# TERMS OF PURCHASE REV. A

1. **DEFINITIONS.** For the purposes of these terms of purchase ("**Terms**"): ("**Goods**") shall mean the goods or any part of them set out in the PO; ("**Services**") shall mean the services (including any deliverables and required documentation) set out in the PO and any applicable specification; ("**the Supplier**") shall mean the person or firm from whom the Buyer purchases the goods and/or services; ("**the Buyer**") shall mean Preformed Windings Limited (Company No. 12567214).

2. **ACCEPTANCE OF TERMS.** Supplier agrees to be bound by and to comply with these Terms and the purchase order ("**PO**") to which these terms are attached or are incorporated by reference (together with any specifications and other documents referred to herein or on the PO) (collectively, this ("**Order**")). This Order is an offer to purchase the Goods and/or Services. This Order shall not constitute an acceptance of any offer to sell, quotation or other proposal from Supplier. The Supplier shall not seek to rely on any terms and conditions implied by law, trade custom, practice, course of dealing or included with Supplier's quotation, invoice or other document which are additional to or different than the terms of this Order, and none of such additional or different terms shall be part of the contract between Supplier and Buyer, unless specifically accepted by Buyer in a writing signed by an authorized representative of Buyer. This Order and its terms shall be irrevocably accepted by Supplier upon the earlier of: (a) Supplier's issuing any acceptance or acknowledgement of this Order; (b) deemed acceptance if Supplier does not reject within ten (10) days after the placement of the Order; or (c) an act by the Supplier consistent with fulfilling this Order in any manner, at which point and on which date a contract shall come into existence.

3. **DELIVERY AND TITLE PASSAGE.**

3.1 Delivery. Time is of the essence of this Order. If Supplier fails to deliver the Goods or complete the Services by the agreed delivery date, Supplier shall pay liquidated damages at the rate of 2% of the Order Price for each full week of delay (pro rata for partial weeks), up to a maximum of 10% of the Order Price. The parties acknowledge that such liquidated damages represent a genuine pre-estimate of the minimum loss likely to be suffered by Buyer arising from delay and are not a penalty. Payment of liquidated damages shall not relieve Supplier of its obligation to perform, nor limit Buyer's right to terminate for material breach or recover additional losses to the extent such losses exceed the liquidated damages cap.

3.2 All delivery designations shall be in accordance with Incoterms® 2020. Unless otherwise set forth on the PO, all goods provided under this Order shall be delivered DDP (Delivered Duty Paid) to the delivery location specified in the PO. Supplier shall be responsible for all export and import formalities, customs clearance, duties, tariffs, taxes (excluding recoverable VAT), carriage, insurance and unloading at the delivery location. Buyer may request a delay in the delivery date for up to three (3) months at no cost to the Buyer.

3.3 Supplier shall ensure that: (a) the Goods are properly packed and secured in such manner as to enable them to reach their destination in good condition; and (b) each delivery of the Goods is accompanied by a delivery note which shows the date of this Order, the Order number (if any), the type and quantity of the Goods (including the code number of the Goods (where applicable)), special storage instructions (if any) and, if the Goods are being delivered by instalments, the outstanding balance of Goods remaining to be delivered.

3.4 Title in the Goods shall pass to Buyer on completion of delivery unless the Buyer has made any advance payment or deposit in connection with the Goods in which case title shall pass to the Buyer immediately on payment. Risk in the Goods shall pass to Buyer on completion of delivery. Delivery shall be deemed as completed when the Goods are delivered to the delivery location and just before unloading. In the event that title passes on payment, Supplier shall:

(a) clearly identify and segregate such Goods as Buyer's property;

(b) store them separately from other goods;

(c) insure them for full replacement value; and

(d) permit Buyer reasonable access to inspect such Goods.

In the event of Supplier insolvency, Buyer shall have the right to enter Supplier's premises to recover such Goods.

3.5 *Buyer remedies.* Without prejudice to section 3.1, if Buyer fails to deliver the Goods or perform the Services by the applicable date, Buyer shall without limiting or affecting other rights or remedies available to it, have any one or more of the following rights and remedies: (a) to terminate this Order with immediate effect by giving written notice to Supplier; (b) to refuse to accept any subsequent performance of the Services or delivery of the Goods which Supplier attempts to make; (c) to recover from Supplier any costs incurred by Buyer in obtaining substitute goods or services from a third party; (d) to require a refund from Supplier of sums paid in advance for Services that Supplier has not provided or Goods that it has not delivered; and (e) to claim damages for any additional costs, loss or expenses incurred by Buyer which are in any way attributable to Supplier's failure to meet such dates.

4. **PRICES, PAYMENTS AND QUANTITIES.**

4.1 *Prices*. The price for the Goods and/or Services shall be the price set out in the PO, or if no price is quoted, the price set out in Supplier's published price list in force at date this Order is placed ("**Price**"). The price shall be fixed and shall not be subject to change. Supplier shall not be entitled to increase the Price for any reason, including increases in the cost of raw materials, labour, energy, transportation, duties or tariffs, unless expressly agreed in writing by Buyer. Notwithstanding the foregoing, if the currency in which the Price is denominated fluctuates against the currency in which the Goods or Services are sourced or supplied by more than 2% between the date of this Order and the date of payment, Buyer shall have the right, at its sole discretion, to adjust the Price to reflect such currency fluctuation. Any adjustment shall be calculated using the exchange rates published by Bank of England on the relevant dates. Supplier shall promptly provide all information reasonably requested by Buyer to verify the impact of any currency fluctuation. Any dispute regarding the adjustment of the Price under this section shall be resolved in accordance with Section 20 (Dispute Resolution) of this Order.

