

GENERAL CONDITIONS OF CONTRACT

DE MINIMIS CONTRACTS

1. **LEGAL STATUS OF THE PARTIES:** The Contractor shall be considered as having the legal status of an independent contractor *vis-à-vis* the International Maritime Organization (IMO). The Contractor's personnel and sub-contractors shall not be considered in any respect as being the employees or agents of IMO.
2. **RESPONSIBILITY FOR EMPLOYEES:** The Contractor shall be responsible for the professional and technical competence of its employees and will select, for work under this Contract, reliable individuals who will perform effectively in the implementation of this Contract, respect the local customs, and conform to a high standard of moral and ethical conduct.
3. **ASSIGNMENT:** The Contractor shall not assign, transfer, pledge or make other disposition of this Contract or any part thereof, or any of the Contractor's rights, claims or obligations under this Contract except with the prior written consent of IMO.
4. **SUBCONTRACTING:** In the event the Contractor requires the services of sub-contractors, the Contractor shall obtain the prior written approval and clearance of IMO for all sub-contractors. The approval of IMO of a sub-contractor shall not relieve the Contractor of any of its obligations under this Contract. The terms of any sub-contract shall be subject to and conform with the provisions of this Contract.
5. **INDEMNIFICATION:** The Contractor shall indemnify, hold and save harmless, and defend, at its own expense, IMO, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of the Contractor, or the Contractor's employees, officers, agents or sub-contractors, in the performance of this Contract. This provision shall extend, *inter alia*, to claims and liability in the nature of worker's compensation, products liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by the Contractor, its employees, officers, agents, servants or sub-contractors. The obligations under this Article do not lapse upon termination of this Contract.
6. **INSURANCE AND LIABILITY:**
 - 6.1. The Contractor shall provide and thereafter maintain insurance against all risks in respect of its property and any equipment used for the execution of this Contract.
 - 6.2. The Contractor shall provide and thereafter maintain all appropriate workmen's compensation insurance, or its equivalent, with respect to its employees to cover claims for personal injury or death in connection with this Contract.
 - 6.3. The Contractor shall also provide and thereafter maintain liability insurance in an adequate amount to cover third party claims for death or bodily injury, or loss of or damage to property, arising from or in connection with the provision of services under this Contract or the operation of any vehicles, boats, airplanes or other equipment owned or leased by the Contractor or its agents, servants, employees or sub-contractors performing work or services in connection with this Contract.
 - 6.4. The Contractor shall, upon request, provide IMO with satisfactory evidence of the insurance required under this Article 6.
7. **ENCUMBRANCES AND LIENS:** The Contractor shall not cause or permit any lien, attachment or other encumbrance by any person to be placed on file or to remain on file in any public office or on file with IMO against any monies due to the Contractor or that may become due for any work done or against any goods supplied or materials furnished under the Contract, or by reason of any other claim or demand against the Contractor or IMO.
8. **EQUIPMENT FURNISHED BY IMO TO THE CONTRACTOR:** Title to any equipment and supplies that may be furnished by IMO to the Contractor for the performance of any obligations under the Contract shall rest with IMO, and any such equipment shall be returned to IMO at the conclusion of the Contract or when no longer needed by the Contractor. Such equipment, when returned to IMO, shall be in the same condition as when delivered to the Contractor, subject to normal wear and tear, and the Contractor shall be liable to compensate IMO for the actual costs of any loss of, damage to, or degradation of the equipment that is beyond normal wear and tear.

9. COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS:

- 9.1. Except as is otherwise expressly provided in writing in the Contract, IMO shall be entitled to all intellectual property and other proprietary rights including, but not limited to, patents, copyrights, and trademarks, with regard to products, processes, inventions, ideas, know-how, or documents and other materials which the Contractor has developed for IMO under the Contract and which bear a direct relation to or are produced or prepared or collected in consequence of, or during the course of, the performance of the Contract. The Contractor acknowledges and agrees that such products, documents and other materials constitute works made for hire for IMO.
- 9.2. To the extent that any such intellectual property or other proprietary rights consist of any intellectual property or other proprietary rights of the Contractor: (i) that pre-existed the performance by the Contractor of its obligations under the Contract, or (ii) that the Contractor may develop or acquire, or may have developed or acquired, independently of the performance of its obligations under the Contract, IMO does not and shall not claim any ownership interest thereto, and the Contractor grants to IMO a perpetual license to use such intellectual property or other proprietary right solely for the purposes of and in accordance with the requirements of the Contract.
- 9.3. At the request of IMO, the Contractor shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring or licensing them to IMO in compliance with the requirements of the applicable law and of the Contract.
- 9.4. Subject to the foregoing provisions, all maps, drawings, photographs, mosaics, plans, reports, estimates, recommendations, documents, and all other data compiled by or received by the Contractor under the Contract shall be the property of IMO, shall be made available for use or inspection by IMO at reasonable times and in reasonable places, shall be treated as confidential, and shall be delivered only to IMO authorized officials on completion of work under the Contract.

