

Terms and Conditions of Purchase



1. APPLICATION OF TERMS

- 1.1 The Order is the Company's offer to purchase the Goods. The Order, these Conditions and the SQAR constitute the Contract. Unless otherwise expressly agreed in writing these are the only conditions upon which the Company is prepared to procure the Goods as detailed in the Order.
- 1.2 The defined terms and rules of interpretation in Appendix 1 to these Conditions shall apply in these Conditions.
- 1.3 These Conditions apply to the Contract to the exclusion of any other terms that the Supplier seeks to impose or incorporate, or which are implied by law, trade custom, practice or course of dealing.
- 1.4 The Order constitutes an offer by the Company to purchase the Goods only in accordance with the terms and conditions of the Order and these Conditions.
- 1.5 The Contract shall come into existence from the Order acceptance, which shall be the earlier of: i) the date the Supplier acknowledges the Order in writing; or, ii) the date the Supplier commences performance of the Order.
- 1.6 For avoidance of doubt, if the Order is not accepted within fourteen (14) days of the date of the Order, the Order will be deemed accepted by the Supplier.
- 1.7 The Supplier waives any right it might otherwise have to rely on any term endorsed upon, delivered with, or contained in any documents of the Supplier that is inconsistent with these Conditions.
- 1.8 All terms or conditions proffered by the Supplier are hereby excluded. No variation to these Conditions or the Contract shall be effective unless agreed in writing signed by an authorised person on behalf of the Company. Acceptance of Suppliers' conditions of sale or any other terms inconsistent herewith shall not be implied from any act, omission or series of acts or omissions on the part of the Company.
- 1.9 All variations to these Conditions agreed at the time of placing the Order shall only be specified on the Order.
- 1.10 Unless otherwise set out in the Order any Goods supplied by the Supplier under a Contract shall be FCA as per Incoterms 2020 and the Company shall supply the Supplier with courier details as applicable.

- 1.11 In the event of inconsistency between these Conditions and the face of the Order form, the latter shall prevail.
- 1.12 The Supplier shall comply with the SQAR at all times.
- 1.13 The Contract constitutes the entire agreement of the parties and supersedes all other agreements and communications between the Company and the Supplier concerning the subject matter of this Order.
- 1.14 The Supplier shall hold all Company Materials (if any are applicable to the Order) in safe custody at its own risk, maintain the Company Materials in good condition until returned to the Company (if required), and not dispose or use the Company Materials other than in accordance with the Company's written instructions or authorisation.

2 ORDER OF PRECEDENCE

- 2.1 In the event of any conflict or inconsistency between the terms and conditions of the Order and the terms of any other document regarding the subject matter of the Order, the following order of precedence will apply in descending order:
 - i) terms expressly stated on the face of the Order (excluding any documents incorporated by reference on the face of the Order);
 - ii) any documents expressly incorporated by reference on the face of the Order (excluding the FAR/DFARS Flow-Down Addendum, and these Conditions);
 - iii) The FAR/DFARS Flow-Down Addendum (if applicable);
 - iv) these Conditions; and
 - v) any other documents incorporated by reference or referenced in these Conditions.

3 SUB-CONTRACTING AND ASSIGNMENT

- 3.1 The Supplier shall not assign, transfer, mortgage, charge, subcontract, delegate, declare a trust over or deal in any other manner with any or all of its rights and obligations under this Contract without the prior written consent of the Company.
- 3.2 The Company may assign or subcontract any or all of its rights and obligations under this agreement to any third party.
- 3.3 Any subcontracting by the Supplier of any of its

Terms and Conditions of Purchase



obligations under this Contract will not relieve the Supplier from retaining ultimate responsibility for the performance of the sub-contracted obligations.

- 3.4 For all of the foregoing, an assignment shall also be deemed to have occurred upon a Change in Control of Supplier. A "Change in Control" shall mean (1) the merger, consolidation or combination of Supplier with an unaffiliated entity as a result of which Supplier is not the surviving entity; (2) the sale of all or substantially all of the assets of Supplier to an unaffiliated entity; or (3) a change in ownership of at least fifty percent (50%) of the outstanding equity interests of Supplier, excluding any transfer of such interests to any affiliate of Supplier.

4 VARIATION OF ORDER

- 4.1 The Company may (at its sole option) at any time request minor changes to the Specification and quantity of Goods and the delivery date without additional cost. Any major changes will be subject to an equitable adjustment of price, provided the Supplier presents a claim to the Company with all supporting costs and technical documentation to verify the claim for equitable adjustment within thirty (30) days from receiving the change request, otherwise the Company has the right to reject any equitable adjustment in the price. Any such variation shall be effective only if specified on an official amendment order issued by the Company and signed by an authorised person on behalf of the Company. Supplier shall proceed with implementing any changes issued by the Company pending commercial agreement.

