

HIERARCHY CLAUSE

In this Purchase Order, a reference to the Purchase Order includes the Purchase Order Form, the Conditions in the main body, and the terms of any schedules. If there is a conflict or inconsistency between different parts of this Purchase Order, the following descending order of priority applies:

1. The Purchase Order Form;
2. Conditions in the main body of this Purchase Order (with the exception of condition 6.5)
3. Service Levels and KPIs (if agreed and in place for this order);
4. Condition 6.5 (supply of Goods and Services);
5. Conditions 20.2 (Mandatory Policies); and
6. Any other Schedules specified in the Purchase Order Form above.

PURCHASE ORDER CONDITIONS

This Purchase Order includes and is subject to the following covenants and terms and conditions ("the **Conditions**").

1 OFFER, ACCEPTANCE, AND DURATION

- 1.1 Written acceptance of this Purchase Order or commencement of provision of any Goods and/or performance of any Services pursuant hereto shall constitute acceptance of the Conditions stated herein.
- 1.2 Any terms and conditions proposed by the Seller which are different from or in addition to this Purchase Order are expressly rejected by the Buyer.
- 1.3 Any acceptance by the Buyer herein contained is expressly made conditional on Seller's agreement to the Conditions which are additional to or different from those contained in any offer of the Seller. The Seller waives any right it might otherwise have to rely on any term endorsed upon, delivered with or contained in any documents of the Seller that is inconsistent with this Purchase Order.
- 1.4 No purported oral or verbal agreement or other understanding which attempts in any way to modify the Conditions of the agreement resulting from this Purchase Order will be binding upon the Buyer.
- 1.5 Where the Seller is supplying Services, this Purchase Order shall commence on the Commencement Date and will continue, unless terminated earlier in accordance with these Conditions, until the End Date. The Buyer may extend the term of the Purchase Order for up to twelve (12) months by giving written notice to the Seller no later than thirty (30) days before the End Date. The parties may mutually agree in writing to further extend the term.

2 PRICE

- 2.1 This Purchase Order must not be fulfilled or performed at prices higher than those specified in this Purchase Order, unless otherwise agreed to in writing by the Buyer. Where no price is quoted on the Purchase Order, the price set out in the Seller's published price list in force as at the date the Purchase Order was issued shall apply. The price specified in this Purchase Order includes all subcontracting costs associated with this Purchase Order. The Buyer shall have no responsibility for any increased costs incurred by the Seller in connection with any

subcontractors unless such additional costs shall have been negotiated and agreed to in writing by the Buyer.

- 2.2 The Seller warrants that the prices specified herein are no less favourable than prices given by the Seller to any other customer for like Goods and/or Services (after consideration of all discounts, rebates and allowances). If the Seller quotes a lower price to anyone or accepts payment of a lower price from anyone during the life of this Purchase Order, such lower price is to prevail in respect to any quantity undelivered or not yet performed hereunder. If the Buyer is quoted a lower price by someone other than the Seller and Seller does not wish to meet the lower price, the Buyer may purchase any undelivered or not yet performed quantity hereunder at the lower price, thereby cancelling this Purchase Order with no further liability to the Seller for such undelivered or not yet performed quantity.
- 2.3 Unless otherwise agreed in writing by the Buyer, the prices specified in this Purchase Order shall be exclusive of any value added tax and include all other local taxes which the Seller is required by law to collect from the Buyer and from which the Seller cannot obtain an exemption. VAT shall be paid in accordance with clause 5.4 below. Any other applicable taxes shall be separately stated on the Seller's invoice(s) and shall be paid by the Buyer unless an exemption is available.
- 2.4 Unless otherwise agreed to in writing by the Buyer, the price specified on this Purchase Order includes all charges for packing, cartage, storage, drayage, and transportation to the F.O.B. point. The Seller shall pay all delivery charges in excess of the amount the Buyer has agreed to pay.
- 2.5 The Seller warrants that the prices will comply with applicable government law and regulations.
- 2.6 No extra charges shall be effective unless agreed in writing with the Buyer.

3 SHIPPING AND PACKING OF GOODS

- 3.1 All shipments shall be delivered, carriage paid (unless otherwise agreed in writing by the Buyer) to the Buyer's place of business, or to such other place of delivery as is agreed by the Buyer in writing prior to delivery of the Goods and during the normal working hours of the Buyer on a date agreed by the Buyer in writing prior to delivery. The Buyer may, at its sole discretion and if specifically agreed to in writing by the Buyer, provide the Seller with the details of its shipping account for the Buyer's shipments.

- 3.2 If the Seller requires the Buyer to return any packaging material to the Seller that fact must be clearly stated on any delivery note delivered to the Buyer and any such packaging material will only be returned to the Seller at the Seller's expense.
- 3.3 All shipments must be accompanied by a packing slip which describes the articles, states the Purchase Order number, and shows the shipment's destination. The Seller agrees to promptly forward the original bill of lading or other shipping receipt for each shipment in accordance with the Buyer's instructions. No charges will be allowed for packing, crating and transportation unless stated in this Purchase Order.
- 3.4 Equipment shipped hereunder must be shipped without oil or any other fluids and must comply with all the Buyer's specifications concerning compliance with local, state, and national environmental regulations, including but not limited to those dealing with air pollution control, wastewater control, chemical usage, and employee exposure. The Seller shall bear all liability for spillage if the shipment does not so comply.

