CODE OF CONDUCT BETWEEN THE MINISTRY OF DEFENSE OF THE KINGDOM OF SPAIN AND [COMPANY NAME]

Madrid, [day] [month] [20XX]

BETWEEN

Of the one part:
_________________________, on behalf of the Ministry of Defense of the Kingdom of Spain.

Of the other part:
_________________________, on behalf of [company name].

HEREBY DECLARE

ONE. In 2015 the Ministry of Defense of the Kingdom of Spain and the United States Department of Defense (hereinafter the “participants”) entered into an Agreement on Security of Supply (hereinafter the “Agreement”) under which they provide each other with priority reciprocal support.

TWO. The Ministry of Defense of the Kingdom of Spain (hereinafter “MINISDEF”) will use this Code of Conduct, which shall be subscribed to by the Spanish companies that so wish.

THREE. Any Spanish company that subscribes to the Code of Conduct will be considered an accredited company.

FOUR. Any Spanish company that wishes to subscribe to and comply with the provisions of the Code of Conduct will submit a request to the Directorate General for Armament and Materiel (hereinafter “DGAM”).

In view of the foregoing, the Parties
AGREE AS FOLLOWS:

ONE. This Code of Conduct is based on:

1. Complementary Agreement Four on Defense Industrial Cooperation between the Government of Spain and the Government of the United States, which entered into force on July 2nd, 1982; and

2. The Agreement on Security of Supply between the Ministry of Defense of the Kingdom of Spain and the United States Department of Defense (DoD), which entered into force on May 19th, 2015.

TWO. The purpose of this Code of Conduct is to create a mechanism between the MINISDEF and the accredited Spanish companies in order to establish and implement the conditions set out in Section 3 of the Agreement. To this end, the accredited Spanish companies undertake to make every reasonable effort to comply with the conditions set out in this Section, with a view to meeting urgent and critical defence needs in a timely and efficient manner. In no case shall it be used to remedy deficient supplies or to replace normal contracting processes.

In this regard, the accredited Spanish companies are advised to include the necessary provisions in any subcontract to ensure that such a contract complies with the Code of Conduct.

The accredited Spanish companies thus accept that, where applicable, any particular contract they may subscribe to or participate in with the DoD or any of its contractors will be treated as a contract in accordance with the Code of Conduct. To this end, the accredited Spanish companies will respond in a timely manner to requests from the DoD, through the point of contact designated for this purpose by the MINISDEF, to amend delivery schedules, provided that the customer is willing to compensate for this in accordance with the relevant contractual provisions.

The accredited Spanish companies will inform both the MINISDEF and the DoD of any conflicts of priorities between any contract under the Code of Conduct contract and other contracts.

THREE. The basic principles of this Code of Conduct are as follows:

1. It is voluntary and will not be legally binding either for the MINISDEF or for the accredited Spanish company.

2. In the event that a request from the DoD or one of its contractors to an accredited Spanish company cannot be met without incurring financial losses, and the former are not willing to compensate the Spanish company for this circumstance, this will be considered a reasonable cause for rejecting the request.

3. The accredited Spanish company may reject the request of the DoD or one of its contractors if such a request could jeopardise the company’s relationship with its current and/or future customers.
4. In the cases referred to in points 2 and 3, the accredited Spanish company will continue to adhere to the Code of Conduct.

5. The accredited Spanish company will be able to refer to its participation in the Code of Conduct as proof of its reliability when supplying industrial resources to the DoD and to the supplier contractors.

6. In the event that an accredited Spanish company tries to refuse to give the priority support requested by the DoD or one of its contractors, the MINISDEF may assess/evaluate the circumstances of this refusal. The accredited Spanish company may respond in writing or orally. The MINISDEF will take all the necessary measures to assess/evaluate these circumstances.

7. If the MINISDEF considers that the accredited Spanish company has complied with the Code of Conduct, it will inform the DoD accordingly, if requested to do so. The MINISDEF will use its good offices with the DoD to resolve any remaining difficulties.

In the event that the MINISDEF considers that the accredited Spanish company has not complied with the Code of Conduct, it will use its good offices so that this company can take the necessary measures to remedy the situation and will notify the DoD accordingly.

8. Failure to comply with the conditions of this Code of Conduct by an accredited Spanish Company may give rise to its review by the MINISDEF, which may, following consultation with the company in question, remove or temporarily suspend it from the Code of Conduct.

FOUR. The DGAM will draw up a register of Spanish companies that have subscribed to this Code of Conduct. The MINISDEF will provide the register information to the DoD.

FIVE. The MINISDEF and the defence company associations will review the functioning of this Code of Conduct on an annual basis.

FOR THE MINISTRY OF DEFENSE

FOR THE COMPANY

Signature

Signature

Name

Name

Position

Position

Date and place

Date and place