

# COMMERCIALLY OFF THE SHELF (COTS) POLICY



Bilfinger UK Limited and its wholly owned legal entities recognises the challenges and concerns in relation to the supply of Commercial off the Shelf (COTS) items to the Nuclear Energy sector. COTS items require special arrangements for ensuring the client's requirements can be met by COTS items rather than by items specifically designed and produced for a particular contract. Consequently, the design of these items needs to be demonstrated to be suitable.

The Bilfinger Nuclear Safety Culture Manager shall provide structured training to technical staff and procurement staff, covering:

- Awareness of the concept of COTS.
- Ability to address the design implicit in COTS.
- Understanding how to apply the controls to prevent Counterfeit, Fraudulent and Suspect Items (CFSI) in COTS.
- Competence to specify the design, controls and requirements applicable to orders for COTS.

The Procurement Director shall notify the Supplier for potential COTS items to confirm the suitability by design.

The Procurement Director shall apply the (CFSI) controls to COTS items and use to verify the design process. A process must be identified whereby the company and the client accept the design process leading to the manufacture of COTS items. This is also linked to the threat of CFSI being brought to projects.

Suppliers of COTS items shall submit for review and acceptance the mitigations listed against each COTS item, that the supplier, or its sub-suppliers, propose to implement to provide sufficient assurance over product conformity and the products ability to operate in the conditions specified under contract, for example:

- Special tests and inspections
- Survey of supplier
- Source verification
- Item performance record
- Surveillance, audits
- Sampling tests
- Training

Bilfinger UK Limited and its wholly owned legal entities expects all of its employees, contractors and relevant suppliers to understand their responsibilities regarding supply of COTS to the Nuclear Energy sector and to familiarise themselves with the terms and requirements of this policy as well as the company's associated standards and procedures.

**Signed on behalf of Bilfinger UK Limited by**

A handwritten signature in black ink, appearing to read "S Bonner".

Sandy Bonner  
President

A handwritten signature in black ink, appearing to read "Derek H Marcus".

Derek H Marcus  
Chief Financial Officer