5 CONFORMITY WITH ORDER, QUALITY AND DESCRIPTION

- 5.1 Goods shall in all respects:-
- 5.2 Comprise only of materials and goods which are new and unused and conform as to quality, quantity, design, Specification and description with the particulars of the Order
- 5.3 conform and with the SQAR;
- 5.4 be equal to the approved samples, patterns or Specification;
- 5.5 be adequately packed or wrapped at Supplier's expense to protect against all risks of damage or deterioration;

- 5.6 comply with any requirements set out in the Order, including any statutes or regulations applicable to goods of the type in question at the date of delivery;
- 5.7 conform with all descriptions applied thereto by Supplier or otherwise appearing in supporting literature supplied in respect of the Goods;
- 5.8 The Supplier shall not without the Company's prior written consent exceed quantities stated on the Order nor modify the Specification. The Company and the Supplier may agree to amend the Specification from that set out or referred to in the Order.
- 5.9 If any Goods are perishable or have a life expectancy of limited duration the Supplier shall issue appropriate instructions as to storage, handling and use of the Goods.
- 5.10 The Supplier shall ensure that items comprised in the Goods which are hazardous or may otherwise endanger life or health are clearly identifiable from external packaging. The Supplier shall supply with the Goods appropriate warning labels and instructional material appropriate to warn persons coming into contact with the item of the hazards and its effects.
- 5.11 The Supplier shall indemnify and keep indemnified the Company against all Losses and all other reasonable professional costs and expenses arising out of the Supplier's errors or in omissions from or failure to issue appropriate instructions and warning notices or information as required under the Contract.

6 INSPECTION AND TESTING

- 6.1 The Company and/or the Company's authorised representatives shall be entitled, upon reasonable notice to inspect all work, progression of Orders, facilities and records of the Supplier connected with the supply of the Goods at any time during the period of the Contract.
- 6.2 For such purposes the Supplier shall and shall procure that its approved sub-contractors shall afford to the Company's representatives reasonable facilities, access and assistance.
- 6.3 Inspections under Condition 5.1 shall be carried out during business hours on reasonable notice to the Supplier, provided that in the event of emergency, the Supplier shall grant the Company immediate access to

Terms and Conditions of Purchase



its premises.

- 6.4 Prior to delivery, Supplier shall test Goods for conformity with the Order. The Company relies on the Supplier's skill and judgement in assessing quality and fitness for purpose. The Supplier shall on request provide the Company free of charge with evidence and records of testing and inspection. The Company's authorised representatives may attend and observe testing of Goods.
- 6.5 The inspection or verification of work pursuant to the Order or attendance by the Company's representatives at testing of the Goods shall not constitute the Company's acceptance of Goods. No inspection, test or delay or failure to inspect or test or to discover any defect or non-compliance with the Order shall relieve the Supplier of any of its obligations under the Order or impair any rights or remedies of the Company.
- 6.6 Notwithstanding any prior payment or inspection, Goods shall be the subject of final inspection and acceptance by Company after receipt by Company of such Goods, unless otherwise specified in the Order.
- 6.7 Neither inspection and acceptance of any Goods by Buyer, nor failure by Company to inspect and accept or reject Goods, shall be deemed to alter or affect the obligations of Supplier under the Order or the rights of Company and its customers under the Order or as may be provided by law or equity.
- 6.8 The Supplier shall include the substance of this Condition 6 in all sub-contracts issued pursuant to the Order.

7 DELIVERY

- 7.1 Subject to Condition 7.5 time of delivery shall be of the essence of the Contract. The Supplier shall notify the Company forthwith of the reason and estimated length of any delay. Neither such notification nor an acknowledgment by the Company shall constitute a waiver of the Order's specified delivery schedule.
- 7.2 Goods shall be delivered strictly in accordance with the Order. The Company reserves the right to specify delivery to the premises of a third party.
- 7.3 The Supplier shall despatch with the Goods with all necessary documents and certificates in accordance with this Contract (in particular but without limitation the

Supplier shall comply with the relevant requirements of the SQAR). In the absence of an advice note or in the case of default, or failure of documents to conform with the Contract and/or the Order the Company shall be entitled to reject Goods.

- 7.4 Supplier shall make every effort to avoid or minimize any delay in delivery to the maximum extent possible, including the expenditure of premium time and most expeditious transportation. Supplier shall be responsible for any additional costs associated with such efforts, reasonable delay and disruption costs incurred by the Company, and other costs or damages which the Company incurs or for which the Company is responsible as a result of or in connection with late deliveries or performance. Without waiving any of the Company's other rights or remedies, in the event of an anticipated or actual delay in delivery, Company may require Supplier to provide, within ten (10) days after Company's written notice and request, a recovery plan and such additional information as the Company may request.
- 7.5 If Supplier is unable to meet the required schedules for any reason, other than a change directed by the Company, the Company shall have the option to (1) cancel the Order, in whole or in part, or (2) fill such Order, or any portion thereof, from sources other than Supplier and to reduce Supplier's Order quantities accordingly at no increase in unit price, without any penalty to the Company.
- 7.6 Notwithstanding any provision herein to the contrary, in no event shall the Company be liable for any costs or expenses incurred in connection with or as a result of: (1) procurement of materials in advance of standard industry lead times in effect at the time of such material procurement; and/or (2) commencement of production in advance of Supplier's standard lead time for the Goods.
- 7.7 Any Delivery note despatched with the Goods shall state: Order number, full details of consignment, date of despatch, name of carrier, list of other accompanying documents.
- 7.8 The Company shall be entitled in its absolute discretion to defer delivery and/or request the Supplier to stop all or any portion of the work under the Order. In such cases the Company may agree to pay reasonable

Terms and Conditions of Purchase



storage charges to the Supplier where appropriate.