10. PUBLICITY, AND USE OF THE NAME, EMBLEM OR OFFICIAL SEAL OF IMO: The Contractor shall not advertise or otherwise make public for purposes of commercial advantage or goodwill that it has a contractual relationship with IMO, nor shall the Contractor, in any manner whatsoever use the name, emblem or official seal of IMO, or any abbreviation of the name of IMO in connection with its business or otherwise without the written permission of IMO.

11. CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION: Information and data that is considered proprietary by either Party or that is delivered or disclosed by one Party (“Discloser”) to the other Party (“Recipient”) during the course of performance of the Contract, and that is designated as confidential (“Information”), shall be held in confidence by that Party and shall be handled as follows:

11.1. The Recipient shall:

11.1.1. use the same care and discretion to avoid disclosure, publication or dissemination of the Discloser’s Information as it uses with its own similar Information that it does not wish to disclose, publish or disseminate; *and*,

11.2. use the Discloser’s Information solely for the purpose for which it was disclosed. Provided that the Recipient has a written agreement with the following persons or entities requiring them to treat the Information confidential in accordance with the Contract and this Article 11, the Recipient may disclose Information to:

11.2.1. any other party with the Discloser’s prior written consent; *and*,

11.2.2. the Recipient’s employees, officials, representatives and agents who have a need to know such Information for purposes of performing obligations under the Contract, and employees officials, representatives and agents of any legal entity that it controls, controls it, or with which it is under common control, who have a need to know such Information for purposes of performing obligations under the Contract, *provided that*, for these purposes a controlled legal entity means:

11.2.2.1. a corporate entity in which the Party owns or otherwise controls, whether directly or indirectly, over fifty percent (50%) of voting shares thereof; *or*,

11.2.2.2. any entity over which the Party exercises effective managerial control; *or*,

11.2.2.3. for IMO, a subsidiary organ or body of IMO established in accordance with the Convention on the International Maritime Organizations.

11.3. The Contractor may disclose Information to the extent required by law, *provided that*, subject to and without any waiver of the privileges and immunities of IMO, the Contractor will give IMO sufficient prior notice of a

request for the disclosure of Information in order to allow IMO to have a reasonable opportunity to take protective measures or such other action as may be appropriate before any such disclosure is made.

- 11.4. In line with article 17, IMO may only disclose Information to the extent as required pursuant to the Convention on the International Maritime Organization, ICTS Information Security Management System Privacy Policy and ICTS Integrated Management System Management of external providers or pursuant to resolutions or regulations of or rules promulgated thereunder.
- 11.5. The Recipient shall not be precluded from disclosing Information that is obtained by the Recipient from a third party without restriction, is disclosed by the Discloser to a third party without any obligation of confidentiality, is previously known by the Recipient, or at any time is developed by the Recipient completely independently of any disclosures hereunder.
- 11.6. These obligations and restrictions of confidentiality shall be effective during the term of the Contract, including any extension thereof, and, unless otherwise provided in the Contract, shall remain effective following any termination of the Contract.

12. FORCE MAJEURE; OTHER CHANGES IN CONDITIONS:

- 12.1. In the event of and as soon as possible after the occurrence of any cause constituting *force majeure*, the affected Party shall give notice and full particulars in writing to the other Party, of such occurrence or cause if the affected Party is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under the Contract. The affected Party shall also notify the other Party of any other changes in condition or the occurrence of any event which interferes or threatens to interfere with its performance of the Contract. Not more than fifteen (15) days following the provision of such notice of *force majeure* or other changes in condition or occurrence, the affected Party shall also submit a statement to the other Party of estimated expenditures that will likely be incurred for the duration of the change in condition or the event of *force majeure*. On receipt of the notice or notices required hereunder, the Party not affected by the occurrence of a cause constituting *force majeure* or changes in condition or occurrence shall take such action as it reasonably considers to be appropriate or necessary in the circumstances, including the granting to the affected Party of a reasonable extension of time in which to perform any obligations under the Contract.
- 12.2. If the Contractor is rendered unable, wholly or in part, by reason of *force majeure* to perform its obligations and meet its responsibilities under the Contract, IMO shall have the right to suspend or terminate the Contract on the same terms and conditions as are provided for in Article 13, "Termination," except that the period of notice shall be seven (7) days instead of thirty (30) days. In any case, IMO shall be entitled to consider the Contractor permanently unable to perform its obligations under the Contract in case the Contractor is unable to perform its obligations, wholly or in part, by reason of *force majeure* for any period in excess of ninety (90) days.
- 12.3. *Force majeure* as used herein means any unforeseeable and irresistible act of nature, any act of war (whether declared or not), invasion, revolution, insurrection, terrorism, epidemic, pandemic or any other acts of a similar nature or force,
provided that such acts arise from causes beyond the control and without the fault or negligence of the Contractor. The Contractor acknowledges and agrees that, with respect to any obligations under the Contract that the Contractor must perform in areas in which IMO is engaged in, preparing to engage in, or disengaging from any capacity building or similar activities, any delays or failure to perform such obligations arising from or relating to harsh conditions within such areas, or to any incidents of civil unrest occurring in such areas, shall not, in and of itself, constitute *force majeure* under the Contract.

