

## Appendix 2 /

### GENERAL TERMS AND CONDITIONS APPLICABLE TO FAO PROCUREMENT CONTRACTS

1. **DEFINITIONS:** "Contract" means this purchase order or contract, and any changes or amendments thereto, including all documents, exhibits, and attachments referenced therein. "FAO" means The Food and Agriculture Organization of the United Nations. "Contractor" means the party with whom FAO is contracting to supply the goods or service. "Goods" includes without limitations equipment, spare parts, commodities, live plants or animals, seed, raw materials, components, intermediate products, or products, as specified in the Contract. "Services" means Contractor's time and effort as listed in this Contract, as required.
  
2. **GENERAL:**
  - 2.1. Taxes and customs duties: Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, inter alia, that the United Nations, of which FAO is an integral part, is exempt from all direct taxes, except charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. In the event any taxing authority refuses to recognize FAO's exemption from such taxes, Contractor shall immediately consult with FAO to determine a mutually acceptable procedure for settling the amount involved. Accordingly, Contractor authorizes FAO to deduct from Contractor's invoice any amount representing such taxes, duties or charges, unless Contractor has consulted with FAO before the payment thereof and FAO has, in each instance, specifically authorized Contractor to pay such taxes, duties or charges under protest. In that event, Contractor shall provide FAO with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized.
  - 2.2. Delivery Terms and Insurance:
    - a) Delivery Terms: The Contractor shall deliver the goods in accordance with the terms specified in the Purchase Order. The time of delivery as specified in the Purchase Order is an essential term of the Purchase Order. Whenever an INCOTERM is used in this Contract, it shall be interpreted in accordance with the latest version of the INCOTERMS adopted by the International Chamber of Commerce.
    - b) Insurance: Unless otherwise specified in the order, FAO will normally arrange for all risk insurance of the goods. Irrespective of the aforesaid, FAO reserves the right to request that Contractor provides appropriate insurance coverage.
  - 2.3. Export licenses or governmental authorizations: If an export license(s) or other governmental authorization(s) is required for the Goods, it is the obligation of Contractor to obtain such license(s) or authorization(s) in a timely manner. The Contractor shall immediately notify FAO if it encounters difficulties in obtaining a required export license or governmental authorization. The late issuance or refusal of any such license(s) or authorization(s) for all Goods or any part thereof shall be deemed a "default" by Contractor and the provisions of Article 18 of this Contract will apply.

2.4. Acceptance of Contract's terms: This Contract may only be accepted by Contractor's signing and returning an acknowledgement copy of it, by commencement of performance in a timely fashion or by timely delivery of the Goods in accordance with the terms of this Contract, as herein specified.

Acceptance of this Contract shall effect a contract between FAO and Contractor under which the rights and obligations of the parties shall be governed solely by the terms and conditions of this Contract, including these General Terms and Conditions. No additional provisions proposed by Contractor at any time shall bind FAO unless agreed to in writing by a duly authorized official of FAO.

2.5. Overriding clause: Each of these General Terms and Conditions shall apply unless otherwise amended or superseded by any other document or provision which forms part of this Contract.

2.6. Observance of the law: Contractor shall comply with all laws, ordinances, rules and regulations bearing upon the performance of its obligations under the terms and conditions of this Contract.