7.9 Goods shall be invoiced in accordance with terms and conditions stated on the Order.

7.10 The Company shall (without prejudice to its other rights and remedies under these Conditions or at law) be entitled to reject or return Goods found on delivery not to conform with the Specification, the Order or the requirements of these Conditions, including as to quantity or quality, or to be damaged or defective, however slight the non-conformity, damage or defect (Sections 15A and 30 (2A) of the Sale of Goods Act 1979 shall not apply). Such Goods may be returned to the Supplier at Supplier's risk and expense and shall be deemed not to have been delivered under the Order.

7.11 If the Company rejects or returns any Goods under this Condition 7 then the Company shall be entitled to:

7.11.1 return all or any part of a delivery of defective or non-conforming Goods at Supplier's cost, and debit Supplier's account or demand a refund; and

7.11.2 require the Supplier to repair or replace the rejected Goods at Supplier's cost, or (at the Company's sole discretion) have a third party repair or replace the rejected Goods at Supplier's cost; or

7.11.3 require the Supplier to repay the price of the rejected Goods in full; or

7.11.4 retain all or any part of the defective or non-conforming Goods at an equitable price reduction.

7.12 The terms of this Contract shall apply to any repaired or replacement Goods supplied by the Supplier.

7.13 The making of payment shall not prejudice the Company's rights under this Condition 7.

7.14 The Company may (without prejudice to its rights and remedies under these Conditions or at law) agree that the Supplier can deliver Goods that are not in conformance with the Specification but that are still fit for purpose.

7.15 Any acceptance by the Company of Goods not in conformity with this Order shall be without prejudice to any other rights the Company may have against the

Supplier.

7.16 The Supplier's failure to adhere to any provision of the Contract shall entitle the Company at its sole discretion at any time after the date for performance or delivery to terminate the Contract pursuant to Condition 18 and treat the Contract as repudiated in whole or in part (without prejudice to any other rights it may have), and the Company shall not be prejudiced by any delay in exercising such option or any indulgence granted to the Supplier.

7.17 The Company shall be entitled to recover from the Supplier all and any Losses and all other reasonable costs and expenses whatsoever incurred (including without limitation costs of any necessary repair, replacement or other correction) as a result of or in connection with non-conformity of the Goods with the Order, either by equitable price reduction, set-off or credit against any amount owed to the Supplier (whether under this Order or otherwise) as the Company may in its absolute discretion elect.

7.18 If the Contract provides for delivery by instalments the Company shall be entitled to treat default in delivery of one instalment as breach of contract (without prejudice to any of its other rights and remedies). All instalment deliveries shall be invoiced separately unless otherwise specifically agreed in writing by the Company.

7.19 The Company reserves the right to refuse shipments made in advance of any agreed delivery date, and to return advance shipments or any excess quantities at the Supplier's expense.

7.20 Where the Company is required to pay charges to any of its customers as a result of the Supplier delivering Goods early, late, in excess quantities or otherwise not in conformity with this Contract, the Company shall be entitled to require the Supplier to pay any such charges to the Company or set off any such charges against any Orders or payments owed by the Company to the Supplier under this or any other contract or order between the Company and the Supplier.

8 RISK AND PASSING OF TITLE

8.1 Subject to Condition 8.4 below and to the Company's right to reject or return Goods, title to and risk of loss or damage to the Goods shall pass from the Supplier to the Company immediately following off-loading of the

Terms and Conditions of Purchase



Goods at the point of delivery (which may be a third party premises) specified in the Order ((except for loss or damage resulting from Supplier's fault or negligence or failure to comply with the terms of the Order).

- 8.2 Supplier shall be responsible for any delivery costs, including but not limited to transport, packaging and unloading costs incidental to the Contract and liable to insure Goods to their full replacement value against all risks of damage or loss prior to completion of delivery.
- 8.3 Supplier shall upon request provide such evidence of transit insurance cover in respect of the Goods as the Company may reasonably require.
- 8.4 Where Goods are retained by Supplier pending delivery instructions, title shall pass to the Company when Goods are ready for despatch but risk shall remain with Supplier until delivery in accordance with the Company's instructions.

9 PRICE AND PAYMENT

- 9.1 The price stated on the Order shall remain fixed and binding until completion of delivery unless otherwise agreed.
- 9.2 Prices stated on the Order are inclusive of all packaging, transit insurance and freight charges, unless alternative terms have been agreed and exclusive of VAT and Supplier shall not be entitled to increase the price by reason of any variation to such costs.
- 9.3 Supplier shall not issue any invoice prior to the scheduled or actual delivery date (whichever is the later). All invoices shall specify the Order number, full details of the consignment including description, quantity and unit price of Goods delivered and any other information reasonably required and requested by the Company.
- 9.4 Subject to the Company's receipt of Goods and documents conforming with the Order, payment will (unless otherwise stated on the relevant Order) be in pounds sterling within sixty (60) days from the end of the month in which the Company receives a proper invoice or within any other alternative period set out in the Order. Notwithstanding the Company's acceptance of the Goods, delivery shall not be deemed to have taken place nor shall the period for payment commence until the Company's receipt of all documents required

to be issued in accordance with the Order..