4 DELIVERY – RISK OF LOSS

- 4.1 Deliveries shall be made both in quantities and at times specified in the Purchase Order Form of this Purchase Order or in accordance with the Buyer's schedules and therefore time is of the essence. The Buyer shall not be required to make payment for Goods delivered and/or Services performed which are in excess of or less than the quantities specified in this Purchase Order or in written releases issued by the Buyer.
- 4.2 In the event the Seller fails to meet the agreed delivery requirements for Goods for reasons other than those specified in clause 13 below, and the Buyer requires a more expeditious method of transportation for the Goods than the transportation method originally specified, the Seller shall ship the Goods as expeditiously as possible at the Seller's expense and invoice the Buyer for the amount which the Buyer would have paid for normal shipment.
- 4.3 Unless provided otherwise in the Purchase Order Form, all Goods shall be sold F.O.B destination. The Seller shall be responsible for and bear the risk of any loss or damage to the Goods until received by the Buyer.
- 4.4 Delivery of the Goods shall be completed on the completion of unloading of the Goods at the Delivery Location. Title and risk in the goods shall pass to the Buyer on completion of Delivery.
- 4.5 The Seller shall not deliver the Goods in instalments without the Buyer's prior written consent.

4.6 Time for delivery shall be of the essence.

5 INVOICING

5.1 The Seller agrees to promptly render after delivery of the Goods and/or performance of the Services, correct and complete invoices to the Buyer and to accept payment by cash equivalent (including purchase cards or electronic transfer of funds).

5.2 Payment shall be due thirty (30) days from the end of the month of invoice following the date the Buyer receives the Goods or Services, except as may otherwise be agreed by the parties in writing.

5.3 The Buyer may withhold payment pending receipt of evidence, in such form and detail as the Buyer may direct, of the absence of any liens, encumbrances, and claims on the Goods or Services provided under this Purchase Order. Buyer may set off any amount owed by the Seller or any of its affiliated companies to the Buyer, against any amount owed by the Buyer to the Seller, under this Purchase Order.

5.4 All amounts payable by the Buyer under the Purchase Order are exclusive of amounts in respect of value added tax chargeable for the time being ("**VAT**"). Where any taxable supply for VAT purposes is made under the Purchase Order by the Seller to the Buyer, the Buyer shall, on receipt of a valid VAT invoice from the Seller, pay to the Seller such additional amounts in respect of VAT as are chargeable on the supply of the Services and/or the Goods at the same time as the payment is due for the supply of the Services and/or the Goods.

6 SUPPLY OF GOODS AND SERVICES

6.1 The Seller expressly warrants that all Goods and/or Services covered by this Purchase Order:

- i. conform to the terms of the Purchase Order, specifications, drawings, samples, or descriptions furnished to or by the Buyer;
- ii. in respect of Goods, are merchantable, of good material and workmanship, are of satisfactory quality and free from defects for the period of any applicable warranty and in the absence of any such warranty for a reasonable period of time taking into consideration the nature of the Goods and the purpose for which they were supplied;

- iii. are fit and sufficient for the particular purpose intended by the Buyer. If the Seller has participated in the design of the item or approved the design, the Seller also warrants that the items are free from defects in design; and
 - iv. comply with all applicable statutory and regulatory requirements relating to the manufacture, labelling, packaging, storage and handling of the Goods.
- 6.2 Payment for, inspection of, or receipt of the Goods and/or Services shall not constitute acceptance of the Goods and/or the Services provision or a waiver of any breach of warranty or reduce or otherwise affect the Seller's obligations under the Purchase Order.
- 6.3 The Buyer will inspect the Goods and/or provision of the Services. Notwithstanding any such inspection, the Seller shall remain fully liable for the Goods and/or provision of the Services in accordance with these Conditions and any applicable warranty. If following such inspection the Buyer considers that the Goods and/or the Services do not conform or are unlikely to comply with the Seller's warranties under clause 6.1, the Buyer shall inform the Seller and the Seller shall immediately take such remedial action as deemed necessary and within such timescales as directed by the Buyer to ensure compliance.
- 6.4 The Buyer's rights under these Conditions are in addition to the statutory conditions implied in favour of the Buyer by the Sale of Goods Act 1979 and the Sale of Goods and Services Act 1982
- 6.5 The Seller will:
- i. ensure that all Services are performed in accordance with these Conditions; and also, where applicable, with any Services Levels and Key Performance Indicators as defined and outlined in Schedule (Service Levels and KPIs). In the event of any conflict or inconsistency between this clause 6.5 and Schedule 2 (Service Levels and KPIs), the terms of Schedule 2 (Service Levels and KPIs) will prevail.
 - ii. co-operate with the Buyer in all matters relating to the Services and comply with all instructions of the Buyer;
 - iii. perform the Services with the best care, skill and diligence in a professional and qualified manner in accordance with best practice in the Seller's industry;
 - iv. use personnel who are suitably skilled, qualified and experienced to perform tasks assigned to them, and in sufficient number;
 - v. comply with good industry practice and legal requirements;

- vi. ensure that the Services conform with all descriptions, standards and specifications and are fit for purpose;
 - vii. provide all equipment required to provide the Services;
 - viii. obtain and maintain all necessary licences, consents and insurance required to provide the Services;
 - ix. implement and maintain appropriate technical, organisational, and procedural measures to ensure the confidentiality, integrity, and availability of all information, data, and systems that are provided, processed, or stored in connection with this Purchase Order and provide details of the same to the Buyer on request; and
 - x. shall adopt cyber security and physical security practices that meet or exceed industry standards and comply with all applicable laws, regulations, and best practices regarding information security and data protection and provide details of the same to the Buyer on request.
- 6.6 The Seller will ensure that any employees, sub-contractors or agents of the Seller employed or appointed in connection with the provision of Services under this Purchase Order will comply with any and all method statements supplied by the Seller to the Buyer detailing how it will comply with the above requirements and with any documents, requests and instructions provided to them by the Buyer.
- 6.7 The Seller will ensure that any employees, sub-contractors or agents of the Seller employed or appointed in connection with the provision of Services under this Purchase Order will comply with obligations no less onerous than those set out in clause 6.5 above and will provide details and evidence of the same to the Buyer upon written request.
- 6.8 Time for delivery of Goods and/or performance of the Services shall be of the essence.

