar days after completion.
- If we do not inspect the Services within thirty (30) calendar days after completion they shall be deemed accepted.

## 7 Invoicing and payment

### 7.1 Invoices

*Invoices shall only be issued by you after delivery of the Products and/or Services to us.*



- You shall provide your invoice within thirty (30) calendar days after the date you delivered the Products and/or completed Services.
- Invoices shall not be sent prior to the delivery of the Products or the commencement of performance of the Services.
- Invoices must be sent to our address, designated on the Purchase Order.
- We shall review the invoice and make you aware of any irregularities within five (5) Business Days, including recommendations on how to rectify any irregularities.
- Your invoice shall set out the following details:
  - Purchase Order / Agreement number; and
  - Details of the Products and/or Services provided by you; and
  - Price exclusive of value added tax.
- Failure to provide the requested details on your invoice may result in your invoice being rejected which will delay payment.

### 7.2 Payment

- Subject to the provisions of [Section 6 - Acceptance of Products and Services](#), we shall pay you within thirty (30) calendar days after receipt of a correct invoice.
- Payment shall be in the currency stipulated in the Agreement.
- We reserve the right to withhold payment for disputed invoices until the dispute has been resolved.
- We may deduct from or offset against any sum from you, that is recoverable or due to us in connection with the Agreement or any other agreement.

## 8 Warranties

### 8.1 Warranties

*Contractual promises you make regarding the Products and/or Services you provide.*

*The benefit of the warranties shall pass to our customers.*

#### The Products must:

- Conform in all respects with all drawings, specifications, designs and other requirements or descriptions stated in the Purchase Order and the Agreement;
- Be consistent with advertisements, brochures, samples or other representations you have made to us;
- Be fit and sufficient for the purpose for which we have expressly or by implication made known;
- Be free from defect;
- Be genuine and free from counterfeit materials ([Section 12.2 - Genuine Products](#));
- Be free from conflict minerals ([Section 12.4 – Conflict minerals](#));
- If applicable, pass our acceptance tests, for which you must retain any relevant certification to be made available to us or any relevant regulation authorities;
- Be new and of the best grade and quality; and
- Be in compliance with any applicable national, European or international standards, safety regulations and legal requirements, including, but without limitation, the regulations set out in the following **QUALITY STANDARDS TABLE**.



#### QUALITY STANDARDS TABLE

AQAP 2110 NATO Quality Assurance Requirements for Design, Development and Production  
ISO 9001 Quality Management  
AS 9110 Quality Management

#### The Services must:

- Conform to the Agreement; and
- Be carried out with reasonable care and skill and in a professional manner.

### 8.2 Warranty period



- Unless otherwise written in a document that comprises the Agreement, the warranty period shall be 12 months after the date we accept the Products and/or Services.
- If we do not communicate our acceptance of the Products to you, the warranty period shall start thirty (30) calendar days after you deliver the Products and/or complete the Services.
- For any Services performed, you agree that the warranty shall survive any inspection, delivery, acceptance or payment.

### 8.3 If a contractual promise is misleading, untrue or broken

- In addition to any other remedies that are available to us at law or in equity, if any warranty is misleading, untrue or if it has been breached:

#### Products:

- We may ask you to either repair or replace the Products at your own expense within seven (7) calendar days of us notifying you.
- We may ask you to refund the cost of non-conforming Products.
- You shall be liable for the following costs where applicable:
  - Inspection, removal and transportation of the Products;
  - Repair or replacement;
  - Reassembly / reinstallation; and
  - Packaging and delivery.
- We may recover from you all reasonable costs and expenses incurred as a result.

#### Services:

- You shall be liable, at our option, for the cost of removal, repair or replacement, reinstallation and any transportation arising in relation to each non-conforming Service.
- We may require you to perform the Services again.
- We may seek a refund for the Services not provided if performance is not possible.

A further twelve (12) month warranty (“Extended Warranty Period”) shall be supplied to us in relation to any Product repaired or replaced or for Services re-performed. The Extended Warranty Period shall apply from the date we accept the repaired or replaced Product, or on the resumption of Services.

### 8.4 Software warranties

*Promises relating to any hardware, software and firmware you deliver to us and are in addition to those promises and conditions described in 8.1 to 8.3.*

#### The software must:

Be free from viruses, programmes, or programming devices that could modify, delete, damage, disable or allow unauthorised access of any software or hardware.