4.2 The Price includes all costs of packaging, insurance, taxes, fees and/or duties applicable to the Goods and/or Services; provided, however, that any value added tax that is recoverable by Buyer, state and local sales, use, excise and/or privilege taxes, if applicable, shall not be included in Supplier's price but shall be separately identified on Supplier's invoice. If Supplier is legally obligated to charge value added and/or similar tax, Supplier shall invoice Buyer in accordance with applicable rules to enable Buyer can reclaim such tax. Neither party is responsible for taxes on the other party's income or the income of the other party's personnel or subcontractors. If Buyer is legally required to withhold taxes for which Supplier is responsible, Buyer shall deduct such taxes from payment to Supplier and provide Supplier a valid tax receipt in Supplier's name. If Supplier is exempt from or eligible for a reduced rate of withholding tax, Supplier shall provide to Buyer a valid tax residency certificate or other required documentation at least thirty (30) days prior to payment being due. Supplier warrants the Price shall not exceed the pricing for the same or comparable goods or services offered by Supplier to third parties. Supplier shall promptly inform Buyer of any lower pricing levels for same or comparable goods or services, and the parties shall promptly make the appropriate price adjustment.

4.3 *Payment Terms*.

(a) Standard Terms. The Supplier shall invoice the Buyer for the Goods on completion of their delivery. Unless specified otherwise in the PO, the Buyer shall pay each undisputed invoice within 60 days of the end of the month in which the invoice was received. .

(b) Miscellaneous. If requested by Buyer, settlement and invoicing shall be paperless and in a format acceptable to Buyer. In all cases, Supplier's invoice must: (i) bear Buyer's Order number; (ii) a description of the Goods and/or Services separately identified to which the invoice relates (i.e., consigned material, tooling, or technology (often referred to as an "Assist" for import/customs purposes); include any reference information for any consigned goods and shall identify any discounts, credits or rebates from the base price used in determining the invoice value; (iii) be issued only after delivery in accordance with this Order has occurred; and (iv) be received by Buyer no later than one hundred and twenty (120) days after Buyer's receipt of the Goods and/or completion of the services. Buyer shall be entitled to reject and not pay and invoice which is not in compliance with this section 4.3(b). The Buyer shall not be responsible for any resulting: (A) delay in Buyer's payment; or (B) nonpayment by Buyer.

(c) The Buyer shall pay each invoice in the currency specified in this Order.

(d) Buyer may withhold total or partial payment until the Goods/or Services conform to the requirements of this Order.

(e) Buyer's payment of an invoice shall not constitute its acceptance of the Goods or Services. Buyer shall be entitled at any time to set-off any and all amounts owed by Supplier or a Supplier Affiliate (defined below) to Buyer or a Buyer Affiliate (defined below) on this or any other order. "**Affiliate**" shall for the purposes of this Order mean, with respect to either party, any entity, including, any individual, corporation, company, partnership, limited liability company or group, that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such party.

4.4 *Quantities*.

(a) General. Goods delivered to Buyer in excess of the quantities specified on the PO and/or in advance of schedule may be disposed of or returned to Supplier at Supplier's risk, and Supplier shall be responsible for all related costs and expenses incurred by Buyer.

(b) Replacement Parts. Replacement parts for Goods purchased by Buyer are for the purpose of this Section defined as "**Parts**" (and are also considered "Goods" under this Order). Unless specified otherwise by Buyer in writing, Supplier shall provide Parts (or upon Buyer's written consent, an alternative replacement part that provides the same form, fit and function as the Part(s)) for a period of ten (10) years after production of the Goods (into which the applicable Parts are incorporated) ceases. Supplier shall continue to supply such Parts past the ten (10) year period if Buyer orders at least twenty (20) Parts per year during such ten-year period. The prices for any Parts purchased in the first two (2) years of the ten-year period shall not exceed those prices in effect at the time production of the Goods ceases, and no set up charges shall be permitted by Supplier or paid by Buyer during this two-year period. Thereafter, the prices for Parts shall be negotiated based on Supplier's actual cost of production of such Parts plus any special packaging costs. No minimum order requirements shall apply unless the parties mutually agree in advance. After the end of the ten-year period, Supplier shall continue to maintain in good working condition all Supplier- owned tooling required to produce the Parts and shall not dispose of such tooling without offering Buyer the right of first refusal to purchase such tooling.

(c) Obsolescence. If Supplier plans to cease production of any Parts after the ten-year period as detailed in Section 4.4(b) above, then Supplier shall provide Buyer with at least two (2) years' notice of such event so that Buyer may request a "last-time" buy from Supplier for such Parts. If Supplier plans to cease production of any Goods (into which the applicable Parts are incorporated) Buyer purchases under this Order within two (2) years from the date on the Order, Supplier shall provide Buyer with at least two (2) years' notice of such event so that Buyer may request a "last-time" buy from Supplier of such Goods.