7 NONCONFORMING GOODS

- 7.1 No nonconforming or defective Goods may be supplied to the Buyer without prior written agreement. In addition to other rights and remedies set out in these Conditions, any nonconforming or defective Goods that are supplied may be returned to the Seller for, at the Buyer's option, full credit or replacement with new Goods at the Seller's risk and expense, including all expenses for labour and materials in dealing with or removing the defective parts, all charges for handling, sorting, packaging and transportation both ways. No replacement of

nonconforming Goods may be made except as authorised by a replacement Purchase Order signed by an authorised representative of the Buyer.

8 CHANGES

- 8.1 The Buyer at any time in writing may make changes in the drawings, designs and specifications of the Goods and/or Services or otherwise change the scope of the Goods and/or Services to be provided under a Purchase Order, including work with respect to such matters as inspection, testing or quality control, the method of packing and shipping, the place of delivery and shipping instructions and quantity or delivery schedules.
- 8.2 The Seller agrees to promptly make such changes as requested by the Buyer. If such changes affect the cost or time required for performance and if the Seller makes a claim for adjustment in writing within fourteen (14) days of receipt of notification of change, an equitable adjustment shall be made by the parties, and this Purchase Order shall be modified accordingly. Otherwise, such claim for equitable adjustment is waived and the Purchase Order shall be deemed to be modified.
- 8.3 The Seller shall diligently continue performance of the Purchase Order, as amended, pending agreement on the amount of an equitable adjustment. Nothing contained herein shall relieve or excuse the Seller from proceeding without delay in performing this Purchase Order as amended.
- 8.4 The Seller shall not make any change in design, processing, packing, shipping, or place of delivery of Goods without the Buyer's written approval.

9 TERMINATION FOR INSOLVENCY

- 9.1 The Buyer may immediately terminate this Purchase Order without liability if:
- 9.1.1 any procedure is commenced with a view to the winding-up or re-organisation of the Seller;
- 9.1.2 any procedure is commenced with a view to the appointment of an administrator, receiver, administrative receiver or trustee in bankruptcy in relation to the Seller or substantially all of its assets;
- 9.1.3 the holder of any security over all or substantially all of the Seller's assets takes any step to enforce that security;

- 9.1.4 all or substantially all of the Seller's assets are subject to attachment, sequestration, execution or any similar process;
- 9.1.5 the Seller is unable to pay its debts as they fall due or enters into a composition or arrangement with its creditors or any class of them; or
- 9.1.6 anything analogous to any of the events described in the paragraphs above occurs in any jurisdiction.

10 TERMINATION FOR CONVENIENCE

- 10.1 In addition to any other rights of the Buyer to cancel or terminate this Purchase Order, the Buyer may terminate all or any part of this Purchase Order at any time and for any reason by giving thirty (30) days written notice to the Seller.
- 10.2 The Seller will thereupon immediately stop work on this Purchase Order or the terminated portion thereof and will immediately notify any relevant subcontractors to do likewise.
- 10.3 The Buyer shall pay to the Seller the Purchase Order price for all undisputed Goods and/or Services which have been completed in accordance with this Purchase Order and not previously paid for. Where articles or materials are to be specifically manufactured for the Buyer hereunder and where the Seller is not in default, an equitable adjustment shall be made to cover the Seller's actual cost, excluding profit, for work-in-process and raw materials as of the date of termination to the extent such costs are reasonable in amount and are properly allocatable or apportionable under generally accepted accounting practices to the terminated portion of this Purchase Order.
- 10.4 The Buyer will not be liable for any charges or expenses incurred by the Seller in advance of the normal lead time necessary to meet a scheduled Delivery Date(s) nor for any expenses, charges or liability incurred subsequent to the giving of notice of cancellation or termination.
- 10.5 The Buyer will make no payments for finished Goods, work-in-process, or raw materials in amounts in excess of those authorised by the Buyer or for any undelivered Goods which are in the Seller's standard stock or which are readily marketable.
- 10.6 The Seller shall submit any claim to the Buyer within thirty (30) days after the date of cancellation or termination or such claim shall be waived.

11 TERMINATION FOR DEFAULT

11.1 The Buyer reserves the right to terminate all or any part of this Purchase Order, for default by the Seller, immediately upon written notice, if the Seller:

- i. repudiates or breaches any of the terms of this Purchase Order, including the Seller's warranties;
- ii. fails to perform the Services or deliver the Goods as specified by the Buyer; or
- iii. fails to make progress so as to endanger timely and proper completion of the Services and/or delivery of the Goods and does not correct such failure or breach within ten (10) days after receipt of written notice from the Buyer specifying such failure or breach.

If the Buyer terminates its purchase obligations pursuant to clause 9 (Termination for Insolvency) or 11 (Termination for Default), the Buyer shall have no obligations to the Seller in respect of the terminated portion of this Purchase Order and the Buyer's liability shall be limited to the delivered portion of this Purchase Order at the rate specified on the face hereof. The Buyer shall be entitled to recover from the Seller all damages or losses attributable to such repudiation, breach, or failure by the Seller.