#### You warrant that:

- You satisfy all the conditions of Third Party Software copyright/licence terms;



*GNU is a series of widely-used free software licenses that could provide our customers with the freedom to run, study, share, and modify the software.*

- You have not used or modified any Third Party Software to which you do not own the rights during development of the Products;
- You have not incorporated any Third Party software into the Products which shall require us or any of our customers to:
  - Pay any sum of money to a Third Party;
  - Provide source code or software to a Third Party at no charge or for a minimal charge; or
  - Notify and obtain additional permissions/distribution rights from a Third Party.
- You have not incorporated any Third Party software licensed under the “GNU General Public Licence (GNU)” or terms of any similar licence.
- You shall notify us if you have incorporated software licensed under GNU or any similar licence.

## 9 Intellectual Property

### 9.1 We own Intellectual Property designed or developed by you for the purposes of the Agreement



- All Intellectual Property rights designed or developed by you under the Agreement are exclusively owned by us.
- You shall, free of charge, complete all formalities necessary to transfer to us the Intellectual Property rights created as a result of the work undertaken under the Agreement.
- There shall be no Intellectual Property designed or developed jointly under this Agreement unless expressly stated in the Special Conditions.

### 9.2 Intellectual Property owned by us shall remain our property

- Any Intellectual Property owned by us and supplied to you in connection with the Agreement shall be and remain our property.
- Upon our request, our Intellectual Property and any copies made by you, shall be returned to us or certified that it has been destroyed.

### 9.3 You give us rights to use Intellectual Property owned or licensed by you

- Any Intellectual Property rights created by you prior to the commencement of the Agreement shall remain owned by you.
- You shall, at no charge to us, grant us and our customers on an irrevocable, transferable, assignable and perpetual basis the right to use for any purpose, Intellectual Property rights vested in you that form part of the Products and/or Services.
- You shall, at no charge to us, obtain on an irrevocable, transferable, assignable and perpetual basis, all Third Party consents and licenses necessary for us and our customers to use, make use of and/or have used the Products and Services.

### 9.4 You shall indemnify us against Intellectual Property claims

- You shall indemnify us against any Third Party claims on the basis of (actual or alleged) infringement of Intellectual Property rights.

## 10 Indemnity and insurance

### 10.1 Indemnity

*Your promise to compensate us for the loss suffered as a consequence of a specific event.*

- You shall indemnify us against all Losses suffered or incurred by us in connection with:
  - Any breach of warranties contained in [Section 8 - Warranties](#);
  - Your breach, negligent performance or non-performance of the Agreement;
  - Third Party Intellectual Property claims ([Section 9.4 - You shall indemnify us against Intellectual Property claims](#));

- All other Third Party claims relating to the performance of the Agreement.
- You shall indemnify us against all Losses suffered or incurred by us in connection with the personal injury to, or death of, any of your Employees while on our premises.
- This Section 10.1 shall survive any termination or expiration of the Agreement.

## 10.2 Insurances



- You shall maintain insurance coverage for your liabilities under the Agreement and, as a minimum, maintain the following primary insurance policies at the specified amount with reputable insurers:
  - Employer’s liability           £10 million per claim
  - Public Liability               £ 5 million per claim
  - Professional Indemnity       £ 2 million per claim
- You shall make a copy of such policies available to us upon request.

## 10.3 Property we provide to you

- Any Property provided by us to you for use in connection with the Agreement shall be at your risk from the time the Property leaves our premises until it is returned to us by you.
- Title to the Property shall remain vested in us and/or our licensors (as the case may be) and you shall insure the Property against all loss and damage.
- We shall have the right (with reasonable notice) to inspect the Property while in your possession or control.
- You shall not use the Property other than for the purpose of performing your obligations under the Agreement and shall maintain the Property in good condition.
- At our written request, and, in any event, on completion of the Agreement, you shall at our option or direction either return the Property to us or destroy (and provide written confirmation of such destruction).

## 10.4 Accuracy of information we provide to you

- The accuracy and completeness of any information we provide to you is not warranted.

## 10.5 Your Employees

*There may be a requirement for you to send your employees to our premises to perform the Agreement*

### If your Employees are sent to our premises to perform the Agreement:

- They shall remain your Employees and under your control.
- You shall maintain insurance coverage in accordance with [Section 10.2 – Insurances](#).
- You shall indemnify us in accordance with [Section 10.1 – Indemnity](#).
- You shall be liable for damages or loss to our property caused by your Employees whilst on our premises.
- You shall ensure that your Employees are suitably skilled and qualified and ensure they shall abide by applicable laws, rules and regulations concerning health and safety, our safety rules, regulations and any other instructions or policies as we may communicate to you or your Employees from time to time.