- 9.5 The Company may (but is not obliged to) agree advance or progress payments where it is satisfied through its own due diligence checks that the Supplier has met the Company's relevant requirements.
- 9.6 Payment by the Company of any amount in or towards the Contract price shall not constitute the Company's admission as to Supplier's performance of its obligations or a waiver of the Company's rights or acceptance of the Goods.
- 9.7 The Company shall offer to return packaging where it is feasible to do so but it shall not incur costs or charges where any such return has not taken place.
- 9.8 Any costs, charges, liabilities, damages or expenses to be paid by the Supplier shall be in pounds sterling and made within thirty (30) days from the date of the Company's invoice.
- 9.9 The Company shall have the right to set off against any Supplier invoice any amount owing by Supplier to the Company, whether under this or any other contract or order between the Company and the Supplier.

10 INTELLECTUAL PROPERTY

Supplier shall not supply Goods incorporating the Company's Intellectual Property Rights to any third party without the Company's prior written consent.

- 10.1 The Supplier hereby agrees that all right, title and interest the Supplier may have in connection with any Intellectual Property Rights and inventions that are in any way derived from Company Materials or arise during the performance of an Order to the Company are automatically assigned to and vest in the Company from creation. The Supplier agrees promptly to execute all documents and do all acts as may be necessary to vest such Intellectual Property Rights in the Company at no additional cost.
- 10.2 Each Party shall retain all rights, title and interests in and to any pre-existing Intellectual Property Rights that are owned, licensed or sublicensed by a Party prior to or independent of the Contract.
- 10.3 The Company grants the Supplier a non-exclusive, non-transferable, revocable and royalty-free licence to use the Company's Materials and any rights assigned to the Company pursuant to clause 10.1 solely for the

Terms and Conditions of Purchase



purposes of fulfilling the Order.

10.4 The Supplier grants the Company a non-exclusive, non-transferable, irrevocable, royalty-free licence, including the right to sublicense to Company's customers, to use the Supplier's Intellectual Property Rights, for the purposes of the maintenance, sale, supply, and operation of the Goods.

10.5 Except as expressly stated herein, no licence or right is hereby granted directly or indirectly under any Intellectual Property Rights held, made, obtained or licensable by the Company.

11 WARRANTY

11.1 Seller warrants to Company and Company's customers for a period of forty-eight (48) months from delivery to the Company that all Goods will: i) be of satisfactory quality and free from defects in design, materials, workmanship, manufacturing processes and packaging; ii) be fit for all common purposes for which goods of the kind in question are commonly supplied and if expressly or by implication the purposes for which the Company requires the Goods have been made known to the Supplier, fit for those purposes; iii) be free from any viruses, trojan horse(s), worm(s), time bomb, self-help code, back-door, malware, or malicious code(s) or any other software code or routine designed to (a) damage, destroy or alter any software or hardware, (b) reveal, damage, destroy, or alter any data; (c) disable any computer program automatically; or (d) permit unauthorized access to any software or hardware; iv) the Products do not and shall not violate or in any way infringe upon the rights of third parties, including without limitation, property, contractual, employment, trade secrets, proprietary information and non-disclosure rights, or any patents, copyright, trademark or other intellectual property rights; v) be produced, designed, packaged, marked, labelled, supplied, delivered and maintained in accordance and to comply with, all applicable laws; vi) be free of all claims, liens and encumbrances.

11.2 If any Goods fail to comply in any respect with Supplier's warranties set forth in the Order, Company shall have the right at Supplier's expense and in the Company's sole discretion, to exercise one or more of the following remedies: (i) return such Goods and debit Supplier's account or demand a refund; (ii) require

Supplier to promptly conduct repairs, modifications, or provide replacements (the "Corrections") necessary to enable such Goods to comply in all respects with such warranties at such location(s) as reasonably required by Company; (iii) terminate the Contract, in whole or in part, for default in accordance with Condition 18; or (iv) require a third party to promptly conduct repairs, modifications, or provide replacements where the Supplier is unable to meet the delivery schedule and requirements of the Company.

11.3 Supplier shall be responsible for (i) any costs incurred by the Company or its customers in the removal and reinstallation of the noncompliant Goods; (ii) reasonable administrative costs incurred by Buyer in identifying, determining the disposition of, and processing required documentation for the noncompliant Products; (iii) reasonable transportation and insurance costs for Goods corrected pursuant to the provisions of this Condition 11; (iv) reasonable delay and disruption costs incurred by Company; and (v) other costs or damages which Company incurs, including but not limited to, any additional third party costs incurred by the Company.

11.4 Any Goods to which Corrections have been made by Supplier, Company, or a third party under this Condition 11 shall be warranted by Supplier for twenty (24) months after the date of such Corrections or the unexpired remainder of the warranty period as specified in the Order, whichever period is greater.

11.5 If Buyer requires Supplier to make Corrections to any noncompliant Goods, Supplier shall ensure that Company receives such corrected or replacement Goods within a period of fifteen (15) days from receipt of Company notice, unless a longer period is approved by Company in writing.

11.6 Supplier shall process and reimburse Company for any claim by Company for amounts owed by Supplier under this Condition 11 within ten (10) days after receipt of Company's claim.

11.7 Seller's obligation to meet the delivery schedule established in the Order shall not be affected by any Corrections made pursuant to this Condition 11.