**5. BUYER'S PROPERTY.** All tangible and intangible property, including information or data of any description, tools, materials, drawings, computer software, know-how, documents, trademarks, copyrights, equipment or material: (a) furnished to Supplier by Buyer; (b) specifically paid for by Buyer; or (c) created with Buyer's IP Rights (defined in Section 6 below) shall be and remain Buyer's personal property (collectively, "**Buyer's Property**"). Such Buyer's Property furnished by Buyer to Supplier shall be accepted by Supplier "*AS IS*" with all faults and without any warranty whatsoever, express or implied, shall be used by Supplier at its own risk, and shall be subject to removal and/or return at Buyer's written request. Supplier shall not substitute any other property for Buyer's Property. Promptly upon receipt of a removal request from Buyer, Supplier shall prepare such Buyer's Property for shipment and deliver it to Buyer at Supplier's expense in the same condition as originally received by Supplier, reasonable wear and tear excepted. Prior to using Buyer's Property, Supplier shall inspect it and train its personnel and other authorized users in its safe and proper operation. In addition, Supplier shall: (i) keep Buyer's Property free of encumbrances and insured at Supplier's expense at an amount equal to the replacement cost thereof with loss payable to Buyer; (ii) plainly mark or otherwise adequately identify Buyer's Property as owned by Buyer; (iii) unless otherwise agreed to by Buyer in writing, store Buyer's Property separate and apart from Supplier's and third party owned property under Supplier's control; (iv) maintain Buyer's Property properly, and in compliance with any handling and storage requirements provided by Buyer, or that accompanied it when delivered to Supplier; (v) supervise the use of Buyer's Property; and (vi) use Buyer's Property only to meet Buyer's Orders without disclosing or otherwise reproducing it for any other purpose.

**6. INTELLECTUAL PROPERTY.**

6.1 *General*. Buyer hereby grants a non-exclusive, non-assignable, revocable license to Supplier to Buyer's Property for the sole purpose of performing this Order. The parties agree that each party exclusively owns all intellectual property it had prior to the commencement of this Order, however, Buyer shall own exclusively all rights in ideas, inventions, works of authorship, strategies, plans and data created in or resulting from Supplier's performance under this Order, including all patent rights, copyrights, moral rights, rights in proprietary information, database rights, trademark rights and other intellectual property rights (collectively, "**Buyer's IP Rights**"). To the extent that moral rights cannot be assigned under applicable law, the Supplier hereby waives its present and future moral rights in the Buyer's IP Rights and consents to any and all actions that would otherwise constitute a violation of such moral rights. All such intellectual property that is protectable by copyright shall be considered work(s) made for hire for Buyer or Supplier shall give Buyer "first owner" status related to the work(s) under local copyright law where the work(s) was created. If by operation of Law (defined in Section 15.1) any such intellectual property is not owned in its entirety by Buyer automatically upon creation, then Supplier agrees to transfer and assign to Buyer, and hereby transfers and assigns to Buyer, the entire right, title and interest throughout the world to such intellectual property. Supplier further agrees to enter into and execute any documents that may be required to transfer or assign ownership in and to any such intellectual property to Buyer. Should Supplier, without Buyer's prior written consent and authorization, design or manufacture for sale to any person or entity other than Buyer any goods substantially similar to the Goods supplied to the Buyer, Buyer may require Supplier to establish by clear and convincing evidence that neither Supplier nor any of Supplier personnel used in whole or in part, directly or indirectly, any of Buyer's Property in such design or manufacture of such goods.

6.2 *Embedded Software*. To the extent any Goods contain Embedded Software (defined below) that is not Buyer's Property, no title to such Embedded Software shall pass to Buyer, and Supplier shall grant Buyer, its customers and all other users a non-exclusive worldwide, irrevocable, perpetual, royalty-free right to use, load, install, execute, demonstrate, market, test, resell, sublicense and distribute such Embedded Software as an integral part of such Goods or for servicing the Goods (the "**Buyer-Required License**"). If such Embedded Software or any part thereof is owned by a third party, prior to delivery, Supplier shall obtain the Buyer-Required License from such third-party owner. "**Embedded Software**" means software necessary for operation of Goods and embedded in and delivered as an integral part of Goods.

## 7. CHANGES.

7.1 *Buyer Changes*. Buyer may at any time make changes within the scope of this Order in any one or more of the following: (a) drawings, designs or specifications; (b) method of shipment or packing; (c) place and time of delivery; (d) amount of Buyer's furnished property; (e) quality; (f) quantity; or (g) scope or schedule of Goods and/or Services. Supplier shall not proceed to implement any change until such change is provided in writing by Buyer. If any changes cause an increase or decrease in the cost or schedule of any work under this Order, an equitable adjustment shall be made in writing to the Order price and/or delivery schedule as applicable. Any Supplier claim for such adjustment shall be deemed waived unless asserted within thirty (30) days from Supplier's receipt of the change or suspension notification and may only include reasonable, direct costs that shall necessarily be incurred as a direct result of the change.

7.2 *Supplier Changes.* Supplier shall notify Buyer in writing in advance of any and all: (a) changes to the Goods and/or Services, their specifications and/or composition; (b) process changes; (c) plant and/or equipment/tooling changes or moves; (d) transfer of any work hereunder to another site or location; and/or (e) sub-supplier changes, and no such change shall occur until Buyer has approved such change in writing. Supplier shall be responsible for obtaining, completing and submitting proper documentation regarding any and all changes, including complying with any written change procedures issued by Buyer.

## 8. INSPECTION/TESTING AND QUALITY.

8.1 *Inspection/Testing*. In order to assess Supplier's work quality and/or compliance with this Order, upon reasonable notice by Buyer: (a) all Goods, materials and Services related to the items purchased hereunder, including, raw materials, components, assemblies, work in process, tools and end products shall be subject to inspection and testing by Buyer, its customer, representative or regulatory authorities at all places, including sites where the Goods are made or located or the Services are performed, whether at Supplier's premises or elsewhere; and (b) all of Supplier's facilities, books and records relating to this Order shall be subject to inspection by Buyer or its designee. Supplier agrees to cooperate with such/audit inspection including, completing and returning questionnaires and making available its knowledgeable representatives. Buyer's failure to inspect or test goods, materials or services or Buyer's failure to reject or detect defects by inspection or testing shall not relieve Supplier from its warranty obligations or any of its other obligations or responsibilities under this Order. Supplier agrees to provide small business as well as minority and/or women owned business utilization and demographic data upon request.