## 11 Circumstances / events beyond a Party’s reasonable control

### 11.1 Circumstances / events beyond a Party’s reasonable control

*Beyond reasonable control events are circumstances which could not be*

- Each Party should ensure that they have taken appropriate measures to deal with and mitigate potential risks that would impact the performance of their contractual obligations in relation to the Agreement.



*foreseen or avoided and which a normal prudent business could not have prevented from happening.*

- Subject to the remainder of this Section 11, neither Party shall be liable for failing to perform an obligation in the Agreement resulting from circumstances/events beyond its reasonable control.

### 11.2 Burden of proof

*This is a duty to produce sufficient evidence to support an allegation or argument.*



- The burden of proof for demonstrating circumstances / events beyond a Party's reasonable control lies with the Party claiming it.
- The affected Party must:
  - immediately inform the other Party of the delay, the potential duration and the consequences;
  - keep and provide records of how and why contractual performance was delayed and any measures that were taken to address/mitigate the impact on contractual performance;
  - endeavour to avoid further delay and ensure that performance of its obligations is not impacted.

### 11.3 If it lasts more than 3 months

- We may terminate the Agreement, by giving 1 months' notice if a Party is prevented, hindered or delayed from the performance of their contractual obligations in relation to the Agreement for more than three (3) months.

## 12 Compliance

### 12.1 Compliance with applicable laws

*We ask you to pay particular attention to the specific areas outlined in 12.2 – 12.8 but this is not an exhaustive list.*



- You shall comply with all applicable laws, statutes, rules and regulations in performing your obligations under the Agreement.
- We shall be entitled to terminate the Agreement if you breach any provision within this Section 12 – Compliance.

### 12.2 Genuine Products

*Includes Third Party parts and components incorporated in the Products.*

- You shall ensure that all parts and components that are incorporated in the Products are genuine from the original patented source that owns the relevant Intellectual Property.
- You warrant that the policies and procedures you implement ensure that you do not trade in counterfeit goods and that you authenticate all Products supplied as genuine.

### 12.3 Environment and sustainability

*You should at all times be capable of demonstrating to us how you build sustainable development into your policies and how you identify, monitor and mitigate environmental, economic and social impacts.*



- You confirm that you shall comply with all applicable environmental laws, regulations and standards and that you have implemented environmental policies concerning the Products and associated processes.
- You shall not deliver any hazardous or toxic substances to our premises without our prior written approval and, if we approve, you shall mark all hazardous Products with applicable international danger symbols and display the name of the material in English.
- You shall advise us, before delivery of the hazardous Products, of all relevant health, safety and environmental data so that we can make appropriate precautionary arrangements.
- Upon our request, you shall provide a certificate or other written statement confirming that any Products supplied to us do not contain hazardous materials above those permitted under any applicable laws, rules, regulation or guidance

- You shall comply with all the requirements of legislation governing the controlled tipping of waste, in particular, of electrical and electronic equipment, and the control of hazardous and chemical substances, as amended, extended or re-enacted from time to time including but not limited to:
  - UK Control of Substances Hazardous to Health Regulations 2002;
  - Montreal Protocol on Substances That Deplete the Ozone Layer;
  - WEEE EC Directive 2002/96/EC;
  - Restriction of Hazardous Substances (RoHS) EU Directive 2011/65/EU;
  - Regulation Number 1907/2006 (EU REACH Regulations).

#### 12.4 Conflict minerals

*Conflict minerals are minerals mined in conditions of armed conflict and human rights abuses, and which are sold or traded by armed groups.*



- If your Products contain tantalum, tungsten, tin or gold then you shall ensure that any items or materials forming part of the Products have been purchased from legitimate and responsible sources which are not involved in funding conflict.
- We may request that you provide to us all relevant information showing the source of such materials and your compliance with the relevant legislations.

#### 12.5 Anti-corruption

*This covers bribery, corruption and fraud.*

- Each Party undertakes that it complies with all applicable laws and regulations relating to anti-corruption, including but not limited to, the Foreign Corrupt Practices Act, the Bribery Act 2010 and other applicable anti-bribery laws.
- Each Party represents that it has and shall maintain and adhere to an appropriate anti-corruption policy and processes.