11.8 Any warranties contained herein, including any Goods furnished with the original manufacturer's warranties,

Terms and Conditions of Purchase



the Supplier hereby assigns to the Company, its successors, and customers.

12 INDEMNITY

12.1 The Supplier shall indemnify the Company against any and all Losses, actions, awards, damages, penalties, fines, expenses and professional costs suffered or incurred by the Company arising out of or in connection with any actual or alleged claim by a third party for:

- (a) death, personal injury or damage to property arising out of, or in connection with, defects in the Goods and/or non-compliance with this Contract by the Supplier, its agents or sub-contractors;
- (b) the supply of the Goods; and
- (c) any claim made against the Company, any Losses and all other costs and expenses suffered or occasioned to the Company through any failure of the Supplier to comply with any such applicable laws and regulations in its performance under the Order and/or this Contract.

12.2 Except to the extent such infringement arises directly from Supplier's compliance with formal specifications issued by the Company and such infringement could not be avoided in complying with such specifications, the Supplier shall indemnify the Company against any and all Losses, actions, awards, damages, penalties, fines, expenses and professional costs suffered or incurred by the Company arising out of or in connection with any actual or alleged claim by a third party for infringement of a third party's intellectual property rights arising out of, or in connection with, the manufacture, supply or use of the Goods (excluding the Company Materials). If any Goods, or any component, part or feature thereof, becomes the subject of any claim, suit or action related to the infringement of any intellectual property rights, or in the event of an adjudication that any Goods, or component, part or feature thereof, infringes any intellectual property rights, or, if the manufacture, sale, use or maintenance of any Goods, or part, component or feature thereof, is enjoined or restricted, Supplier shall, in order for the Company and its customers and users at any tier to have uninterrupted use and enjoyment of such Goods, or part, component or feature thereof, at Supplier's option and expense: (i) procure for the Company and its

customers and users at any tier the rights, under such intellectual property rights, to manufacture, sell, use or maintain such Goods, or part, component or feature thereof; (ii) replace such Goods, or part, component or feature thereof with one of a similar nature and quality that is non-infringing; or (iii) modify such Goods, or part, component or feature thereof to make same non-infringing.

12.3 This Condition 12 shall survive termination of the Contract.

13 INSURANCE

13.1 During the term of the Contract and for a period of six (6) years thereafter, the Supplier shall maintain in force the following insurance policies with reputable insurance companies:

- (a) aviation liability insurance, covering bodily injury and property damage with a Combined Single Limit of at least 100 million US dollars;
- (b) public liability insurance with a limit of at least £1,000,000 million a claim **or** for a sum that is sufficient to cover the liabilities that may arise under or in connection with the Contract, and
- (c) product liability insurance with a limit of at least £1,000,000 million for claims arising from a single event or series of related events in a single calendar year; and
- (d) professional indemnity insurance with a limit of at least £1,000,000 million for claims arising from a single event or series of related events in a single calendar year; and
- (e) employer's liability insurance with a limit of at least £5,000,000 for claims arising from a single event or series of related events in a single calendar year. The Supplier shall ensure that all insurance policies required pursuant to Condition 13:
 - (a) be issued by insurance companies with a Best Rating of no less than A-VII/or an industry equivalent rating;
 - (b) provide that such insurance be primary insurance and any similar insurance in the name of and/or for the benefit of the Supplier shall be excess and non-contributory;
 - (c) name Supplier, including all successors and

Terms and Conditions of Purchase



permitted assigns, as additional insureds; and

(d) waive any right of subrogation of the insurers against the Supplier or any of its affiliates.

13.2 On the Company's written request, the Supplier shall promptly provide the Company with copies of the insurance policy certificates and details of the cover provided.

13.3 The Supplier's liabilities under this Contract shall not be deemed to be released or limited by the Supplier taking out the insurance policies referred to in Condition 13.1.

14 PROPRIETARY INFORMATION

14.1 If the Supplier and the Company have entered into a non-disclosure agreement governing the exchange of Confidential Information for purposes relating to the Order, the conditions of such non-disclosure agreement shall continue to apply in addition to the requirements under this Condition 14.

14.2 Each Recipient undertakes that it shall maintain in confidence and not disclose any Confidential Information of the Company to any third party, except as permitted by Condition 14.4.

14.3 Each Recipient shall protect a Disclosing Party's Confidential Information with at least the same degree of care the Recipient normally exercises to protect its own Confidential Information, but no less than reasonable care.

14.4 Each Recipient may:

(i) disclose the Disclosing Party's Confidential Information to: its employees, officers, representatives, contractors, subcontractors or advisers who need to know such information for the purposes of exercising the party's rights or carrying out its obligations under or in connection with this Contract ("**Representatives**") provided that such Representatives have entered into or are bound by terms and conditions of confidentiality no less onerous than those contained under this Condition 14; and (ii) as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority; and

(ii) Copy the Disclosing Party's Confidential Information on an as-required basis strictly as necessary to fulfil the Receiving Party's obligations under the Order, provided that all such copies or portions thereof bear copies of

the Disclosing Party's original legends (if any)

14.5 The Recipient shall be responsible for any breach of the terms of this Condition 14 by either itself or its Representatives.