8.2 *Quality*. When requested by Buyer, Supplier shall promptly submit real-time production, compliance and process data ("**Quality Data**") in the form and manner requested by Buyer. Supplier shall provide and maintain an inspection, testing and process control system ("**Supplier's Quality System**") covering the Goods and Services provided hereunder that is acceptable to Buyer and its customer and complies with Buyer's quality policy, quality requirements in this Order and/or other quality requirements that are otherwise agreed to in writing by the parties ("**Quality Requirements**"). Acceptance of Supplier's Quality System by Buyer does not alter Supplier's obligations and/or liability under this Order, including, Supplier's obligations regarding its sub- suppliers and subcontractors. If Supplier's Quality System fails to comply with the terms of this Order, Buyer may require additional quality assurance measures at Supplier's expense necessary to meet Buyer's Quality Requirements. Supplier shall keep complete records relating to Supplier's Quality System, including all testing and inspection data and shall make such records available to Buyer and its customer for the longer of: (a) ten (10) years after completion of this Order; (b) such period as set forth in the specifications applicable to this Order; or (c) such period as required by applicable Law. If Supplier is not the manufacturer of the Goods, Supplier shall certify the traceability of the Goods to the original equipment manufacturer on the certificate of conformance. If Supplier cannot certify traceability of the Goods, Supplier shall not ship such goods to Buyer without obtaining Buyer's written consent. Any review or approval of drawings by Buyer shall be for Supplier's convenience and shall not relieve Supplier of its responsibility to meet all requirements of this Order. Supplier's Quality System shall comply with ISO 9001 or according to an equivalent international standard as may be agreed between the parties. The Supplier shall further comply with the environmental management system according to ISO 14001 and the occupational health and safety management system according to OHSAS 18001 or with equivalent international standards as may be agreed between the parties.

8.3 *Product Recall.*

(a) If a recall is required by applicable Law, or if Buyer or Supplier reasonably determines that a recall is advisable because the Goods may create a potential safety hazard, are not in compliance with any applicable code, standard or legal requirement, or contain a defect or non-conformance with the requirements of this Order occurring or likely to occur in multiple Goods, which such defects or non-conformances are substantially similar or have substantially similar causes or effects (collectively a "**Serial Defect**"), the parties shall promptly communicate such facts to each other. At Buyer's request, Supplier shall promptly develop a corrective action plan satisfactory to Buyer, which shall include all actions required to investigate, recall and/or repair the Goods and any actions required by applicable Law ("**Corrective Action Plan**") for Buyer's review and approval. At Buyer's election, Buyer may develop the Corrective Action Plan. In no event shall Buyer and Supplier's failure to agree on the Corrective Action Plan delay the timely notification of a potential safety hazard, non-compliance or Serial Defect to users of the Goods, cause either party to be non-compliant with applicable Law or prevent Buyer from taking reasonable actions to prevent injury or damage to persons, equipment or other property. For Goods that have already been delivered and/or if the Supplier fails to carry out the Corrective Action Plan, the Buyer may conduct such Corrective Action Plan themselves or by a third party, and the Supplier shall reimburse the reasonable direct costs and expenses incurred. Supplier and Buyer shall cooperate with and assist each other in any corrective actions and/or filings, if applicable.

(b) To the extent a recall is required by applicable Law, or due to a potential safety hazard, non-compliance or Serial Defect, which is caused by Supplier, Supplier shall indemnify and hold Buyer harmless from all reasonable costs and expenses incurred in connection with any recall, repair, replacement or refund program, including all costs related to: (i) investigating and/or inspecting the affected goods; (ii) notifying Buyer's customers; (iii) repairing, or where repair of the Goods is impracticable or impossible, repurchasing or replacing the recalled goods; (iv) packing and shipping the recalled goods; and (v) media notification. Each party shall consult the other before making any statements to the public or a governmental agency relating to such recall, potential safety hazard, non-compliance or Serial Defect, except where such consultation would prevent timely notification required by Law.

8.4 *Quality Administrative Fee.* If any of the Goods and/or Services furnished pursuant to this Order are defective or otherwise not in conformity with the requirements of this Order, then in addition to any other remedies available to Buyer under this Order, at law or in equity, Buyer may charge a reasonable administrative fee of up to £300 per non-conformance incident, representing a genuine estimate of Buyer's internal administrative costs in processing, investigating and managing such non-conformance (the "**Quality Administrative Fee**"). Buyer may setoff, deduct or invoice the Supplier for such Quality Administrative Fee.

**9. REJECTION.** If any of the Goods and/or Services furnished pursuant to this Order are found within a reasonable time after delivery to be defective or otherwise not in conformity with the requirements of this Order, then Buyer, at its option may: (a) require Supplier, at its expense, to immediately re perform any defective portion of the Services and/or require Supplier to immediately repair or replace non- conforming Goods with Goods that conform with all requirements of this Order; (b) take such actions as may be required to cure all defects and/or bring the Goods and/or Services into conformity with all requirements of this Order, in which event all related costs and expenses shall be for Supplier's account; (c) reject and/or return at Supplier's risk and expense all or any portion of such Goods and/or Services; and/or (d) rescind this Order without liability. For any repairs or replacements, Supplier, at its cost and expense, shall perform any tests requested by Buyer to verify conformance to this Order.