#### 12.6 Anti-slavery

*You warrant that at the date of the Agreement you have not been convicted of any offence involving slavery and human trafficking.*



- You warrant that you shall comply with all applicable anti-slavery and human trafficking laws and regulations, and shall not engage in any activity, practice or conduct that would constitute an offence under the Modern Slavery Act 2015.
- You shall notify us immediately if you become aware of any actual or suspected slavery or human trafficking in your supply chain.
- You shall maintain a complete set of records to trace the supply chain of all Products and/or Services provided to us in connection with the Agreement.
- You permit us to inspect your premises and records to audit your compliance with your anti-slavery obligations.

#### 12.7 Data protection legislation

*We place great emphasis on confidentiality, integrity and availability of information.*

- Each Party shall comply with the obligations imposed on them under the Data Protection Act 2018 and applicable data protection legislation and privacy legislation in force from time to time in the United Kingdom.

#### 12.8 Cyber Essentials

*The UK Ministry of Defence mandates Cyber Essentials for all its new suppliers and their relevant supply chains. It is a scheme to help organisations protect themselves against common online threats.*

- You shall be required to have a Cyber Essentials certificate if the Agreement is in support of a UK Ministry of Defence contract; the certificate must be renewed annually.
- You shall provide a copy of such certificate to us on request.

## 13 Export compliance and trade restrictions

### 13.1 Export compliance



- You shall identify to us any part of your Products and/or Services which may be subject to export laws and regulations and you shall provide us with all information concerning such applicable export controls and required information for customs purposes in a form satisfactory to us upon order acceptance.
- You shall obtain and comply with all licences, permits, approvals or other authorisations, having requested all necessary information from us, required to sell and deliver the Products and/or Services to us for the purposes we require.
- You shall provide us with copies of all applicable licences, permits, approvals or other authorisations required to sell and deliver the Products and/or Services, once obtained and prior to delivery.
- You shall inform us as soon as you become aware that the exportability or importability of the Products and/or Services has changed.
- We shall hold you responsible for any delays in delivery of Products and/or Services to us as a result of the inability to obtain any necessary export licences or authorisations as a result of a change in the status of the Products and/or Services.

## 14 Default events and termination

### 14.1 Default events

*We may give you written notice if you breach or fail to comply with one or more default events. The notice shall grant you a timeframe within which to remedy such breach or non-compliance.*



- Default events happens if:
  - You cannot accommodate a Change Request ([Section 1.3 – Change requests](#));
  - You fail to deliver the Products in full or perform the Services in accordance with [Section 3.1 - Performance](#);
  - You fail to deliver the Products and/or Services in accordance with [Section 8.1 – Warranties](#) and/or [Section 8.4 – Software warranties](#);
  - You fail to comply with any provision within [Section 12 – Compliance](#);
  - You fail to perform any of your other obligations in the Agreement which materially and adversely affects the provision of the Products and/or Services.
- We may terminate the Agreement immediately by providing written notice if you cannot remedy a breach or non-compliance within the given timeframe. The date of the written notice shall be the date of termination.

### 14.2 Termination for convenience



- We may terminate the Agreement at any time for any reason by giving you at least thirty (30) calendar days' written notice. Termination shall take place on expiry of the written notice.
- We may terminate the Agreement if either Party cannot perform its obligations due to circumstances and in the manner outlined in [Section 11 – Circumstances / events beyond a Party's reasonable control](#).

### 14.3 Consequences of termination



#### Termination following default event (and failure to remedy):

- You shall cease all performance in relation to the Products and/or Services.
- You shall comply with our instructions regarding the provision of Products and completion of Services.
- We may refuse to accept the provision of any further Products and/or Services and without incurring any liability.
- We may claim damages and/or any other remedies which we may have at law, in equity and/or under the Agreement.

### Termination for convenience:

- We shall agree a fair and reasonable price for all work done and material purchased in relation to the Agreement up to the date of termination.

## GENERAL PROVISIONS

### 15 Waiver

#### 15.1 Waiver

*A failure to enforce rights or remedies shall not result in the loss of those rights or remedies.*

- If a Party delays or decides not to enforce any provision of the Agreement, this does not mean that the Party has waived its right under that provision, unless it is expressly confirmed in writing that it has waived this right.
- If a Party exercises any of its rights or remedies under the Agreement, this does not mean that the Party cannot exercise any other rights or remedies that it may have under the Agreement, at law or in equity.

### 16 Severability

#### 16.1 Severability



- If any provision in the Agreement is held to be invalid, illegal, or unenforceable, the Parties shall attempt to negotiate in good faith a change to the provision(s). The remaining provisions shall stay the same.