14.6 Each party reserves all rights in its Confidential Information. Where, for the purposes of fulfilling the Order, the Supplier has created (or modified existing) drawings, specifications, data or other items these will be deemed to be the Confidential Information of the Company and the parties shall discuss in good faith any requirement for copies of these to be supplied to the Company.

14.7 Neither party shall use the other party's Confidential Information for any purpose other than to exercise its rights and perform its obligations under or in connection with the Contract.

14.8 For the avoidance of doubt the Supplier shall not use or assist others in using any Confidential Information relating to the Company for the purposes of developing or reverse engineering any parts or components for anyone other than the Company, either as production, spares or repaired items, without the Company's prior written consent.

14.9 Supplier shall include the substance of this Condition 14 in all sub-contracts issued pursuant to this Order.

15 SUPPLY OF PERSONNEL

15.1 All personnel provided by Supplier for carrying out the Order shall at all times be deemed to be in the employment of Supplier and shall comply in all respects with site rules applicable to the Company's premises.

16 MATERIALS AND TOOLING

16.1 The Company may supply to the Supplier, or require the Supplier to manufacture or procure for the Company, or the Supplier may already be in possession of, Equipment which is or shall be owned by the Company or a customer of the Company that is required for the execution of the Contract. Where that is the case, the Equipment will remain the absolute property of the Company and the Supplier may not part with possession of it, or make it available, to any third party.

16.2 The Supplier shall, for the period it has possession or control of the Company Equipment:

Terms and Conditions of Purchase



- (a) have the sole risk of loss or damage to the Equipment;
- (b) ensure that the Equipment is kept secure, stored safely, treated with due care and kept in good condition and identified at all times as the property of the Company;
- (c) maintain at its own cost, with a reputable insurance company, insurance cover for any loss or damage to the Equipment for its full replacement cost, and shall have the Company's interest noted on the policy; and
- (d) promptly provide the Equipment to the Company or its nominated third party, or an inventory of all Equipment, at any time on request or on termination of the Contract and/or relevant Order.

16.3 The Company shall reimburse the Supplier for the reasonable costs of any repair or replacement of the Equipment, except to the extent necessitated by a default on the part of the Supplier.

16.4 The contract price shall be inclusive of tooling costs incidental to the Order. Tooling costs in full shall be shown as a separate item on invoice. Passing of title to tooling shall be simultaneous with passing of title to Goods and the Supplier shall upon request make tooling available for collection by the Company at any time thereafter.

16.5 The Company or its authorised representatives shall have the right, on reasonable notice, to enter the Supplier's premises to conduct an audit of Company Equipment and the Supplier shall provide all reasonable assistance to the Company for any such audit including providing access to any relevant records and documentation to the Company or its authorised representatives.

17 CANCELLATION

17.1 Termination

- (a) The Company shall be entitled by notice at any time to terminate the Contract in whole or in part. Upon termination under this Condition 17.1(a) Supplier shall immediately discontinue work on the Order and shall within one (1) month thereafter submit its claim for expenses incurred pursuant to the Order to the extent to which the same would otherwise be an unavoidable loss to Supplier due to the Company's

cancellation. Supplier shall take all reasonable steps to mitigate its loss and in doing so shall actively endeavour to reassign to its other customers where possible all in-process materials and components relating to the terminated part of any Order save where these materials and/or components contain Confidential Information or Intellectual Property Rights of the Company. The Company shall not be liable for claims submitted more than one (1) month after termination.

- (b) Subject to payment of the fair and reasonable price not to exceed the price of the terminated part of the Order, the Company shall be entitled forthwith upon termination pursuant to Condition 17.1(a) or 18 to take possession of and Supplier shall yield and deliver up to the Company all unused and undamaged materials and parts and items in the course of manufacture pursuant to the Order.
- (c) The Company may after termination of the Contract for whatever reason require return by the Supplier of all Equipment and Intellectual Property and the Supplier irrevocably authorises the Company to enter onto its premises for such purpose.

17.2 Stop Work Orders

- (a) Where it is required by its customer(s) to do so, the Company may issue an order to stop any work that the Supplier (or any third party on their behalf) is engaged in in order to fulfil the Order ("**Stop Work Order**").
- (b) The Company may issue a Stop work Order at any time to the Supplier in order to suspend fulfilment of the Order without compensation or liability as a result of its customer's requirements. Any such written direction shall be specifically in writing, identified as a Stop Work Order and issued by an authorised representative of the Company. Upon receipt of the Stop Work Order, the Supplier shall immediately: i) comply with its terms; ii) stop the work covered by the Stop Work Order.
- (c) In due course the Company may issue a 30 day written notice to the Supplier to restart fulfilment of the Order and the Supplier shall promptly commence work and agree a reasonable adjustment to the delivery schedule with the Company.

Terms and Conditions of Purchase



(d) If the Stop Work Order lasts for more than 24 consecutive months then the Supplier and the Company shall discuss the situation in good faith and decide by mutual agreement whether to extend the Stop Work Order for an additional period of time or to terminate the Contract for convenience. Should the Supplier and Company agree to terminate the Contract for convenience, the Company's liability to the Supplier and its suppliers and/or subcontractors shall be proportional to the work completed up to the date of the Stop Work Order.