## 10. WARRANTIES.

10.1 Supplier warrants that all goods and services provided pursuant to this Order shall: (a) free of all claims, liens, or encumbrances (other than liens arising through Buyer); (b) new and of merchantable quality, not used, rebuilt or made of refurbished material unless approved in writing by Buyer; (c) free from all defects in design, workmanship and material; (d) and fit for any purpose held out by Supplier or made known to the Supplier by Buyer, expressly or by implication, and in this respect Buyer relies on the Supplier's skill and judgement; and (e) provided in strict accordance with all

specifications, samples, drawings, designs, descriptions or other requirements approved or adopted by Buyer. Supplier further warrants that it shall: (a) co-operate with Buyer in all matters relating to the Services, and comply with all instructions of Buyer; (b) perform the Services with good care, skill and diligence in accordance with good practice in Supplier's industry, profession or trade; (c) use personnel who are suitably skilled and experienced to perform tasks assigned to them, and in sufficient number to ensure that Supplier's obligations are fulfilled in accordance with this Order;(d) ensure that the Services will conform with all descriptions, standards and specifications set out in any applicable specification, and that the deliverables shall be fit for any purpose that Buyer expressly or impliedly makes known to Supplier; (e) provide all equipment, tools and vehicles and such other items as are required to provide the Services; (f) use the best quality goods, materials, standards and techniques, and ensure that the deliverables, and all goods and materials supplied and used in the Services or transferred to Buyer, will be free from defects in workmanship, installation and design; (g) obtain and at all times maintain all licences and consents which may be required for the provision of the Services; (h) observe all health and safety rules and regulations and any other security requirements that apply at any of the Buyer's premises; (i) not do or omit to do anything which may cause Buyer to lose any licence, authority, consent or permission upon which it relies for the purposes of conducting its business, and the Supplier acknowledges that Buyer may rely or act on the Services.

10.2 The warranties set forth in Section 10.1 above, shall extend to the future performance of the Goods and Services and apply for a period of: (a) (i) in the case of non-nuclear power related Goods and Services, twenty-four (24) months from the Date of Commercial Operation (defined below) of the non-nuclear power plant where such Goods are installed and such Services are performed or (ii) in the case of nuclear power-related Goods and Services, thirty-six (36) months from the Date of Commercial Operation of the nuclear power plant where such Goods are installed and such Services are performed; or (b) forty-eight (48) months, plus delays such as those due to non-conforming goods and services, from the date of delivery of the Goods or performance of the Services, whichever period expires last. "**Date of Commercial Operation**" means the date on which the (nuclear or non-nuclear) power plant has successfully passed all performance and operational tests required by the end customer for commercial operation. In all other cases the warranty shall apply for twenty-four (24) months from delivery of the Goods or performance of the Services, or such longer period of time as customarily provided by Supplier, plus delays such as those due to non-conforming Goods and Services. The warranties shall apply to Buyer, its successors, assigns and the users of Goods and Services covered by this Order. Any claims and remedies relating to defects or nonconformity of the Goods and/or Services notified in accordance with the above may be enforced by the Buyer at any time during a period of five (5) years or the maximum period permitted by Law, whichever is longer, after the Buyer's notification of the defect or nonconformity.

10.3 If any of the Goods and/or Services are found to be defective or otherwise not in conformity with the warranties in this Section during the warranty period, Buyer, at its option may: (a) require that Supplier, at its expense, inspect, remove, reinstall, ship and repair or replace/re-perform non-conforming Goods and/or Services with goods and/or services that conform with this Order; (b) take such actions as may be required to cure all defects and/or bring the Goods and/or Services into conformity with this Order, in which event all related costs and expenses shall be for Supplier's account; and/or (c) reject and/or return at Supplier's risk and expense all or any portion of such Goods and/or Services. Any repaired or replaced Good, or part thereof, or re-performed Services shall carry warranties on the same terms as set forth above, with the warranty period being the greater of the original unexpired warranty or twenty-four (24) months after repair or replacement. For any repairs or replacements, Supplier, at its cost and expense, shall perform any tests requested by Buyer to verify conformance to this Order.

10.4 Supplier shall indemnify, defend and hold harmless Buyer, its Affiliates, and their respective officers, directors, employees, agents, successors and assigns (collectively, the "Indemnified Parties") from and against any and all claims, demands, actions, proceedings, damages, losses, liabilities, costs and expenses (including reasonable legal and professional fees) arising out of or in connection with any third party claim for bodily injury, death, or damage to property, to the extent caused by, resulting from, or attributable to the supply of Goods and/or performance of Services under this Order, whether arising directly or indirectly, and whether such claims arise in contract, tort (including negligence), strict liability or otherwise. This indemnity shall apply regardless of whether such injury or damage is caused in whole or in part by the acts or omissions of Supplier, its agents, subcontractors or employees, and shall survive termination or expiration of this Order. Buyer shall notify Supplier promptly of any such claim and, at Supplier's expense, provide reasonable cooperation in the defense of such claim. Supplier shall not settle any such claim without Buyer's prior written consent, such consent not to be unreasonably withheld.