13. TERMINATION:

- 13.1. Either party may terminate this Contract for cause, in whole or in part, upon thirty (30) days' notice, in writing, to the other party. The initiation of arbitral proceedings in accordance with Article 16.2 ("Arbitration"), below, shall not be deemed a termination of this Contract.
- 13.2. IMO may terminate forthwith this Contract at any time should the mandate or the funding of IMO be curtailed or terminated, in which case the Contractor shall be reimbursed by IMO for all reasonable costs incurred by the Contractor prior to receipt of the notice of termination.
- 13.3. In the event of any termination by IMO under this Article, no payment shall be due from IMO to the Contractor except for work and services satisfactorily performed in conformity with the express terms of this Contract.
- 13.4. Should the Contractor be adjudged bankrupt, or be liquidated or become insolvent, or should the Contractor make an assignment for the benefit of its creditors, or should a Receiver be appointed on account of the

insolvency of the Contractor, IMO may, without prejudice to any other right or remedy it may have under the terms of these conditions, terminate this Contract forthwith. The Contractor shall immediately inform IMO of the occurrence of any of the above events.

13.5. The provisions of this Article 13 are without prejudice to any other rights or remedies of IMO under the Contract or otherwise.

14. **NON-WAIVER OF RIGHTS:** The failure by either Party to exercise any rights available to it, whether under the Contract or otherwise, shall not be deemed for any purposes to constitute a waiver by the other Party of any such right or any remedy associated therewith, and shall not relieve the Parties of any of their obligations under the Contract.

15. **NON-EXCLUSIVITY:** Unless otherwise specified in the Contract, IMO shall have no obligation to purchase any minimum quantities of goods or services from the Contractor, and IMO shall have no limitation on its right to obtain goods or services of the same kind, quality and quantity described in the Contract, from any other source at any time.

16. **SETTLEMENT OF DISPUTES:**

16.1. **AMICABLE SETTLEMENT:** The Parties shall use their best efforts to amicably settle any dispute, controversy, or claim arising out of the Contract or the breach, termination, or invalidity thereof. Where the Parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the Conciliation Rules then obtaining of the United Nations Commission on International Trade Law (“UNCITRAL”), or according to such other procedure as may be agreed between the Parties in writing.

16.2. **ARBITRATION:** Any dispute, controversy, or claim between the Parties arising out of the Contract or the breach, termination, or invalidity thereof, unless settled amicably under Article 16.1, above, within sixty (60) days after receipt by one Party of the other Party’s written request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The decisions of the arbitral tribunal shall be based on general principles of international commercial law. The arbitral tribunal shall be empowered to order the return or destruction of goods or any property, whether tangible or intangible, or of any confidential information provided under the Contract, order the termination of the Contract, or order that any other protective measures be taken with respect to the goods, services or any other property, whether tangible or intangible, or of any confidential information provided under the Contract, as appropriate, all in accordance with the authority of the arbitral tribunal pursuant to Article 26 (“Interim measures”) and Article 34 (“Form and effect of the award”) of the UNCITRAL Arbitration Rules. The arbitral tribunal shall have no authority to award punitive damages. In addition, unless otherwise expressly provided in the Contract, the arbitral tribunal shall have no authority to award interest in excess of the London Inter-Bank Offered Rate (“LIBOR”) then prevailing, and any such interest shall be simple interest only. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute, controversy, or claim. The place of arbitration shall be London, United Kingdom.

17. **PRIVILEGES AND IMMUNITIES:** IMO is an international intergovernmental organization that is subject to international law and, therefore, not subject to a national legislation. As a United Nations Specialized Agency, IMO enjoys the Privileges and Immunities awarded in the Convention on the Privileges and Immunities of the Specialized Agencies of 1947, including the immunity of legal process and the immunity of execution. Nothing in or relating to the Contract shall be deemed a waiver, express or implied, of any of the privileges and immunities of IMO, including its subsidiary organs and bodies.

18. **TAX EXEMPTION:**

18.1. Article III, Section 9, of the Convention on the Privileges and Immunities of the Specialized Agencies provides, *inter alia*, that IMO, including its subsidiary organs and bodies, is exempt from all direct taxes, except charges for public utility services, and is exempt from customs restrictions, duties, and charges of a similar nature in respect of articles imported or exported for its official use. In the event any governmental authority refuses to recognize the exemptions of IMO from such taxes, restrictions, duties, or charges, the Contractor shall immediately consult with IMO to determine a mutually acceptable procedure.