### 17 Notices

#### 17.1 Notices

- All notices required to be given under the Agreement shall be deemed properly given if delivered in writing (including electronic mail) to the addresses identified in the Agreement. Notice shall be deemed given at the time of posting/emailing.

### 18 Notification of changes

#### 18.1 Notification of changes



- You shall notify us, and where requested seek our approval, should there be any changes in your:
  - Products;
  - Processes;
  - Sub-contractors;
  - Manufacturing facility location.

### 19 Assignment and sub-contracting

#### 19.1 Assignment



- You may not assign or transfer any rights or obligations under the Agreement to a Third Party without our prior written consent.

#### 19.2 Sub-contracting



- You may not sub-contract any performance of the Agreement to a Third Party without our prior written consent.

## 20 Party relationship

### 20.1 Independent contractors

- The Parties' relationship under the Agreement shall be that of independent contractors. Neither Party shall have the right to contract or, in any other way, enter into commitments on behalf of or in the name of the other Party.

## 21 Publicity

### 21.1 Publicity



- You shall not use our name or trademarks, and shall not release any publicity, advertisement, news release, or any other public statement regarding the Agreement without our prior written approval.

## 22 Confidentiality

### 22.1 You shall keep Information confidential



- You shall treat in confidence all Information you receive from us.
- You shall not use Information for any reason other than for the purposes of the Agreement or disclose Information to any Third Party except in the following circumstances:
  - To the extent you are required to by law;
  - The Information is in the public domain;
  - To provide to your Employees who have a need to know provided they are subject to no less onerous obligations of confidentiality.
- This Section 22.1 shall survive any termination or expiration of the Agreement.

## 23 Affiliates and Third Party rights

### 23.1 Affiliates

*The Contracts (Rights of Third Parties) Act 1999 allows a Third Party to enforce the terms of a contract if it benefits them or is expressly provided for.*

- You agree that the provisions of the Agreement are enforceable by our Affiliates in accordance with the Contracts (Rights of Third Parties) Act 1999.

### 23.2 Third Party rights

- Except as set out in [Section 23.1 - Affiliates](#), a Third Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Agreement.
- The consent of our Affiliates shall not be required to terminate this Agreement.

## 24 Governing law and dispute resolution

### 24.1 Governing law

- The Agreement shall be governed and interpreted in accordance with the law of England and Wales.
- The courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim.

### 24.2 Dispute resolution



- We shall attempt in good faith through negotiations to resolve a dispute should it arise out of or in connection with the Agreement.
- Unresolved disputes shall be referred to arbitration in accordance with the London Court of Arbitration (LCIA) Rules and Procedure.
- The number of arbitrators shall be one.
- The seat, or legal place, of arbitration shall be London, England.
- The language to be used in the arbitral proceedings shall be English. We shall continue with the performance of the Agreement in anticipation of the decision.

## **TABLE OF DEFINITIONS AND INTERPRETATION**

<b>DEFINED TERMS</b>	
Affiliates	General Dynamics United Kingdom Limited affiliates in the Mission Systems area of business, namely: General Dynamics Mission Systems, Inc. (USA), General Dynamics Canada (Canada), and Page Europa S.r.l. (Italy).
Agreement	Has the meaning contained on page 1 of the Standard Conditions.
Business Days	Means any day excluding Saturdays, Sundays and public and statutory holidays in the jurisdiction of either Party.
Buyer	General Dynamics United Kingdom Limited, also referred to as 'we', 'us', 'our'.
Change Request	Means a requested change to the accepted Agreement in writing.
Delivery Schedule	Means the specified date defined in the Agreement that Products and/or Services shall be made available / delivered by you to us.
Employees	Includes employees, sub-contractors, agents or other representatives used by you to perform the Agreement.
Extended Warranty Period	An additional twelve (12) month warranty period supplied to us in relation to any Product repaired or replaced or for Services re-performed
Information	Means any information in any form disclosed by us to you in connection with the Agreement that is identified as being of a confidential or proprietary nature or which ought reasonably to be considered to be confidential.
Intellectual Property	Means all registered or unregistered patents, industrial designs, copyrights, trademarks, trade secrets, technical data, know-how, business information and all other intellectual property rights (including designs, drawings, specifications, rights to source code and other documentation produced or developed).
Losses	Means all damages, losses, liabilities, claims, actions, costs, expenses (including legal expenses on an indemnity basis), proceedings, demands and charges whether arising under statute, contract or at common law and in equity.
Party / Parties	General Dynamics United Kingdom Limited (Buyer) and you (Seller).
Products	Equipment, goods, materials, supplies, drawings, data, software or any other articles or property.
Property	All jigs, tools, dies, patterns, moulds, gauges, components, materials or any other items of whatsoever nature provided by us to you for use in connection with the Agreement.
Purchase Order	Means our purchase order along with these Standard Conditions.
Seller	Means the supplier under this Agreement with us and "you" and "your" shall be construed accordingly.
Services	The services and/or work to be performed by you on behalf of us.
Special Conditions	Any conditions listed as "Special Conditions" and referenced on the Purchase Order including the Delivery Schedule.
Specification	Means the document (if any) which sets out the agreed requirements for the Products and/or Services.
Standard Conditions	These standard terms and conditions of purchase.
Third Party	Any person (including companies and other incorporated or unincorporated entities) who is not a party to the Agreement.
Third Party Software	Any and all software licensed by a Third Party.