**11. SUSPENSION.** Buyer may suspend performance for up to twelve (12) months. Supplier shall not be entitled to compensation for loss of profit or overhead during suspension, but shall be entitled to recover reasonable, demonstrable costs directly incurred in preserving work in progress and complying with the suspension notice. Upon receiving notice of suspension, Supplier shall promptly suspend work to the extent specified, properly caring for and protecting all work in progress and materials, supplies and equipment Supplier has on hand for performance. Buyer may at any time withdraw the suspension as to all or part of the suspended work by written notice specifying the effective date and scope of withdrawal. Supplier shall resume diligent performance on the specified effective date of withdrawal. For any suspensions that extend past twelve (12) months, all claims for increase or decrease in the cost of or the time required for the performance of any work caused by suspension shall be pursued pursuant to, and consistent with, Section 7.1.

## 12. TERMINATION.

12.1 *Termination for Convenience*. Buyer may terminate all or part of this Order for convenience at any time by written notice to Supplier. Upon such termination, Buyer and Supplier shall negotiate reasonable termination costs, which shall only include Supplier's reasonable, direct costs that have or shall necessarily be incurred as a direct result of such termination. Any Supplier claim for such costs shall include reasonable documentation supporting such claim and shall be deemed waived unless asserted within thirty (30) days from Supplier's receipt of the Buyer's termination notice.

12.2 *Termination for Default*. Except for delay due to causes beyond the control and without the fault or negligence of Supplier (lasting not more than sixty (60) days), Buyer, without liability, may by written notice of default, terminate all or part of this Order if Supplier: (i) fails to comply with any term of this Order ; or (ii) fails to make progress which, in Buyer's reasonable judgment, endangers performance of this Order; or (iii) based on Buyer's discretion, determine that the material change in the financial management and ownership of the Supplier shall negatively impact the proper execution and delivery of the Order. Such termination shall become effective if Supplier does not cure such failure within ten (10) days of receiving Buyer's written notice of default; except that Buyer's termination for Supplier's breach of Sections 14, 15 or 16 shall become effective immediately upon Supplier's receipt of Buyer's written notice of default. Upon termination, Buyer may procure goods and/or services similar to those so terminated, and Supplier shall be liable to Buyer for any excess costs for such goods and/or services and other related costs. Supplier shall continue performance of this Order to the extent not terminated by Buyer. If Supplier for any reason anticipates difficulty in complying with any requirements of this Order, Supplier shall promptly notify Buyer in writing. Without limiting any other rights herein, if Buyer agrees to accept deliveries after the delivery date has passed, Buyer may require delivery by the fastest method and the total cost of such shipment and handling shall be borne by Supplier.

12.3 *Termination for Insolvency*. If (a) Supplier dissolves or ceases to do business; (b) Supplier fails to pay its debts as they come due; or (c) Supplier or any other entity institutes insolvency, receivership, bankruptcy or any other proceeding for settlement of Supplier's debts, Buyer may immediately terminate this Order without liability, except for Goods or Services completed, delivered and accepted within a reasonable period after termination (which shall be paid for at the Order price).

12.4 *Supplier's Obligations on Termination*. Unless otherwise specified by Buyer, upon Supplier's receipt of a notice of termination of this Order, Supplier shall promptly: (a) stop work as directed in the notice; (b) place no further subcontracts/orders related to the terminated portion of this Order; (c) terminate, or if requested by Buyer assign, all subcontracts/orders to the extent they relate to work terminated; (d) deliver all completed work, work in process, designs, drawings, specifications, documentation and material required and/or produced in connection with such work; and (e) return or destroy all Confidential Information as set forth in Section 16(d).

**13. INSURANCE AND LIABILITY.**

13.1 *Insurance.* During the term of this Order, the Supplier shall maintain in force the following insurance policies with reputable insurance companies:

(a) public liability insurance with a limit of at least £5 million a claim;

(b) product liability insurance with a limit of at least £5 million for claims arising from a single event or series of related events in a single calendar year;

(c) professional indemnity insurance with a limit of at least £2 million for claims arising from a single event or series of related events in a single calendar year; and

(d) employer's liability insurance with a limit of at least £10 million for claims arising from a single event or series of related events in a single calendar year.

13.2 *Creditworthiness and Guarantee*. The Supplier shall provide sufficient evidence on its credit lines and creditworthiness to the Buyer, in particular showing that the Supplier is capable to fulfil its obligations of the Order. For Orders with a value of one hundred thousand Pounds (GBP 100,000.00) or more, Buyer may request Supplier submit to Buyer, at Supplier's cost, within twenty (20) days of the PO date an irrevocable and unconditional performance guarantee, payable on the Buyer's first demand, in accordance with the following: (a) The performance guarantee shall be issued by a first-class international bank reasonably acceptable to the Buyer; (b) Unless otherwise stated in the PO, the amount of the performance guarantee shall be ten percent (10%) of the PO Price for POs with a value of one hundred thousand Pounds (GBP 100,000.00) or more and five (5 %) for POs with a value of five hundred thousand Pounds (GBP 500,000.00) or more; (c) The performance guarantee shall remain valid until sixty (60) days after the expiry of the warranty period.

13.3 Nothing in this Order shall limit or exclude Supplier's liability for:
(a) death or personal injury caused by negligence;
(b) fraud or fraudulent misrepresentation;
(c) intellectual property infringement;
(d) breach of confidentiality;
(e) product liability claims arising from defective Goods;
(f) wilful misconduct or gross negligence; or
(g) any liability which cannot be limited or excluded by law.

13.4 Subject to the above, Supplier's total aggregate liability arising out of or in connection with this Order shall not exceed 200% of the total sums paid or payable under the applicable PO.

13.5 Notwithstanding any other provision in this Order, Supplier shall not exclude or limit liability for losses suffered by Buyer arising from third party claims, product recalls, or losses incurred by Buyer in fulfilling its obligations to its customers arising from defective Goods or Services in respect of which Buyer shall be entitled to recover damages from Supplier.