11.2 Unless otherwise agreed in writing between the parties, where the Seller makes any delivery of the Goods more than two (2) weeks after or before the specified Delivery Date or fails to perform the Services by the applicable dates, then without limiting or affecting other rights or remedies available to it, the Buyer shall have one or more of the following rights:

- i. reject the Goods (in whole or in part) and return them to the Seller at the Seller's own risk and expense;
- ii. refuse to accept any subsequent delivery of the Goods or performance of the Services which the Seller attempts to make;
- iii. not pay for any Goods and/or Services (in whole or in part at the Buyer's discretion) which were not delivered or provided on the Delivery Date and recover from the Seller any costs incurred by the Buyer in obtaining substitute Goods or Services from a third party; and/or
- iv. claim any damages for any other costs, loss or expenses incurred by the Buyer which are in any way attributable to the Seller's failure to carry out its obligations under this Purchase Order.

11.3 Where the Seller has supplied Services that do not comply with the requirements of this Purchase Order then without limiting or affecting other right or remedies available to it, the Buyer shall have one or more of the following rights:

- (i) to terminate this Purchase Order with immediate effect by giving written notice to the Seller;
- (ii) to require the Seller to provide repeat performance of the Services, or to provide a full refund of the price paid for the Services (if paid);
- (iii) to refuse to accept any subsequent performance of the Services which the Seller attempts to make;
- (iv) to recover from the Seller any expenditure incurred by the Buyer in obtaining substitute services or deliverables from a third party; and
- (v) to claim damages for any additional costs, loss or expenses incurred by the Buyer arising from the Seller's failure to comply with this Purchase Order.

11.4 The Buyer may terminate this Purchase Order in the event of a breach of clause 27.4.

11.5 The Buyer's rights and remedies under this Purchase Order are in addition to its rights and remedies implied by statute and common law.

11.6 These Conditions shall extend to any substituted or remedial Goods or Services provided by the Seller.

12 CONSEQUENCES OF TERMINATION

12.1 On termination of the Purchase Order, under clause 9, clause 10, clause 11, clause 13, or for any other reason, or expiry, the Seller shall return all Buyer Materials to the Buyer and shall also, if requested to do so by the Buyer, immediately deliver to the Buyer all Deliverables whether or not then complete. If the Seller fails to do so, then the Buyer may enter the Seller's premises and take possession of them. Until they have been returned or delivered, the Seller shall be solely responsible for their safe keeping and will not use them for any purpose not connected with the Purchase Order

- 12.2 Termination or expiry of the Purchase Order shall not affect any of the rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination or expiry, including the right to claim damages in respect of any breach of the Purchase Order or these Conditions which existed at or before the date of termination or expiry.
- 12.3 Any provision of the Purchase Order that expressly or by implication is intended to come into or continue in force on or after termination or expiry of the Purchase Order shall remain in full force and effect.

13 FORCE MAJEURE

- 13.1 Neither party shall be liable for a failure to perform that arises from causes or events beyond its reasonable control and without its fault or negligence, including but not limited to acts of God or the public enemy, actions by any domestic or foreign governmental authority (whether valid or invalid), fires, riots, wars, sabotage, acts of terrorism, labour problems (including lockout strikes and slowdowns), epidemics, or pandemics ("**Force Majeure Event**") .
- 13.2 The affected party shall give written notice of such delay, including the anticipated duration thereof, to the other party within seven (7) days of the beginning of the Force Majeure Event.
- 13.3 If the Seller is the affected party, the Seller shall take all reasonable action, including, but not limited to, utilising temporary production facilities or a temporary workplace, or moving existing tooling to third party production facilities in order to ensure that the supply of Goods and/or Services meets the requirements of the Purchase Order.
- 13.4 During the period of such delay or failure to perform by the Seller, the Buyer may purchase Goods and/or Services from other sources and reduce its schedule or commitment to the Seller by such quantities without any liability. If requested to by the Buyer, the Seller shall, within seven (7) days of such request, provide adequate assurances that the delay shall not exceed a total of thirty (30) days.
- 13.5 If the delay lasts more than thirty (30) days from the commencement of the Force Majeure Event or the Seller does not provide adequate assurances, which are acceptable to the Buyer, that the delay will cease within that thirty (30) day period, the Buyer may immediately cancel this Purchase Order without liability.

14 PROVISION OF LABOUR SERVICES

- 14.1 The Seller will notify the Buyer four (4) months in advance of the scheduled expiration of any Services provided where the Seller's employees, workers or self-employed consultants provide those Services (the "**Labour services**").
- 14.2 If requested by the current the Buyer, the Seller will establish, at the Seller's expense, a thirty (30) day inventory of finished Goods, at a site mutually agreed upon with the Buyer, prior to the expiration of any such Labour Services.
- 14.3 The Seller will notify the Buyer immediately of any actual or potential disputes delaying or threatening to delay the timely performance of any open purchase order in respect of the Labour Services.
- 14.4 Both parties understand that the Transfer of Undertakings (Protection of Employment) Regulations 2006, as amended from time to time ("**TUPE**") shall not apply either on the Commencement Date or End Date and the Seller confirms, warrants and undertakes to the Buyer that there will be no organized grouping of employees assigned to the provision of the Labour Services.
- 14.5 The Seller confirms, warrants and undertakes that all relevant right to work checks (the "**Right to Work Checks**") have been carried out on its employees, workers and self-employed staff providing the Labour Services, where applicable, and agrees to indemnify and keep indemnified the Buyer its directors and employees in full from and against any claims, costs, expenses or liabilities whatsoever and howsoever arising, incurred or suffered by the Buyer including without limitation all legal expenses and other professional fees (together with any VAT thereon) in relation to the Right to Work Checks.
- 14.6 The Seller confirms, warrants and undertakes that any and all liabilities in respect of income tax, employer national insurance contributions and any and all other tax liabilities relating to the Seller's employees, workers and self-employed staff (the "**Taxes**") remain the sole responsibility of the Seller and agrees to indemnify and keep indemnified the Buyer, its directors and employees in full from and against any claims, costs, expenses or liabilities whatsoever and howsoever arising, incurred or suffered by the Buyer including without limitation all legal expenses and other professional fees (together with any VAT thereon) in relation to the Taxes.
- 14.7 In the event that TUPE applies either on the Commencement Date and/or End Date the Seller shall indemnify and continue to indemnify the Buyer and/or any replacement supplier of the Labour Services in full from and against all claims, costs, expenses or liabilities whatsoever and howsoever arising, incurred or suffered by the Buyer or any replacement supplier

including without limitation all legal expenses and other professional fees (together with any VAT thereon) in relation to TUPE.