## INTERPRETATION

**The summary tables are to aid you with your reading of this Agreement and should not be interpreted as a summary of the Standard Conditions, which should be read in their entirety.**


**Section headings, schedule headings and paragraph headings, and symbols shall not affect the interpretation of this Agreement.**

**Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.**

**A reference to a statute or statutory provision, legislation, regulation or directive is a reference to it as amended, extended or re-enacted from time to time.**

**A reference to a statute or statutory provision, legislation or regulation shall include all subordinate legislation made from time to time under that statute or statutory provision**

## SYMBOL SUMMARY TABLES

	COMMUNICATION
Standard Condition number and description	
Confirmation of acceptance of the Purchase Order Performance	<b>1.1</b> Requires you to communicate acceptance of the Purchase Order within fourteen (14) calendar days of the date on the Purchase Order. <b>3.1</b> Requires you, if you anticipate that you cannot meet the Delivery Schedule, to promptly notify us in writing stating the reasons for the delay and the actions you are taking to overcome or minimise the delay.
Notification of discrepancies / non-conformance	<b>5.2</b> Requires you to notify us immediately if you find discrepancies in your processes relating to the Products or non-conformities in the Products.
Acceptance of Products and Services	<b>6.1 / 6.2</b> Outlines how the Products and/or Services shall be deemed accepted or rejected.
Software warranties	<b>8.4</b> Requires you to notify us if you have incorporated software licensed under GNU or similar.
Insurances	<b>10.2</b> Requires you make copies of insurance policies available to us upon request.
Circumstances / events beyond a Party's reasonable control	<b>11.2</b> Requires the affected Party to immediately inform the other Party of the delay, the potential duration and the consequences.
Environment and sustainability	<b>12.3</b> Requires you to: <ul style="list-style-type: none"> <li>▪ advise us, before delivery of the hazardous Products, of all relevant health, safety and environmental data with so that we can make appropriate precautionary arrangements; and</li> <li>▪ at our request, provide a certificate or other written statement confirming that any Products supplied to us do not contain hazardous materials above the permitted levels under the relevant laws.</li> </ul>
Conflict minerals	<b>12.4</b> Provides that we may request that you provide to us all relevant information showing the source of such materials.
Anti-slavery	<b>12.6</b> Requires you to notify us immediately if you become aware of any actual or suspected slavery or human trafficking in your supply chain.
Export compliance  <i>A satisfactory form would be the completion and provision of our completed Product Classification Questionnaire (PCQ).</i>	<b>13.1</b> Requires you to; <ul style="list-style-type: none"> <li>▪ identify to us any part of your Products and/or Services which may be subject to export laws and regulations and provide us with all export control and required customs information in a form satisfactory to us, and;</li> <li>▪ provide copies of all applicable authorisations as soon as obtained and prior to delivery, and;</li> <li>▪ inform us as soon as you become aware that the exportability or importability of the Products and/or Services has changed.</li> </ul>
Termination notice	<b>14.1 / 14.2</b> Requires us to provide written notice to you if we terminate the Agreement.
Notification of changes	<b>18.1</b> You shall notify us of should there be any changes in your Products, processes; sub-contractors and manufacturing facility location.