**14. ASSIGNMENT, SUBCONTRACTING AND CHANGE OF CONTROL.** Supplier may not assign, delegate, subcontract, or transfer (including by change of ownership or control, by operation of law or otherwise) this Order or any of its rights or obligations hereunder, including payment, without Buyer's prior written consent. Should Buyer grant consent to Supplier's assignment, Supplier shall ensure that such assignee shall be bound by the terms and conditions of this Order. Supplier shall be responsible for the selection, evaluation and performance of its suppliers and subcontractors. Further, Supplier shall advise Buyer of any subcontractor or supplier to Supplier: (a) that shall have at its facility any parts, components, or goods with Buyer's or any of its Affiliates' name, logo or trademark (or that shall be responsible to affix the same); and/or (b) where fifty percent (50%) or more of the output from a specific location of such subcontractor or supplier to Supplier is purchased directly or indirectly by Buyer. In addition, Supplier shall obtain for Buyer, unless advised to the contrary in writing, written acknowledgement by such assignee, subcontractor and/or supplier to Supplier of its commitment to act in a manner consistent with Buyer's integrity policies, and to submit to, from time to time, on-site inspections or audits by Buyer or Buyer's third party designee as requested by Buyer. Buyer may freely assign this Order to any third party or Affiliate. Subject to the foregoing, this Order shall be binding upon and inure to the benefit of the parties, their respective successors and assigns.

**15. COMPLIANCE WITH LAWS.**

15.1 *General*. Supplier represents, warrants, certifies and covenants (collectively, "**Covenants**") that it shall comply with all laws, treaties, conventions, protocols, regulations, ordinances, codes, standards, directives, orders and rules issued by governmental agencies or authorities which are applicable to the activities relating to this Order (collectively, "**Law(s)**").

15.2 *Environment, Health and Safety*.

(a) General. Supplier Covenants that it shall take appropriate actions necessary to protect health, safety and the environment and has established effective requirements to ensure any suppliers it uses to perform the work called for under this Order shall be in compliance with Section 15 of this Order.

Material Content and Labeling. Supplier Covenants that each chemical substance or hazardous material constituting or contained in the Goods is suitable for use and transport and is properly packaged, marked, labeled, documented, shipped/delivered and/or registered under applicable Law. Supplier shall inform Buyer if Goods contain substances listed on the European Union's REACH Candidate List of substances of very high concern available at https://echa.europa.eu/candidate-list-table or listed on the United Kingdom's REACH Candidate List available at https://www.hse.gov.uk/reach/candidate-list.htm or any other similar list in other applicable jurisdictions. Supplier shall provide, for all Goods purchased under spare parts ordered and no later than the date of the delivery of the Goods, all relevant regulatory and standard material documentation, including the IHM declaration for marine or offshore applications. Upon request from Buyer, Supplier shall provide Buyer with safety data sheets, the chemical composition, including proportions, of any substance, preparation, mixture, alloy or Goods supplied under this Order and any other relevant information or data. Hazardous materials as used in this Order means any substance or material regulated on the basis of potential impact to safety, health or the environment pursuant to applicable Law.

(b) Environmental, Social, and Governance. Sustainability is deeply rooted in Buyer's plans and priorities; as such, Supplier acknowledges that it will endeavor to fulfilment its obligations under this Order to minimize their negative impact on climate change and biodiversity, and to reduce their GHG Emissions. Supplier shall further conduct its business with due diligence, in an efficient and environmentally responsible manner, and upon the reasonable request of Buyer, provide information about its activities and compliance to its sustainability practices.

15.3 *Subcontractor Flow-downs for U.S. Government Commercial Items Contracts*. Where the goods and/or services being procured by Buyer from Supplier are in support of a U.S. Government end customer or an end customer funded in whole or part by the U.S. Government, then Supplier agrees as follows:
(a) it will provide only Goods and/or Services that meet the definition of "commercial-off-the shelf" ("**COTS**") or "commercial item" as those terms are defined in Federal Acquisition Regulation ("**FAR**") Subpart 2.101.

15.4 *Import & Export Compliance*.

(a) General. Supplier Covenants that it is knowledgeable regarding all applicable export, export control, customs and import laws and shall comply with such laws and any instructions and/or policies provided by Buyer. This shall include securing all necessary clearance requirements, export and import licenses and exemptions from such licenses, and making all proper customs declarations and filings with and notifications to appropriate governmental bodies, including disclosures relating to the provision of services and the release or transfer of goods, hardware, software and technology to foreign destinations or nationals. Supplier Covenants that it shall not cause or permit any goods, technical data, software or the direct product thereof furnished by Buyer in connection with this Order to be exported, transshipped, re-exported or otherwise transferred except where expressly permitted by Law. Supplier Covenants that it is not suspended, debarred or declared ineligible to export by any government entity. In the event that Supplier is suspended, debarred or declared ineligible by any government entity, Buyer may terminate this Order immediately without liability to Buyer.

(b) Trade Restrictions.