15 PATTERNS, TOOLS, AND EQUIPMENT

- 15.1 The Buyer shall have title to and the right of immediate possession of any pattern, tools, jigs, dies, equipment or materials furnished or paid for by the Buyer ("**Tooling**") and the Seller shall not use such Tooling while in its possession for any work other than that of the Buyer.
- 15.2 In the event the Seller purchases such Tooling with the Buyer's funds or is reimbursed by the Buyer, the Seller shall execute a Bill of Sale and all other documents necessary to transfer title free and clear of any liens related to the Tooling.
- 15.3 While in the Seller's possession, such Tooling shall be maintained in good and usable condition at no further cost to the Buyer. The Seller shall maintain and administer a program for the maintenance, repair and preservation of such Tooling, and appropriate identification of its ownership in accordance with good industrial practice.
- 15.4 When requested, the Seller shall furnish inventory schedules on the Tooling or return the Tooling to the Buyer in the condition in which it was received, except for reasonable wear and tear and consumption in the normal performance of work for the Buyer.
- 15.5 Any material furnished by the Seller and paid for by or charged to the Buyer shall be held on consignment by the Seller and the Seller shall assume the risk for any damage or loss thereto.
- 15.6 The Seller shall indemnify and hold the Buyer, its directors, employees, agents, contractors and consultants, harmless against all claims, demands, liabilities, costs and expenses, (including any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by the Buyer arising out of or in connection with the use, storage or handling of the Tooling until returned to the Buyer's possession.

16 CONFIDENTIALITY

- 16.1 Each party undertakes that it shall not at any time disclose to any person any confidential information concerning the business, assets, affairs, customers, clients or suppliers of the other party, including any equipment, tooling, patterns, designs, drawings, processes,

engineering and business data and other technical and proprietary information (without limitation), furnished by the Buyer ("**Confidential Information**") except as permitted by clause 16.2. In the event that the parties have already entered into a binding non-disclosure agreement ("**NDA**") and there is any conflict or inconsistency between that NDA and this clause 16 the terms of the NDA will prevail.

16.2 Each party may disclose the other party's Confidential Information:

- i. 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 a Purchase Order. Each party shall ensure that its employees, officers, representatives, contractors, subcontractors or advisers to whom it discloses the other party's Confidential Information comply with this clause 16; and
- ii. as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.

16.3 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 a Purchase Order.

16.4 Upon termination of a Purchase Order, each party shall:

- i. destroy or return to the other party (at their request) all documents and materials (and any copies) containing, reflecting, incorporating or based on the other party's Confidential Information; and
- ii. erase all the other party's Confidential Information from computer and communications systems and devices used by it, including such systems and data storage services provided by third parties (to the extent technically and legally practicable).

17 INTELLECTUAL PROPERTY

17.1 The Seller warrants that any materials, supplies or other goods (including the Goods and/or Services) provided to the Buyer will not infringe any UK, EU or foreign patent, trademark, copyright or registered and unregistered design right, or mask work right by reason of their manufacture, use or sale, and will not misuse or misappropriate any trade secret.

17.2 The Seller agrees to

- i. waive any claim against the Buyer including any copyright or mask work right infringement or the like, including claims arising out of compliance with specifications furnished by the Buyer; and
 - ii. grant to the Buyer a worldwide, non-exclusive, royalty-free, sub-licensable, irrevocable license to repair and have repaired, to reconstruct and have reconstructed any Goods which are subject to these Conditions.
- 17.3 The Seller assigns to the Buyer all rights, title and interest in and to all trademarks, copyrights and mask work rights in any material, including any Deliverables, created for the Buyer under these Conditions.
- 17.4 The Buyer grants the Seller a fully paid-up, non-exclusive, royalty-free non-transferable licence to copy and modify any materials provided by the Buyer to the Seller for the sole purpose of providing the Goods and/or the Services to the Buyer.
- 17.5 All Buyer's Materials are and will remain the exclusive property of the Buyer.

18 INDEMNIFICATION AND INSURANCE

- 18.1 The Seller shall indemnify the Buyer, its directors, employees, contractors, agents and consultants ("**Buyer Indemnified Parties**") against all liabilities, costs, expenses, damages and losses (including any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred by the Buyer as a result of or in connection with:
 - i. any claim made against the Buyer Indemnified Parties for actual or alleged infringement of a third party's intellectual property rights arising out of or in connection with the manufacture, supply or use of the Goods and/or Services, to the extent that the claim is attributable to the acts or omissions of the Seller, its employees, agents or subcontractors or a breach of these Conditions;
 - ii. any claim made against the Buyer Indemnified Parties by a third party for death, personal injury or damage to property arising out of or in connection with defects in the Goods and/or the provision of the Services, to the extent that the defects in the Goods or the provision of the Services are attributable to the acts or omissions of the Seller, its employees, agents or subcontractors or a breach of these Conditions;

- iii. any claim made against the Buyer Indemnified Parties by a third party arising out of or in connection with the supply of the Goods and/or the provision of the Services, to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of the Purchase Order by the Seller, its employees, agents or subcontractors; and
- iv. any claim made against the Buyer Indemnified Parties, resulting from or arising out of any failure of the Seller or the Seller's employees, agents, or subcontractors to comply with any applicable laws and regulations as outlined in these Conditions.