## EACH PARTY TO AGREE

### Standard Condition number and description

Changes to the Agreement	<b>1.2</b> Provides that terms and conditions proposed by you that are in addition to or differ in any way to those contained in the Agreement shall be void, unless agreed to in writing by us.
Change requests	<b>1.3</b> States that we may request a change to the Agreement in writing. If we do request a change, you shall work with us to agree any adjustments to the price or Delivery Schedule as reasonably necessary, in order to accommodate a requested change.
Early / partial deliveries	<b>2.6</b> Provides that you must get our written approval if you wish to make a delivery in advance of the Delivery Schedule or make partial deliveries.
Termination for convenience	<b>14.3</b> Provides, in the event of termination for convenience, that we shall agree a fair and reasonable price for all work done and material purchased in relation to the Agreement up to the date of termination.
Severability	<b>16.1</b> States that, should any provision in the Agreement be invalid, illegal, or unenforceable, we shall attempt to negotiate a change to the provision(s).
Assignment and sub-contracting	<b>19.1 / 19.2</b> States that you may not assign or sub-contract any part of the Agreement to a Third Party without our prior written consent, which we shall not unreasonably refuse to give you.
Publicity	<b>21.1</b> Provides that you shall not use our name or trademarks, or release any publicity, advertisement, news release, or any other public statement regarding the Agreement without our prior written approval.
Dispute resolution	<b>24.2</b> States that if a dispute arises out of or in connection with the Agreement we shall at first attempt in good faith through negotiations to resolve it.



## MANDATORY FLOWDOWNS

Standard Condition number and description of the effect of flowing down

Inspection	<p><b>5.1</b> Provides us with the right to inspect the Products and/or Services at your sub-contractors premises, or any Third Party facilities used by you, at any time. Sub-contractors must also be informed through purchasing documents that all requirements of defence contracts may be subject to GQA activities.</p> <p><b>5.2</b> Your sub-contractors shall immediately notify you if they find discrepancies in their processes relating to their Products or non-conformities in their Products.</p>
Invoicing and Payment	<p><b>7.1 - 7.2</b> You are required to flowdown the invoicing and payment terms to your sub-contractors.</p>
Warranties	<p><b>8.1</b> You are required to flowdown the standards in the <b>QUALITY STANDARDS TABLE</b> to your sub-contractors.</p>
Software warranties	<p><b>8.4</b> Your sub-contractors warrant that they have not incorporated any Third Party software licensed under GNU terms or any similar licence. They shall notify you if they have incorporated software licensed under GNU or similar.</p>
Intellectual Property	<p><b>9.1</b> We own Intellectual Property designed or developed by your sub-contractors for the purposes of the Agreement.</p> <p><b>9.2</b> Any Intellectual Property owned by us and supplied to you in connection with the Agreement shall be and remain our property.</p> <p><b>9.3 / 9.4</b> You give us rights to use Intellectual Property owned by your sub-contractors and they shall indemnify us against Intellectual Property claims.</p>
Compliance with laws (including data protection)	<p><b>12.1 – 12.7</b> You shall ensure that your contracts with your sub-contractors contain provisions which are equivalent to those contained in these conditions.</p>
Cyber essentials	<p><b>12.8</b> Your sub-contractors shall be required to have a Cyber Essentials certificate if the Agreement is in support of a UK Ministry of Defence contract; the certificate must be renewed annually. Your sub-contractors shall provide you with a copy of such certificate to you on request.</p>
Export compliance	<p><b>13.1</b> Your sub-contractors shall obtain all licences, permits, approvals or other authorisations required to sell and deliver the Products and/or Services. They shall identify any part of the Products and/or Services which may be subject to export laws and regulations and shall provide all information concerning such applicable export regulations. They shall inform you as soon as they become aware that the exportability or importability of the Products and/or Services has changed.</p>
Default and termination	<p><b>14.1</b> Your sub-contractors may be given written notice if they breach or fail to comply with one or more default events. The notice shall grant them a timeframe within which to remedy such breach or non-compliance.</p> <p><b>14.2</b> Only if we exercise our right to terminate for convenience under the Agreement, you may terminate your sub-contractors by giving them written notice.</p>
Confidentiality	<p><b>22.1</b> Your sub-contractors shall keep Information confidential and the terms you flowdown shall be no less restrictive than those contained within the Agreement between us and you.</p>