- 3. LEGAL STATUS:** Contractor shall, for the purposes of this Contract, have the status of an independent Contractor, and shall be fully responsible, in particular for acts or omissions of its personnel, agents, or other representatives. Contractor, its personnel, agents, or other representative and authorized sub-Contractors shall not be considered in any respect as being employees or agents of FAO. Contractor, its agents or other representatives, and authorized sub-Contractors shall conform to any national law applicable in their relations to third parties, including their employees, or to any national law applicable to them by reason of their trade, business or activities. The Contractor shall promptly correct any violations thereof and shall keep FAO informed of any conflict or problem arising in relation to national authorities.
- 4. PRIVILEGES AND IMMUNITIES:** Nothing contained in or relating to this Contract shall be deemed a waiver, express or implied, of the privileges and immunities of FAO, nor as conferring any privileges or immunities on Contractor or its employees.
- 5. INDEMNIFICATION:** The Contractor shall indemnify, hold and save harmless and defend, at its own expense, FAO, its personnel, and any of its member nations or member organizations ("Members") or other ultimate beneficiaries from and against all suits, claims, demands, and liability of any nature or kind arising out of acts or omissions of Contractor or its employees or authorized sub-Contractors in the performance of any of the terms and conditions of this Contract. This provision shall extend to claims and liability in the nature of workmen's compensation claims and those arising out of the use of patented or copyrighted inventions or goods in accordance with the provisions of Article 6 below.
- 6. INTELLECTUAL PROPERTY INDEMNITY:** The Contractor shall defend, at its own expense, any suit or proceeding brought against FAO, its Members or other ultimate beneficiaries, in so far as based on a claim that any Goods furnished under this Contract, or the normal use thereof, constitute an infringement of any

patent, copyright, trademark or any other intellectual property right. FAO shall promptly notify any such occurrence to Contractor and give it authority, information and assistance (at Contractor's expense) as required for the appropriate defence of such suit or proceeding. The Contractor shall pay all damages and costs awarded therein against FAO, its Members or other ultimate beneficiaries. In case said Goods are, or any part is, enjoined, Contractor shall, at its own expense and at its option, either procure for FAO, its Members or other ultimate beneficiaries, the right to continue using the Goods; or, with the approval of FAO, modify the Goods so they become non-infringing; or remove said Goods and refund the order price and the transportation and installation costs thereof and any other damages suffered by FAO, its members or ultimate beneficiaries.

- 7. ASSIGNMENT, SUBCONTRACTING:** Contractor shall have the sole and full responsibility for the performance of its obligations under this Contract. Contractor may not assign, transfer, pledge, sub-Contract, or make other disposition of this Contract or any part hereof, or any of Contractor's rights or obligations under this Contract without the prior written consent of FAO. Any assignment by Contractor which is not authorized by FAO will be void and FAO reserves the right in such case, without prejudice to other rights or remedies, to cancel the Contract without liability effective upon Contractor's receipt of notification of termination. The approval by FAO of an assignee or sub-Contractor shall not relieve Contractor of any of its obligations under this Contract.

Contractor agrees that FAO may, at its discretion, assign, transfer, pledge, sub-Contract or make other disposition of this Contract or any part hereof, or any of FAO's rights or obligations under this Contract upon written notification within a reasonable period of time either prior to or following such assignment, transfer, pledge or sub-Contracting arrangement.

The terms of any sub-contracting arrangement or assignment in accordance with this Article 7 shall be subject to and in conformity with the provisions of this Contract.

- 8. CHANGE OF CONTROL, INSOLVENCY, BANKRUPTCY:** Contractor shall immediately report any change in its legal status or in its control to FAO. In the event that Contractor becomes insolvent or bankrupt or the control or legal status of Contractor changes for any other reason, FAO may terminate the Contract, without prejudice to any other rights and remedies, by giving Contractor written notice of termination.
- 9. SOURCE OF INSTRUCTION:** The Contractor shall neither seek nor accept instructions from any authority external to FAO in connection with the performance of this Contract. The Contractor shall refrain from any action which may adversely affect FAO and shall fulfil its commitments with the fullest regard to the interests of FAO.

**10. APPLICABLE LAW:** Notwithstanding any specific provision herein, this Contract and any dispute arising therefrom shall be governed by general principles of law, to the exclusion of any single national system of law.