18.2 The Seller shall effect with a reputable insurance company a policy or policies of insurance covering all the matters which are the subject of indemnities under these Conditions and shall at the request of the Buyer produce, without undue delay, the relevant policy or policies together with receipts or other evidence of the latest premium paid thereunder for inspection by the Buyer or its authorised representative.

19 TECHNICAL INFORMATION

19.1 The Seller agrees:-

- i. not to assert any claim (other than a claim for patent infringement) with respect to any technical information which the Seller shall have disclosed or may hereafter disclose to the Buyer in connection with the Goods and/or Services covered by these Conditions; and
- ii. to keep all technical and quality control records relating to any Goods and/or Services for a period of six (6) years following the date of the last delivery or provision of any such Goods and/or Services. Any such documents must be maintained in a condition that ensures they are identifiable, legible, preserved and retrievable.

20 COMPLIANCE

20.1 In providing the Goods and/or Services under this Purchase Order, the Seller will comply with any and all applicable UK law or foreign laws and regulations including but not limited to laws and regulations relating to:

- (i) Occupational Health and Safety (including the Health and Safety at Work etc. Act 1974);
 - (ii) Environmental Protection (including the Environmental Act 2021);
 - (iii) Employment (including the Modern Slavery Act 2015);
 - (iv) Equal Opportunities (including the Equality Act 2010);
 - (v) Data Protection (including the GDPR and Data Protections Act 2018);
 - (vi) Bribery and Corruption (including the Bribery Act 2020); and
 - (vii) those requirements listed in Schedule 1.
- 20.2 In addition to warranting that it will comply with the Buyer's mandatory policies incorporated here [\[HYPERLINK\]](#) the Seller warrants that it is in compliance with all UK and foreign laws, rules and regulations relating to contracting with small and disadvantaged business concerns and warrants that it complies with the Equality Act 2010. All such laws, rules, and regulations are incorporated herein by reference and the Seller agrees not to discriminate against any employee or applicant for employment because of age, gender reassignment, being married or in a civil partnership, being pregnant or on maternity leave, disability, race including colour, nationality, ethnic or national origin, religion or belief, sex, sexual orientation save where such discrimination is objectively justified under the Equality Act 2010.
- 20.3 The Seller agrees with the Buyer that if a member or members of the Buyer's staff is/are sexually harassed by a member or members of the Seller's staff in breach of the Equality Act 2010 ("**Sexual Harassment**") it shall indemnify and keep indemnified the Buyer, its directors, and employees in full from and against any claims, costs, expenses or liabilities whatsoever and howsoever arising, incurred or suffered by the Buyer, its directors and/or employees including without limitation all legal expenses and other professional fees (together with any VAT thereon) in relation to the Sexual Harassment.
- 20.4 The Seller agrees to provide all information necessary for the Buyer to comply with all applicable laws, regulations and related legal reporting obligations in the country(ies) of destination in respect of the Goods and/or Services being provided under this Purchase Order.
- 20.5 The Seller agrees to provide all documentation and/or electronic transaction records to allow the Buyer to meet customs related obligations, any local content/origin requirements, and to obtain all tariff and trade program duty avoidance(s) and/or refund benefits, where applicable, in respect of the Goods and/or Services being provided under this Purchase Order.

- 20.6 The Seller shall comply with all applicable requirements of the European Union's ("EU") REACH legislation, including, without limitation, pre-registering and/or registering any substances supplied to the Buyer and for which REACH registration is required, and designating an "Only Representative" to act as an importer under REACH for any substances supplied, directly or indirectly, by the Seller for import by the Buyer into the EU. The Seller shall provide the Buyer with all documents and information the Buyer may reasonably require to enable it to verify the Seller's compliance with REACH.
- 20.7 Without limiting any other provision of these Conditions, the Seller shall only furnish Goods to or for the account of the Buyer that are compliant with Directive 2011/65/EU of the European Parliament and of the Council of the European Union (the Restriction of Hazardous Substances or "RoHS2" Directive) and any applicable amendments, the Management Methods for Controlling Pollution Caused by Electronic Information Products Regulation of the Peoples' Republic of China (so-called "**China RoHS**"), and other similar laws of other jurisdictions into which the Goods are sold or shipped, unless expressly indicated in writing by the Buyer. The Seller agrees to provide appropriate documentation proving such compliance and/or any and all reasons for exemption from such compliance within forty-eight (48) hours of the Buyer's request.
- 20.8 The Seller shall use commercially reasonable efforts to ensure that all the Goods supplied to Buyer and the processes used to make them shall minimize life-cycle environmental impact, including minimizing waste generation, the use of energy and non-renewable resources, and the emission of greenhouse gases; and shall maximize the use of recycled, recyclable, biodegradable and nontoxic materials.
- 20.9 Both parties will comply with all applicable requirements of the Data Protection Legislation. This clause is in addition to, and does not relieve, remove or replace, a party's obligations or rights under the Data Protection Legislation. For the purposes of this clause 20 Data Protection Legislation includes means to the extent the GDPR applies, the law of the United Kingdom or a part of the United Kingdom which relates to the protection of personal data. UK GDPR has the meaning given to it in section 3(10) (as supplemented by section 205(4)) of the Data Protection Act 2018.