18.2. The Contractor authorizes IMO to deduct from the Contractor’s invoices any amount representing such taxes, duties or charges, unless the Contractor has consulted with IMO before the payment thereof and IMO has, in each instance, specifically authorized the Contractor to pay such taxes, duties, or charges under written protest. In that event, the Contractor shall provide IMO with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized, and IMO shall reimburse the Contractor for any such taxes, duties, or charges so authorized by IMO and paid by the Contractor under written protest.

19. **MODIFICATIONS:** Only the Director, Administrative Division or such other contracting authority as IMO has made known to the Contractor in writing, possesses the authority to agree on behalf of IMO to any modification of or change in this Contract, to a waiver of any of its provisions or to any additional contractual relationship of any kind with the Contractor. Accordingly, no modification or change in this Contract shall be valid and enforceable against IMO unless provided by an amendment to this Contract signed by the Contractor and the Director, Administrative Division or such other contracting authority.
20. **LIMITATION ON ACTIONS:**
- 20.1. Except with respect to any indemnification obligations in Article 5, above, or as are otherwise set forth in the Contract, any arbitral proceedings in accordance with Article 16.2, above, arising out of the Contract must be commenced within three years after the cause of action has accrued.
- 20.2. The Parties further acknowledge and agree that, for these purposes, a cause of action shall accrue when the breach actually occurs, or, in the case of latent defects, when the injured Party knew or should have known all of the essential elements of the cause of action, or in the case of a breach of warranty, when tender of delivery is made, except that, if a warranty extends to future performance of the goods or any process or system and the discovery of the breach consequently must await the time when such goods or other process or system is ready to perform in accordance with the requirements of the Contract, the cause of action accrues when such time of future performance actually begins.
21. **ESSENTIAL TERMS:** The Contractor acknowledges and agrees that each of the provisions in Articles 23 to 28 hereof constitutes an essential term of the Contract and that any breach of any of these provisions shall entitle IMO to terminate the Contract or any other contract with IMO immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind.
22. **SOURCE OF INSTRUCTIONS:** The Contractor shall neither seek nor accept instructions from any authority external to IMO in connection with the performance of its obligations under the Contract. Should any authority external to IMO seek to impose any instructions concerning or restrictions on the Contractor's performance under the Contract, the Contractor shall promptly notify IMO and provide all reasonable assistance required by IMO. The Contractor shall not take any action in respect of the performance of its obligations under the Contract that may adversely affect the interests of IMO, and the Contractor shall perform its obligations under the Contract with the fullest regard to the interests of IMO.
23. **OFFICIALS NOT TO BENEFIT:** The Contractor warrants that it has not and shall not offer to any representative, official, employee, or other agent of IMO any direct or indirect benefit arising from or related to the performance of the Contract or of any other contract with IMO or the award thereof or for any other purpose intended to gain an advantage for the Contractor.
24. **OBSERVANCE OF THE LAW:** The Contractor shall comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the Contract.
25. **CHILD LABOR:** The Contractor represents and warrants that neither it, its parent entities (if any), nor any of the Contractor's subsidiary or affiliated entities (if any) is engaged in any practice inconsistent with the rights set forth in the Convention on the Rights of the Child, including Article 32 thereof, which, *inter alia*, requires that a child shall be protected from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development.
26. **MINES:** The Contractor represents and warrants that neither it, its parent entities (if any), nor any of the Contractor's subsidiaries or affiliated entities (if any) is engaged in the sale or manufacture of anti-personnel mines or components utilized in the manufacture of anti-personnel mines.
27. **SEXUAL EXPLOITATION:**
- 27.1. The Contractor shall take all appropriate measures to prevent sexual exploitation or abuse of anyone by its employees or any other persons engaged and controlled by the Contractor to perform any services under the Contract. For these purposes, sexual activity with any person less than eighteen years of age, regardless of any laws relating to consent, shall constitute the sexual exploitation and abuse of such person. In addition, the Contractor shall refrain from, and shall take all reasonable and appropriate measures to prohibit its employees or other persons engaged and controlled by it from exchanging any money, goods, services, or other things of value, for sexual favors or activities, or from engaging any sexual activities that are exploitive or degrading to any person.
- 27.2. IMO shall not apply the foregoing standard relating to age in any case in which the Contractor's personnel or any other person who may be engaged by the Contractor to perform any services under the Contract is married

to the person less than the age of eighteen years with whom sexual activity has occurred and in which such marriage is recognized as valid under the laws of the country of citizenship of such Contractor's personnel or such other person who may be engaged by the Contractor to perform any services under the Contract.

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