**11. OFFICIALS NOT TO BENEFIT:** Contractor warrants that no official, staff member or their representative of FAO or any family member of any such person shall have interest in, or has received or will be offered by Contractor any direct or indirect benefit of any kind, or any gift, payment or other consideration in connection with or arising from this Contract or the award thereof. In particular, Contractor warrants that no official, staff member or representative of FAO or any family member of any such person holds or shall hold any direct or indirect financial interest in Contractor's business. For the purposes of this Article, the mere holding of shares in publicly listed company shall not be considered as constituting a financial interest, provided that such shares do not confer a power to control, or otherwise significantly influence the management of, Contractor's business. Should Contractor fail to comply with this obligation, FAO shall have the right to terminate this Contract at any time, in accordance with the provisions of Article 22.

**12. USE OF NAME, EMBLEM OR OFFICIAL SEAL OF FAO:** Contractor shall not use, in any manner whatsoever, the name, abbreviation of the name, emblem or official seal of FAO for any purpose. Unless otherwise authorized in writing by FAO, Contractor shall not advertise or make public the fact that it is furnishing or has furnished goods or services to FAO.

**13. CONFIDENTIAL NATURE OF DOCUMENTS:** All designs, drawings, specifications, reports, data, computer programs, and other technical or proprietary information compiled or developed by Contractor or furnished or disclosed to Contractor by FAO under this Contract shall be the property of FAO and shall be treated as confidential and safeguarded by Contractor. Unless otherwise authorized in writing by FAO, Contractor shall use such information only in the performance of this Contract. Upon completion or termination of this Contract, Contractor shall return such information to FAO.

Unless otherwise authorized in writing by FAO, Contractor may not communicate at any time to any other person, government or authority external to FAO, any information known to it by reason of its association with FAO which has not been made public. Contractor shall not at any time use such information to private advantage. These obligations do not lapse upon completion or termination of the Contract.

**14. CHANGES:** FAO may at any time by written instructions make changes within the general scope of this Contract and the Contractor shall be obliged to implement such changes in a timely manner. If any such change causes an increase or decrease in the price of or the time required for performance of this Contract, an equitable adjustment shall be made in the order price or delivery schedule, or both, and the Contract shall be amended, terminated or reissued accordingly.

Any claim by Contractor for adjustment under this paragraph must be asserted within thirty (30) days from the date of receipt by Contractor of the notification of change; providing, however, that FAO may, at its sole discretion, receive and act upon any such claim asserted at any time prior to final payment under this Contract. Failure to agree to any adjustments shall be a dispute subject to the provisions of Article 21 ("SETTLEMENT OF DISPUTES") of this Contract. However, nothing in this paragraph shall relieve the Contractor from its obligation of proceeding with the performance of the Contract as changed.

No modification of or change in the terms of this Contract shall be valid or enforceable against FAO unless it is in writing and signed by the same FAO Officer who signed this Contract, the Chief, FAO Procurement Service, or his superior.

#### **15. INSPECTION AND ACCEPTANCE:**

15.1. FAO reserves the right to inspect and test all Goods ordered under this Contract at any time and place. The Contractor, without additional charge, shall provide all facilities for inspection and all necessary support to ensure that inspections can be performed in such a manner as not to unduly delay delivery.

15.2. Acceptance of the goods by FAO shall not signify that the contractor has fulfilled its obligations as specified in the contract.

15.3. Rejection: FAO may reject any goods supplied hereunder that do not meet the contractual requirements or apply a penalty for goods not fully conforming to the contractual requirements as per articles 18 and 19 below. Rejection of the Goods shall be made as soon as practicable after delivery of the goods to their final destination. Neither an inspection carried out by representatives of FAO nor failure by FAO to inspect and accept or reject Goods shall relieve Contractor from responsibility for such Goods that are not in accordance with the Contract requirements, including warranties, or impose liabilities on FAO therefore.

The Contractor shall provide and maintain an inspection, quality, and process control system acceptable to FAO covering the Goods thereunder. Records of all inspection work by Contractor shall be kept complete and available to FAO during the performance of this Contract and for twenty-four (24) months after completion, if not otherwise specified in this Contract. Copies of all material certifications and test results will be submitted to FAO upon request.