21 RIGHT TO AUDIT

- 21.1 The Buyer shall collect and maintain all records, documents and other information necessary to prove its compliance with its obligations under the Purchase Order, including but not limited to its compliance with clause 20 and Schedule 1

21.2

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21.3

The Buyer shall have the right, at any reasonable time, to:

- i. send its authorised representatives to examine all of the Seller's documents and materials relating to the Seller's obligations in respect of this Purchase Order or relating to the amounts the Seller charges the Buyer.
- ii. request that the Seller provide it with past, present and pro forma financial reports including, but not limited to, income statements, balance sheets, cash flow statements and supporting data for the Seller and any affiliate or subsidiary of the Seller involved in producing, supplying, or financing the Goods or any component part of the Goods and/or the Services.
- iii. use financial reports provided under this Section 20 only to assess the Seller's ongoing ability to perform its obligations under the Purchase Order and for no other purpose, unless the Seller agrees otherwise in writing. The Seller shall maintain all pertinent books and records relating to this Purchase Order for a period of six (6) years after completion of delivery of Goods and/or performance of Services pursuant to this Purchase Order.
- iv. send its authorised representatives to perform or observe audits, inspections or tests at the premises of the Seller, or its authorised subcontractors. The Seller will provide the Buyer with a reasonable level of support and any access to required information in order to complete such activities.

22

QUALITY ASSURANCE

22.1

The Seller shall maintain adequate and consistent process control techniques and quality control inspection and testing to assure that Goods will consistently conform to specified requirements and the Buyer's Supplier Quality Manual available at [\[HYPERLINK\]](#), and shall, at the Buyer's request, furnish substantiated results of such quality control inspections and testing.

22.2

The Seller shall notify the Buyer in writing before changing in any way material specifications or processes used in production of Goods ordered by the Buyer under this Purchase Order. The Buyer's specified requirements used in production must not be changed without the Buyer's prior written consent.

23 RESPONSIBILITY FOR PRODUCT HAZARDS

- 23.1 In the event that information is received by either party which reasonably supports the conclusion that the Goods are likely to be deemed a “defective product” under Section 2 of the Consumer Protection Act 1987 or fail to comply with any other applicable UK safety standards relating to product safety, the Seller will, in addition to all other obligations hereunder, have the duty to rework or replace without undue delay, at the Seller’s expense, all such Goods at any time sold to the Buyer (whether in the possession of the Buyer, its customers or others) and to pay all other costs of the Buyer attributable to such product hazard.

24 COUNTERFEIT PARTS PREVENTION

- 24.1 The Seller shall implement and maintain a documented, risk-based process to prevent the introduction of counterfeit or suspect counterfeit parts into The Buyer products, including parts supplied by sub-tier suppliers.
- 24.2 Counterfeit or suspect counterfeit parts are defined as unauthorised copies, substitutes, or parts misrepresented in relation to their origin, material, performance, age, or certification status.
- 24.3 Parts and materials shall be procured only from Original Equipment Manufacturers (OEMs), Original Component Manufacturers (OCMs), or their authorised distributors, unless formally approved in writing by bf1systems. Where alternative sources are approved, the supplier shall implement appropriate verification and authentication controls proportional to the assessed risk.
- 24.4 The Seller shall maintain appropriate traceability and verification records, including Certificates of Conformance and supporting inspection or test records, sufficient to enable identification, containment, and withdrawal of counterfeit or suspect counterfeit parts.
- 24.5 Any confirmed or suspected counterfeit part identified at any stage of the supply chain shall be immediately reported to The Buyer and shall not be knowingly delivered under any circumstances.
- 24.6 The Seller shall ensure relevant personnel are trained in counterfeit part awareness and prevention, shall flow down applicable requirements to sub-tier suppliers, and shall remain responsible for the conformity and authenticity of all supplied parts.

- 24.7 Non-compliance with counterfeit part prevention requirements may be treated as a serious non-conformance and may result in corrective action, increased audit activity, or impact seller approval status in line with the agreed SLA. Parts and materials shall be procured only from Original Equipment Manufacturers (OEMs), Original Component Manufacturers (OCMs), or their authorised distributors, unless formally approved in writing by bf1systems. Where alternative sources are approved, the Seller shall implement appropriate verification and authentication controls proportional to the assessed risk.
- 24.8 The Seller shall maintain appropriate traceability and verification records, including Certificates of Conformance and supporting inspection or test records, sufficient to enable identification, containment, and withdrawal of counterfeit or suspect counterfeit parts.
- 24.9 Any confirmed or suspected counterfeit part identified at any stage of the supply chain shall be immediately reported to the Buyer and shall not be knowingly delivered under any circumstances.
- 24.10 The Seller shall ensure relevant personnel are trained in counterfeit part awareness and prevention, shall flow down applicable requirements to sub-tier suppliers, and shall remain responsible for the conformity and authenticity of all supplied parts.
- 24.11 Non-compliance with counterfeit part prevention requirements may be treated as a serious non-conformance and may result in corrective action, increased audit activity, or impact supplier approval status in line with the agreed SLA.

25 SERVICES AT BUYER'S OTHER LOCATION

- 25.1 If labour or Services in connection with this Purchase Order are performed at any locations occupied or under control of the Buyer or another entity, the Seller agrees to indemnify and hold harmless the Buyer, its agents, employees, customers, and users of its and their products against any and all suits, actions or proceedings, at law or in equity, and from any and all claims, demands, losses, judgments, damages, costs, expenses, or liabilities, including reasonable attorney's fees, arising out of or related to the labour and Services to be provided, whether or not related to the conduct of the Buyer, its employees or agents.

26 REPLACEMENT PARTS

- 26.1 The Seller shall, in the case of Goods requiring servicing, stock replacement parts sufficient to meet the Buyer's needs for a period of not less than seven (7) years after the last shipment of any Goods unless specified otherwise in the Purchase Order Form or agreed otherwise in writing by the Buyer. Replacement parts will be made available to the Buyer at competitive prices not exceeding those charged to other comparable customers of the Seller.