18 TERMINATION FOR DEFAULT

18.1 Without affecting any other right or remedy available to it, the Company may terminate the Contract in whole or in part with immediate effect without liability by giving written notice to the Supplier of an event of default if:

- (a) Supplier fails to deliver Goods or to perform the Services within the time specified in the Order or any extension granted in writing by the Company;
- (b) Supplier breaches or fails to perform any of the other provisions of the Order and, if such breach or failure is subject to cure, fails to cure such breach or failure within a period of ten (10) days after receipt of written notice from Company specifying Supplier's breach or failure to perform;
- (c) Any breach or failure to meet the conditions of Condition 3 'SUBCONTRACTING AND ASSIGNMENT';
- (d) the Supplier suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 (**IA 1986**) as if the words "it is proved to the satisfaction of the court" did not appear in sections 123(1)(e) or 123(2) of the IA 1986;
- (e) the Supplier commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with any of its creditors;
- (f) the Supplier applies to court for, or obtains, a moratorium under Part A1 of the Insolvency Act 1986;

- (g) a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of the Supplier;
- (h) an application is made to court, or an order is made, for the appointment of an administrator, or a notice of intention to appoint an administrator is given or an administrator is appointed, over the Supplier;
- (i) the holder of a qualifying floating charge over the assets of the Supplier has become entitled to appoint or has appointed an administrative receiver;
- (j) a person becomes entitled to appoint a receiver over all or any of the assets of the Supplier or a receiver is appointed over all or any of the assets of the Supplier;
- (k) a creditor or encumbrancer of the Supplier attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of the Supplier's assets and such attachment or process is not discharged within 14 days;
- (l) any event occurs, or proceeding is taken, with respect to the Supplier in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in Condition 16.1 (a) to Condition 16.1 (h) (inclusive);
- (m) the Supplier suspends or ceases, or threatens to suspend or cease, carrying on all or a substantial part of its business; or
- (n) the Supplier's financial position deteriorates so far as to reasonably justify the opinion that its ability to give effect to the terms of this agreement is in jeopardy;

18.2 Supplier shall be liable for any and all losses and damages to the Company resulting from Supplier's event of default(s) above, including, but not limited to: (i) the difference between the price of Goods under the Order and the aggregate expense, including, without limitation, administrative and other indirect costs, paid or incurred by Company to manufacture, produce or provide, or engage other persons to manufacture, produce or provide such Goods; (ii) delay and disruption costs incurred by the Company which are caused by the default; and (iii) any other costs or damages which the Company incurs or for which Company is responsible which are caused by the

default.

19 PUBLICITY

19.1 Supplier shall not, without Company's prior written consent, make any disclosure, news release or public announcement, denial or confirmation, regarding any part of the subject matter of the Order, or in any manner advertise or publish the fact that Supplier has supplied or contracted to supply to Supplier the Goods and described in the Order. Seller shall not use Company's or Company's customers' marks, logos or names, or release photographs of any of Company's or Company's customers' facilities, products, or personnel, without Company's prior written consent in each instance.

19.2 Supplier shall not make any contact with or respond to any inquiry from customers of the Company or Company's customers on the subject of the Order, without the prior written consent of the Company. Supplier shall promptly notify the Company of any such inquiry.

20 NO WAIVER

20.1 No failure or delay by the Company to exercise any right or remedy provided under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

21 FORCE MAJEURE

21.1 The Company shall not be liable to the Supplier if the Company is unable to take delivery of Goods, issue instructions or otherwise progress with any Order or otherwise carry out any provision of the Contract for any reason beyond its reasonable control including (but without limitation) Act of God, epidemic, pandemic, change in legislation, war, insurrection, riot, civil commotion, act or threat of terrorism, lightning, earthquake, fire, flood, drought, storm or extreme weather condition, failure of power supply, lock out, strike, stoppage or other action by employees or third parties in contemplation or furtherance of any dispute or owing to any inability to procure anything required for the performance of the Contract or refusal or withdrawal of export licences.

21.2 Where this Condition 21 applies the Company shall be entitled, during the period of such contingency, to defer or cancel delivery of any undelivered balance of Goods and in the event of cancellation, the provisions of Condition 15 shall apply.

22 COMPLIANCE WITH LAWS

22.1 The Supplier warrants to the Company that at all relevant times it has complied with and shall comply with all laws and regulations and best industry practice applicable to its performance under the Order and this Contract, including but not limited to those laws, regulations and practices referenced in the SQAR.

22.2 The Supplier shall comply with all applicable laws and regulations, as amended or updated from time to time, in the United Kingdom relating to data protection, the processing of personal data and privacy, including without limitation, the Data Protection Act 2018 (DPA), the UK GDPR (as defined in sections 3(10) and 205(4) of the Data Protection Act 2018) and any legislation that replaces amends or supersedes the DPA or UK GDPR

23 NOTICES

23.1 Any notice or other communication given to a party under or in connection with this Contract shall be in writing and shall be:

- (a) delivered by hand or by pre-paid first-class post or other next working day delivery service at its registered office or its principal place of business (in any other case); or
- (b) sent by email to the address specified, in the case of the Supplier, in the quote by the Supplier or, in the case of the Company, that set out in the Order with a copy sent to Legalnotices@ontic.com.