**16. AFTER SALES SERVICE:** For Goods ordered, Contractor shall provide or maintain a service organization reasonably constituted to handle requests from FAO or its Members or other ultimate beneficiaries for technical assistance on maintenance, service repairs, and overhaul of the Goods. If the presence of a local service agent has been requested by FAO and confirmed by Contractor, its presence in the country becomes a condition of this Contract. The Contractor must inform FAO of any changes in their local service structure prior to delivery of the Goods.

**17. FITNESS OF GOODS INCLUDING PACKAGING:** Contractor warrants that the Goods, including their packaging, conform to specifications including any applicable standards provided for in the Contract or, if no applicable standards are provided, the most recent authoritative standards issued by the relevant institution in the Goods' country of origin. Contractor further warrants that the Goods are fit for the purposes for which such goods are ordinarily used and for purposes expressly made known to Contractor by FAO, are of current manufacture and are free from defects in design, workmanship and materials.

The Contractor also warrants that the Goods are securely contained, packaged and marked in accordance with normal commercial standards of export packing for this type of goods and in a manner so as to protect the Goods while in storage or in transit to their ultimate destination.

All such warranties for the Goods shall remain in effect for a period of one (1) year or for such other longer period that Contractor normally provides for such goods or a longer period agreed upon in this Contract after the Goods are placed in use (the "Warranty Period").

If, during the Warranty Period, the Goods or any part thereof purchased under this Contract are found to be defective, non-conforming, damaged as a result of faulty or inadequate packaging or otherwise in violation of the warranties of fitness provided for in this Article 17, Contractor shall, upon written notification by FAO, promptly and at its own expense, correct or repair Goods from any such defect, non-conformity or violation or otherwise replace such Goods at FAO's discretion. In the event Contractor fails to repair or replace defective or non-conforming Goods within a reasonable time, FAO may replace or repair the Goods and charge or debit Contractor for all costs connected therewith or, if such replacement or repair is not practicable, exercise its rights under Article 18 and/or Article 19 of this Contract.

**18. REMEDIES FOR DEFAULT:** In case of failure by Contractor to perform under the terms and conditions of this Contract, including but not limited to failure to make delivery of all or part of the Goods by the scheduled date(s), or to complete the Services required within the scheduled date(s), FAO may impose liquidated damages in accordance with Article 19 or, after giving Contractor written notice to perform and without prejudice to any other rights or remedies, exercise one or more of the following rights: (1) procure all or part of the Goods from other sources, in which event FAO may hold Contractor responsible for any costs and damages occasioned thereby; (2) refuse to accept delivery of all or part of the Goods and reduce the Contract price accordingly; (3) require Contractor to ship via premium means at Contractor's expense, to meet the delivery schedule; or (4) terminate this Contract without liability for FAO.

Nothing in this Article 18, including but not limited to acceptance of the Goods or Services not in conformity with the terms of this Contract or delivered or completed late, shall be deemed a waiver of FAO's rights to hold Contractor liable

for any loss and/or damage resulting from any default or breach or shall act as a modification of Contractor's obligations under this Contract.

**19. LIQUIDATED DAMAGES FOR DELAY, NONCONFORMING GOODS, SHORTFALLS:** Contractor recognizes that this Contract concerns delivery of Goods where "time is of the essence" and that failure to deliver the Goods by the scheduled date(s) or in accordance with the quantities and/or quality specified in this Contract may cause irreparable harm to FAO. Consequently, subject to Article 20, ("FORCE MAJEURE") if Contractor fails to deliver any or all of the Goods or Services within the time period specified in the Contract or at the quantity or quality specified in this Contract, FAO may at its discretion, reject the goods in their entirety or in part and deduct, liquidated damages from the total price of the goods not so rejected as set forth below: (1) for late delivery, a sum equivalent to 2.5% per week of the total price of the Contract for each week of delay until actual delivery, up to a maximum deduction of 10% of the total price; (2) for nonconforming Goods or shortfalls in ordered quantities, a percentage determined to be equitable by FAO up to a maximum deduction of 10% of the total price for those quantities delivered. Liquidated damages claimed by FAO will be deemed accepted by the Contractor if not contested in writing within 30 days of receipt of payment from FAO. This remedy is without prejudice to any right or remedy that may be available to FAO, including cancellation, for Contractor's non-performance or breach of any term or condition of the Contract.