27 MISCELLANEOUS

- 27.1 This Purchase Order, together with any attachments, exhibits, or supplements specifically referenced within it, and any written, existing "Supplier Agreement" or the like between the Buyer and the Seller, constitutes the entire agreement between the Seller and the Buyer with respect to the matter contained herein and supersedes all prior oral or written representations and agreements, drafts, undertakings, warranties, promises, assurances or arrangements of any nature whatsoever.
- 27.2 Except in the case of fraud, no party shall have any right of action against the other party to this Purchase Order arising out of or in connection with any pre-contractual statement except to the extent that it is repeated in this Purchase Order.
- 27.3 The Seller may not assign or delegate its obligations under this Purchase Order without the Buyer's prior written consent.
- 27.4 The Supplier will not be subject to a change of control (within the meaning of section 1124 of the Corporation Tax Act 2010) without the Buyer's prior written consent which is not to be unreasonably withheld or delayed. In the event that the Buyer does not consent to the Supplier's change of control the matter will be referred to the dispute resolution procedure in clause 26.15.
- 27.5 This Purchase Order includes all related customs, duty and import drawback rights, if any, including rights developed by substitution and rights which may be acquired from the Seller's supplier(s) which the Seller can transfer to the Buyer. The Seller agrees to inform the Buyer of the existence of any such rights and upon request to supply such documents as may be required to obtain such drawback.
- 27.6 The failure of either party at any time to require performance by the other party of any provision of this Purchase Order shall in no way affect the right to require such performance at any time thereafter, nor shall the waiver of either party of a breach of any provision of this Purchase Order constitute a waiver of any succeeding breach of the same or any other provision.

- 27.7 The Seller and the Buyer are independent contracting parties. No action taken by the parties under this Purchase Order shall constitute a partnership, association, joint venture or other co-operative entity between the parties. Nothing in this Purchase Order shall make either party the agent or legal representative of the other for any purpose whatsoever, nor does it grant either party any authority to assume or to create any obligation on behalf of or in the name of the other party.
- 27.8 This Purchase Order is to be construed according to English law and the parties submit to the exclusive jurisdiction of the English courts.
- 27.9 If any term of this Purchase Order is invalid or unenforceable under any statute, regulation, ordinance, executive Purchase Order, or other rule of law, such term shall be deemed reformed or deleted, but only to the extent necessary to comply with such statute, regulation, ordinance, Purchase Order or rule, and the remaining provisions of this Purchase Order shall remain in full force and effect.
- 27.10 The rights and remedies reserved to the Buyer in this Purchase Order shall be cumulative and additional to all other remedies available to Buyer in law or equity.
- 27.11 The Seller's covenants, representations and warranties stated within this Purchase Order shall survive any delivery, inspection, payment or acceptance and any completion, termination or cancellation of this Purchase Order.
- 27.12 Except as set out in this Purchase Order, no variation, including the introduction of any additional terms and conditions, shall be effective unless it is agreed in writing and signed by both parties.
- 27.13 If any provision or part-provision of the Purchase Order 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 Purchase Order.
- 27.14 The Seller may not subcontract any or all of its rights or obligations under this Purchase Order without the prior written consent of the Buyer.
- 27.15 The parties to this Purchase Order do not intend that any term of this Purchase Order will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person that is not a party to it.
- 27.16 If a dispute arises out of or in connection with this Purchase Order or its performance, validity or enforceability ("**Dispute**") then the parties shall follow the procedure set out in this clause:

- i. either party shall give to the other written notice of the Dispute, setting out its nature and full particulars ("**Dispute Notice**"), together with relevant supporting documents. On service of the Dispute notice, the Sales Order Processor of the Seller and Purchaser of the Buyer shall attempt in good faith to resolve the Dispute;
- ii. if the Sales Order Processor of the Seller and Purchaser of the Buyer are for any reason unable to resolve the Dispute within thirty (30) days of service of the Dispute Notice, the Dispute shall be referred to the Sales Manager of the Seller and Procurement Manager of the Buyer who shall attempt in good faith to resolve it;
- iii. if the Sales Manager of the Seller and Procurement Manager of the Buyer are for any reason unable to resolve the Dispute within thirty (30) days of it being referred to them, the parties agree to enter into mediation in good faith to settle the Dispute and will do so in accordance with the CEDR Model Mediation Procedure. To initiate the mediation, a party must give notice in writing ("**ADR Notice**") to the other party to the Dispute, referring the dispute to mediation. A copy of the ADR Notice should be sent to CEDR. Unless otherwise agreed between the parties within fourteen (14) days of service of the ADR Notice, the mediator will be nominated by CEDR;
- iv. unless otherwise agreed between the parties, the mediation will start not later than thirty (30) days after the date of the ADR Notice.

Schedule 1: Compliance Requirements

This is not a definitive list and the Buyer may update it from time to time.

- Registration, Evaluation, Authorization and Restriction of Chemicals Regulation (REACH)
- Restriction of Hazardous Substances Directive 2002/95/EC(RoHS)
- Conflict Mineral Regulation 2017/821
- The submission requirements for the International Materials Data System
- All United States requirements relating to US Customs and Border Protection tariffs requirements
- Sufficient evidence of compliance with sanctions imposed on the Russian Federation by any relevant authority, including but not limited to the United Kingdom, the United States of America, the United Nation and the European Union.
- The submission requirements to meet EU Regulation 2023/956 Carbon Border Mechanism (CBAM) (UK CBAM will be introduced by 2027)
- Regulation (EU) 2019/1021 of the European Parliament and of the Council of 20 June 2019 on persistent organic pollutants
- California Proposition 65, officially known as the Safe Drinking Water and Toxic Enforcement Act of 1986