23.2 Any notice or communication shall be deemed to have been received:

- (a) if delivered by hand, at the time the notice is left at the proper address;
- (b) if sent by pre-paid first-class post or other next working day delivery service, at 9.00 am on the second Business Day after posting; or
- (c) if sent by email, at the time of transmission, or, if this time falls outside business hours in the place of receipt, when business hours resume. In this

Terms and Conditions of Purchase



Condition, business hours means 9.00am to 5.00pm Monday to Friday on a day that is not a public holiday in the place of receipt.

23.3 This Condition does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

24 CONSTRUCTION AND JURISDICTION

24.1 The Contract, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England. Pending final resolution of any dispute, Supplier shall proceed diligently with performance of the Order.

24.2 Any dispute arising under or relating to the Contract shall be reduced to writing and submitted to the other Party. The manager of Company's authorized purchasing representative and Supplier's equivalent manager or executive shall use all reasonable efforts to resolve the dispute. If they are unable to resolve the dispute within thirty (30) days after submission of the dispute, Company's senior procurement executive and Supplier's equivalent level executive shall attempt to resolve the dispute.

24.3 For any dispute that cannot be resolved to both Parties' mutual satisfaction within sixty (60) days after the initial submission of the dispute, or such other time as the Parties agree upon in writing, either Party may commence litigation to seek a resolution to the dispute. Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with the Contract or its subject matter or formation.

24.4 If any provision or part-provision of the Contract is or becomes invalid, illegal, or unenforceable, it shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of the Contract. If any provision of the Contract is deemed deleted under this Condition 22.3 the parties shall negotiate in good faith to agree a replacement provision that, to the greatest extent possible, achieves the intended commercial result of the original provision.

25 SURVIVAL

25.1 The terms and conditions under the Order and these Conditions regarding proprietary information, intellectual property, warranties, indemnification, and disputes, and all others that by their sense and context are intended to survive the performance, termination or expiration of the Contract.

Terms and Conditions of Purchase



Appendix 1 - Definitions and Interpretation

In these Conditions the following words shall have the following meanings (unless the context otherwise requires):

“the Company”	Means Ontic Engineering & Manufacturing UK Ltd;		limitation) all necessary installation, handling, use, storage and disposal instructions in respect of Goods;
“Company Materials”	means all materials, equipment and tools, drawings, specifications and data supplied by the Company to the Supplier or that which is otherwise owned by the Company;	“Group”	in relation to a company, that company, any subsidiary or holding company from time to time of that company, and any subsidiary from time to time of a holding company of that company;
“Confidential Information”	means any information concerning the business, affairs, customer, clients or suppliers of a party or of any member of its Group, including information relating to a party's operations, processes, plans, product information, know-how, designs, trade secrets, software, market opportunities and customers, all drawings, specifications, data and other items (including any technical information), written, oral or otherwise;	“Intellectual Property Rights”	means patents, utility models, rights in and to inventions, copyright and neighbouring and related rights (including but not limited to copyright in computer software and/or code, and topography rights), moral rights, rights of publicity, trademarks, service marks, business names, domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, imprints, database rights, rights to use and protect the confidentiality of confidential information (including know-how and trade secrets), and all other intellectual property rights or interests, in each case whether registered or unregistered, and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world and the words “Intellectual Property” shall be construed accordingly;
“the Contract”	means the contract for supply of the Goods to the Company consisting of these Conditions and the Order (as applicable);		
“Disclosing Party”	a Party to the Contract which discloses or makes available directly or indirectly Confidential Information;		
“Equipment”	means all equipment and property, including Tooling and test equipment, that is necessary for the manufacture and assembly of the Goods (including, but not limited to, all materials, dies, jigs, tools, patterns, moulds, tapes, gauges, models, equipment, fixtures, software tools and other items) whether (1) furnished or made available by Company or Company's customers or (2) specifically fabricated, acquired, or otherwise provided by Supplier or its suppliers or subcontractors in support of the Goods or the Order;		
“Goods”	means all goods, services, data, software and other items (or any of them) furnished or to be furnished to the Company and its customers under the Order and any replacements and includes (without	“Losses”	means loss of profit (direct or indirect); loss of revenue, loss of production or loss of business (in each case whether direct or indirect); loss of goodwill, loss of reputation or loss of opportunity (in each case whether direct or indirect); loss of anticipated saving or loss of margin (in each case whether direct or indirect); loss of use of (whether complete or partial) or damage to the Goods or any other property or equipment (whether

Terms and Conditions of Purchase

direct or indirect); liability of the Company to third parties (whether direct or indirect), administrative costs; or any indirect, consequential or special loss, costs, damages, charges or expenses;

- “Order” means the purchase order or an amendment to the purchase order placed by the Company for the supply of Goods on these Conditions and includes all the provisions and Specifications specified in or attached hereto or issued pursuant hereto or incorporated by reference;
- “Recipient” a Party to the Contract which receives or obtains directly or indirectly Confidential Information.
- “Specification” means all technical descriptions, designs, and drawings of Goods and details (if any) of their manufacture and performance specified by the Company in or pursuant to this Order;
- “SQAR” means the Company’s “Supplier Quality Assurance Requirements” as amended from time to time;
- “Supplier” means the person, firm or company to whom the Order is addressed; and
- “Tooling” means tooling, dies, drills, moulds, presses, vessels, tools and machinery, and related items.