**20. FORCE MAJEURE:** Contractor shall give notice in writing to FAO providing full particulars as soon as possible after the occurrence of any event constituting Force Majeure (as defined herein) whereby Contractor is rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Contract. Contractor shall also notify FAO of any other changes in conditions or the occurrence of any event which interferes or threatens to interfere with its performance of this Contract. On receipt of the notice required under this Article, FAO shall take such action as it, in its sole discretion, considers being appropriate or necessary in the circumstances, including the granting to Contractor of a reasonable extension of time in which to perform its obligations under this Contract or termination under Article 22.

If FAO determines that the Contractor is rendered unable, wholly or in part, by reason of Force Majeure to perform any of its obligations or meet any of its responsibilities under this Contract, FAO shall have the right to suspend or terminate this Contract without liability to FAO effective immediately upon Contractor's receipt of notice of suspension or termination. Neither party shall be held responsible for failing to perform any of their respective obligations under this Contract if such failure is the result of an event of Force Majeure.

"Force Majeure" as used in this Article 20 shall mean acts of God, war (whether declared or not), invasion, revolution, insurrection or other acts of similar nature

or force. A default or a delay by a supplier or authorized sub-Contractor, among others, of the Contractor shall not constitute an event of Force Majeure.

Notwithstanding anything to the contrary herein in this Contract, Contractor recognizes that the Work and Services may from time to time be performed under harsh or hostile conditions, including civil unrest. Consequently, delays or failure to perform caused by events arising out of, or in connection with, such difficult conditions shall not, in and of itself, constitute Force Majeure under this Contract.

**21. SETTLEMENT OF DISPUTES, CONCILIATION AND ARBITRATION:** Any dispute between the parties concerning the interpretation and the execution of the Contract will be settled or, if not settled by negotiation between the parties or by another agreed mode of settlement shall, at the request of either party, be submitted to one conciliator. Should the parties fail to reach agreement on the name of a sole conciliator, each party shall appoint one conciliator. The conciliation shall be carried out in accordance with the Conciliation Rules of the United Nations Commission on International Trade Law, as at present in force.

Any dispute between the parties concerning the interpretation and the execution of the Contract that is unresolved after conciliation shall, at the request of either party be settled by arbitration in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law, as at present in force.

The conciliation or the arbitration proceedings shall be conducted in the language in which the contract is drafted provided that it should anyway be one of the five official languages of the Organization (Arabic, Chinese, English, French and Spanish). In cases in which the language of the Contract is not an official language of the Organization, the conciliation or the arbitration proceedings shall be conducted in English.

The parties may request conciliation during the execution of the Contract or within a period not to exceed twelve months after the expiry or the termination of the Contract, which shall in any case include any Warranty Period as defined in Article 17. The parties may request arbitration not later than ninety days after the termination of the conciliation proceedings.

Decisions of the arbitral tribunal shall be final and binding to the parties. The arbitral tribunal shall have no authority to award punitive damages and, unless otherwise expressly provided in this Contract, to award interest.

**22. TERMINATION FOR CONVENIENCE:** FAO may, in its sole discretion, terminate this Contract, in whole or in part, for any reason upon written notice to Contractor without liability other than that set forth herein. Upon receipt of notice of termination, which shall be deemed as the effective date of termination, Contractor shall take immediate steps to limit the incurrence of any additional costs, bring the work and Services to a close in a prompt and orderly manner, reduce expenses to a minimum and shall not undertake any forward commitment

from the date of receipt of notice of termination. In the event of Termination for Convenience, no payment shall be due from FAO to Contractor except as herein provided: (i) for work and services satisfactorily performed or in process prior to termination and any related expenses for materials; (ii) for reasonable expenses necessary for the prompt and orderly termination of the work and (iii) for the cost of such necessary work as FAO may request Contractor to complete. In no case shall FAO be liable to Contractor for any sum in excess of the total price stated in the Contract for the Goods and/or Services nor shall this Article 22 be deemed to apply in cases where FAO terminates the Contract on grounds other than convenience. Costs attributable to the termination as per this provision shall be computed and substantiated in accordance with standard accounting practices.