## DIAGRAMS

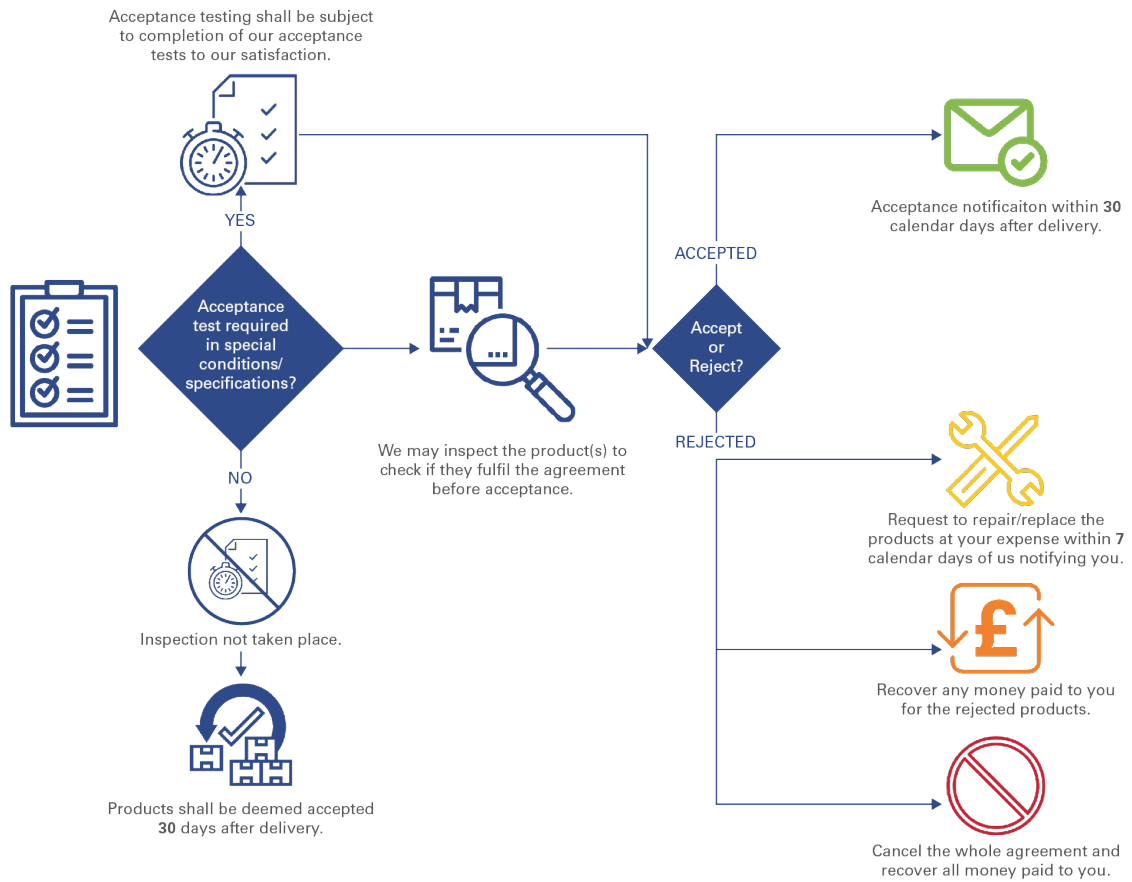
### Standard Condition number and diagram

#### 2.2 Delivery terms

**Unless the Special Conditions states otherwise, the delivery terms in respect of any Products shall be DDP Incoterms® 2020.**

	Freight Collect Terms						Freight Prepaid Terms				
Groups	Any Mode(s) of Transports		Sea and Inland Waterway Transport				Any Mode(s) of Transport				
Incoterms	EXW	FCA	FAS	FOB	CFR	CIF	CPT	CIP	DAP	DPU	DDP
	Ex Works (Place)	Free Carrier (Place)	Free Alongside Ship (Port)	Free On Board (Port)	Cost and Freight (Port)	Cost Insurance & Freight (Port)	Carriage Paid to (Place)	Carriage & Insurance Paid to (Place)	Delivered to Place (Place)	Delivered at Place Unloaded (Place)	Delivered Duty Paid (Place)
Transfer of Risk	At Buyer's Disposal	On Buyer's Transport	Alongside Ship	On Board Vessel	On Board Vessel	On Board Vessel	At Carrier	At Carrier	At Named Place	At Named Place Unloaded	At Named Place
Obligations & Charges											
Export Packaging	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading Charges	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Delivery to Port/Place	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Export Duty, Taxes & Customs Clearance	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Origin Terminal Charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading on Carriage	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Carriage Charges	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Insurance	Negotiate	Negotiate	Negotiate	Negotiate	Negotiate	*Seller	Negotiate	**Seller	Negotiate	Negotiate	Negotiate
Destination Terminal Charges	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller
Delivery to Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller
Unloading at Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Buyer
Import Duty, Taxes & Customs Clearance	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller

## 6.1 Acceptance of Products



## 7 Invoicing and payment



## 8.2 Warranty period

