

CODE OF CONDUCT
BETWEEN
THE MINISTRY OF DEFENCE, GOVERNMENT OF INDIA
AND
INDIAN DEFENCE COMPANIES
FOR PARTICIPATION IN SECURITY OF SUPPLY ARRANGEMENT (SOSA)
BETWEEN MOD, INDIA AND DOD, USA

1. This Code of Conduct is pursuant to:

a) The vision for bilateral defence cooperation established in September 2013 through US-India Declaration on Defence Cooperation and the 2015 Framework for the US-India Defense Relationship;

b) The agreement between the Ministry of Defence of India (hereinafter MoD) and the Department of Defense of the United States of America (hereinafter DoD) for Security of Supply Arrangement (hereinafter referred to as "SoSA");

2. The purpose of this Code of Conduct is to create a mechanism between the MoD and the signatories Indian Companies to implement the provisions set out in Section 3 of the SoSA agreement and to facilitate preferential treatment of contract comes under the ambit of SoSA. This Code of Conduct is voluntary.

3. To the greatest extent possible, the Indian Companies, participating in this Code of Conduct, shall do all that can reasonably be done to provide preference to contracts supporting DoD Programs. They will do this by:

a) Accepting that a contract they are entering into or are party to with DoD or with a US company will, after approval by the MoD, be accepted as a contract falling under this Code of Conduct (Code of Conduct contracts);

b) Inserting into any subcontract provisions designed to ensure due performance of such a contract;

c) Responding in a timely manner to request of the DoD, via the MoD, for amendments to the timing of deliveries in said contracts, provided that the customer is willing to compensate them as required by the relevant contractual provisions;

d) Bringing to the attention of the Parties about priority cases between Code of Conduct contracts and other contracts to resolve the situation by consultation.

4. This Code of Conduct is voluntary and it will not create any legally binding rights or obligations neither on MoD nor on the Indian Companies. Any Indian Company that decides not to subscribe to the Code of Conduct shall not be precluded from receiving defence contracts by this reason from Indian Authorities.

5. An Indian company willing to participate to, and comply with the provisions of this Code of Conduct shall register with the MoD by submitting the attached registration form (Annex A) to the MoD. The MoD shall review such registration requests to ensure that they are eligible and compliant and will inform the Indian company whether or not its registration is compliant. The MoD shall treat the information provided in the registration as company confidential information, provided the Indian company has declared that the registration contains business or trade secrets.

6. Under no circumstances shall an Indian Company be required to suffer a loss without compensation.

In the specific instance that a request under this Code of Conduct cannot be satisfied without incurring liability for damages from other customers, and the requesting customer is unwilling to compensate the Indian Company for such identifiable loss as it may incur, it will be reasonable for the Indian Company to refuse the request.

In any case, the Indian Company will be entitled to refuse the request by the DoD, if such request would seriously imperil future client customer relations and/or endanger future business. This will be without prejudice to their continued membership of the Code.

7. In all the cases mentioned in paragraph 3, should an Indian Company intend to refuse to provide the priorities support requested by the DoD, the appropriate authorities of the MoD will investigate the circumstances surrounding the case. The Indian Company, through its representatives, will be entitled to respond either in writing or orally. The MoD will take measures necessary to assess/evacuate the circumstances surrounding the case:

a) If the MoD considers that the Indian Company has complied with this Code of Conduct, the MoD will, if requested to do so by the Indian Company, notify the DoD. The DoD will act on that notification as it considers appropriate. The MoD will use its good offices with the DoD to resolve any remaining difficulties.

b) If the Indian Company is deemed not in compliance with this Code of Conduct, the MoD will use its good offices in order to obtain assurance that the Company will take such steps considered necessary to rectify the situation, and will notify the DoD. The DoD will act on that notification as it considers appropriate.

8. Participation in the Code of Conduct System may be offered by the Indian Company as an indication of its reliability in supplying industrial resources to the DoD and the contractors supplying it.

9. Failure to comply with the conditions of this Code of Conduct may lead to a review by the MoD. The MoD may remove, or temporarily suspend, the Company from the Code of Conduct.

10. The MoD will keep a list of registered companies participating to this Code of Conduct. The MoD shall notify DoD of the Indian companies participating to this Code of Conduct.

Annex A
Code of Conduct Registration Form (Template)

Joint Secretary (DIP), Ministry of Defence

184-B, South Block, New Delhi

Registration Request

The below mentioned Indian company herewith

- Requests to register for participation in the Code of Conduct for Security of Supply Arrangement (SoSA) between the Ministry of Defence of India and Department of Defense, United State of America
- Declares that upon acceptance of this application it shall comply with the provisions of the said Code of Conduct

Applicant Company

Name:

Address

PoC in Code of Conduct related questions:

- Name and title:
- Address:
- Telephone:
- Mobile:
- Fax:
- E-mail:

- 1. Brief company introduction**
- 2. Registrant's main area of business, product/service portfolios**
- 3. Registrant's prior or on-going business with the US Department of Defence or its contractors**
- 4. Other relevant information**