**23. PERFORMANCE BOND & BANK GUARANTEE:** If a Performance Bond or Bank Guarantee is specifically required by the terms of the Contract, then such Bond or Guarantee, in the amount specified in this Contract, shall be issued by Contractor through a primary bank of Contractor's choice to Banca IntesaBCI, 226 Via del Corso, Rome, Italy. The Bond or Guarantee will be issued on forms either furnished by or acceptable to FAO. Failure to deliver an acceptable bond or guarantee within two weeks from the date of Contractor's receipt of this Contract, unless otherwise specified in the Contract, shall entitle FAO to terminate this Contract in accordance with Article 18 ("REMEDIES FOR DEFAULT") of this Contract.

**24. COLLABORATION WITH CERTAIN COUNTRIES:** FAO reserves the right to communicate in writing to Contractor, countries from which no Goods or Services shall be purchased directly or indirectly for purposes of delivery, distribution, installation, or use under this Contract. These communications shall be deemed a condition of this Contract and be incorporated by Contractor in any contracts with authorized sub-Contractors.

**25. NOTICES AND COMMUNICATIONS:** All notices and other binding communications shall be in English, or the language of the Contract, and shall be deemed to be validly given if sent by registered mail, by fax, by email with return receipt or by cable to the other party at the address or numbers of either party as indicated in the Contract.

**26. DELIVERY DOCUMENTS:** Immediately, upon shipment of Goods, Contractor shall send the following to consignee: (a) One negotiable Bill of Lading or Airwaybill; (b) Two copies of the Commercial Invoice; (c) One copy of Consular or Legalised Invoice, if required by this Contract; (d) One Certificate of Origin; (e) One copy of Packing List; (f) Original Certificate of Insurance, if Contractor has been requested to provide insurance. Freight shall be pre-paid by Contractor. Freight charges must be shown separately on the invoice. Supporting documents, i.e. original invoices covering freight charges, shall be supplied with the invoice.

**27. PAYMENT AND SUPPORTING DOCUMENTS:** Payment of submitted invoices by FAO does not imply acceptance of Goods, or any related work or of Services under the Contract. Unless otherwise specified in this Contract, the following provisions will apply concerning payment and supporting documents.

FAO shall generally make payment through banking channels to Contractor usually within 30 days upon receipt of the following documents and any other documents/reports that may be specified in the Contract, to be sent directly to the Chief, Procurement Service, Food and Agriculture Organization of the U.N., Viale delle Terme di Caracalla, 00153 Rome, Italy:

(a) Remaining negotiable & non-negotiable copies of Bill of Lading or Airwaybill; (b) Copy of the Commercial Invoice with valid banking instructions; (c) Two copies of Consular or Legalised Invoice, if required by this Contract; (d) Two Copies of Certificate of Origin; (e) Two copies of Packing List; (f) A copy of Certificate of Insurance, if Contractor has been requested to provide insurance. Two Original Invoices must be sent simultaneously to: Accounts Payable Group, AFFR, Food and Agriculture Organization of the U.N., Viale delle Terme di Caracalla, 00153 Rome, Italy.

In case of Installation the following payment terms will apply: FAO will pay and/or reimburse Contractor, upon receipt at the FAO headquarters of the documents as specified above, a total amount not to exceed 90% of the FOB Price of the equipment, plus full freight costs. The balance of 10% and the Price of the technical service will be paid by FAO upon satisfactory installation of the goods and acceptance by FAO but in any case not before the end of the warranty period.

FAO will make payment to the bank account indicated by Contractor in its invoice, providing that the bank account is in the name of Contractor and located in his country of residence. Any request for payment to a bank account other than that of Contractor or to a bank other than one located in Contractor's country of residence must be specified and justified by Contractor at the time of making its offer.

FAO may withhold payment, in whole or in part, without liability and without prejudice to any other rights or remedies under this Contract, should Contractor fail to provide the documents required by this Article 27 or as otherwise specified in this Contract or in the event that Contractor fails to perform or comply with its obligations under this Contract, including without limitation the warranties of fitness set forth in Article 17.

**28. LABOUR CLAUSE:** Contractor shall: (a) respect the prohibition of employment of children below 14 years of age or the minimum age for employment permitted by law or the age of the end of compulsory schooling in the area in question, whichever is the higher; (b) respect the prohibition of forced or compulsory labour in all its forms; (c) respect the freely exercised right of workers, without distinction,

to organize, to further and defend their interest as well as the protection of those workers who exercise their right to organize; (d) ensure equality of opportunity and treatment in respect of employment and occupation; (e) ensure fair and reasonable conditions of safety, health and welfare.

Contractor guarantees that neither Contractor's company, nor any of its affiliates, nor any subsidiaries controlled by its company, is/are engaged in the sale or manufacture of anti-personnel mines or of components primarily utilized for the manufacture of anti-personnel mines.

Any breach of these obligations and warranties shall entitle FAO to terminate the purchase order immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind of FAO.

## **SPECIAL PROVISIONS APPLICABLE TO SERVICES**

- A. CONTRACTOR'S RESPONSIBILITY FOR EMPLOYEES:** For the purposes of this Contract, Contractor shall provide all necessary personnel and shall be fully responsible for their employment, work permits, payment and administration in strict conformity with all relevant laws and regulations, including any applicable collective labour agreements.

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 Contract's implementation, respect the local customs, and conform to a high standard of moral and ethical conduct. Contractor's employees working on FAO's premises will comply with FAO's rules, policies, and procedures regarding conduct, and security. All such warranties for the Services shall remain in effect for a period of one (1) year or for such other period agreed upon in this Contract after the Services are completed.

- B. WORKMEN'S COMPENSATION AND OTHER INSURANCE:** Contractor and its authorized sub-Contractor shall procure and thereafter maintain all appropriate workmen's compensation, employer's liability, comprehensive general liability (bodily injury) and comprehensive automobile liability (bodily injury and property damage) insurance and take any necessary measures to ensure compliance with the labor laws of the country of Contractor. Contractor shall also provide such other insurance as FAO may require, to the extent and in the amounts specified in this Contract. If any of Contractor's required insurance is cancelled or reduced during its term, Contractor and Contractor's insurance company are required to give ten days prior notice to FAO. Upon request by FAO, Contractor shall have its insurer furnish a copy of a "Certificate of Insurance" evidencing Contractor's compliance with the insurance requirements of this Contract. In the event that Contractor fails to maintain such insurance FAO may take out such insurance, pay such premiums as may be necessary and deduct the amount so paid by FAO

from any moneys due or which may become due to Contractor or recover the same as a debt from Contractor.

- C. TITLE TO EQUIPMENT:** Title to any equipment and supplies which may be furnished by FAO shall rest with FAO and any such equipment shall be returned to FAO at the conclusion of this Contract or when no longer needed by Contractor. Such equipment when returned to FAO shall be in the same condition as when delivered to Contractor, subject to normal wear and tear.
- D. COPYRIGHT, PATENTS, AND OTHER PROPRIETARY RIGHTS:** FAO shall be entitled to all intellectual property and other proprietary rights including but not limited to patents, copyrights, and trademarks, with regard to documents and other materials which are prepared in the course of the execution of this Contract. At FAO's request, Contractor shall take all necessary steps, execute all necessary documents, and generally assist in securing such proprietary rights and transferring them to FAO in compliance with the requirements of applicable law.

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source: <http://www.fao.org/unfao/procurement/en/6/8/index.html>