(i) Supplier Covenants that it is not contravening and has not contravened any Sanctions at any time. The Supplier Covenants that at all times during the term of this Order it shall not contravene any Sanctions and shall not do, or omit to do, any act that will cause or lead the Buyer to contravene any Sanctions. For the purposes of this clause "Sanctions" shall mean any laws or regulations relating to economic or financial, trade, immigration, aircraft, shipping or other sanctions, export controls, trade embargoes or restrictive measures from time to time imposed, administered or enforced by a Sanctions Authority. "Sanctions Authority" shall mean the UK and the United Nations (UN) (and any other governmental authority with jurisdiction over the Supplier or any part of its business or operations and in each case their respective governmental, judicial or regulatory institutions, agencies, departments and authorities responsible for the implementation and enforcement of sanctions, including (without limitation) the UN Security Council, Her Majesty's Treasury, the UK's Office of Financial Sanctions Implementation, the Department of Business and Trade, the Export Control Joint Unit, the Office of Trade Sanctions Implementation and HM Revenue and Customs.

(ii) Buyer may, from time to time and for business reasons, withdraw from and/or restrict its business dealings in certain jurisdictions, regions, territories and/or countries in addition to those covered in sub-section (i) above. Thus, subject to applicable Law, Supplier hereby agrees not to supply any Goods to Buyer under this Order that are sourced directly or indirectly from any such jurisdiction, region, territory and/or country identified to Supplier by Buyer, which currently includes Cuba and the disputed region of the Ukraine (including Crimea).

(c) Trade Remedy Laws. Supplier Covenants that no Goods sold to Buyer hereunder are subject to antidumping or countervailing duties. Supplier Covenants that all sales made hereunder shall be made in circumstances that shall not give rise to the imposition of antidumping or countervailing duties. Supplier warrants that it is not currently engaged in sales at less than fair value or dumping as defined by the World Trade Organization Agreement on Implementation of Article VI and is not receiving any otherwise prohibited government subsidies as defined by the World Trade Organization Agreement on Subsidies and Countervailing Measures. In the event that any jurisdiction imposes: (i) antidumping or countervailing duties or tariffs on goods subject to this Order, (ii) any duties or tariffs pursuant to a safeguards action as defined by the WTO Agreement on Safeguards or (iii) any other trade remedy on Goods subject to this Order, Buyer may terminate this Order immediately upon written notice to Supplier without liability to Buyer.

(d) Shipping/Documentation Requirements. With each shipment, Supplier shall provide: (i) a packing list containing all information specified in Section 19 below, (ii) a commercial or pro forma invoice; and (iii) all required security-related information needed for the import of the goods. The commercial/pro forma invoice shall include: contact names and telephone numbers of representatives of Buyer and Supplier who have knowledge of the transaction; Buyer's order number; order line item; part number; release number (in the case of a "blanket order"); detailed description of the merchandise; quantity; unit purchase price in the currency of the transaction; Incoterms® 2020 used in the transaction; the named place of delivery; and both (A) "country of origin" of the goods and (B) customs tariff numbers of the country of consignment, as each are determined under customs Law; the applicable national export control numbers; and if the goods are subject to U.S. export regulations, ECCN or ITAR classifications.

(e) Country of Origin/Preferential Trade Agreements/Duty Drawback.

(i) Supplier warrants the accuracy of its declarations of origin, including but not limited to certificates of origin, such that Buyer can rely on any origin declarations to determine eligibility for preferential duty under free trade agreements. If Supplier subsequently revokes such declaration of origin, the Supplier agrees, to the extent permitted by law, to indemnify, defend and hold Buyer harmless from and against any additional customs duty, fees, and other costs or expenses arising out of or in connection with any declared eligibility for a free trade agreement.

(ii) If Goods shall be delivered to a destination country having a trade preferential or customs union agreement ("**Trade Agreement**") with Supplier's country, Supplier shall cooperate with Buyer to review the eligibility of the Goods for any special program for Buyer's benefit and provide Buyer with any required documentation, including declarations or certificates of origin to support the applicable special customs program or Trade Agreement to allow duty free or reduced duty for entry of goods into the destination country. If Supplier is the importer of record for any Goods purchased hereunder, including any component parts thereof, upon Buyer's request, Supplier shall provide Buyer with all necessary customs documentation to enable Buyer to file for and obtain duty drawback. Supplier shall promptly notify Buyer of any known documentation errors and/or changes to the origin of Goods. Supplier shall indemnify Buyer for any costs, fines, penalties or charges arising from Supplier's inaccurate documentation or untimely cooperation.

15.5 *Human Rights*. Supplier will act in accordance with the United Nations Universal Declaration of Human Rights and the International Labour Organization Fundamental Principles and Rights at Work, including the following obligations: (i) to respect human rights of its employees and others in their business operations and their activities; (ii) not to employ workers younger than sixteen (16) years of age or the applicable minimum age, whichever is higher; (iii) not to use forced, prison or indentured labor, or workers subject to any form of compulsion or coercion, or a penalty/punishment for resigning, including the charging of recruitment fees, withholding of pay, or withholding of immigration documents, or to engage in or abet trafficking in persons for forced labor or commercial sex act purposes; (iv) not to discriminate in employment or business operations; (v) to afford workers the freedom of association and right to collective bargaining per local law, and (vi) to provide workers a viable grievance mechanism free of retaliation.

## 16. CONFIDENTIALITY, DATA PROTECTION AND PUBLICITY.

16.1 *Confidentiality*.

(a) "**Confidential Information**" shall mean: (i) the terms of this Order; (ii) all information and material disclosed or provided by Buyer to Supplier, including Buyer's Property; (iii) all information Supplier personnel derive from Buyer's Property; and (iv) all of Buyer's IP Rights (defined in Section 6).

(b) Supplier shall: (i) use the Confidential Information only for the purposes of fulfilling Supplier's obligations under this Order; and (ii) without limiting the requirements under Section 16.2, use the same degree of care with the Confidential Information as with its own confidential information, which shall be at least a reasonable standard of care, to prevent disclosure of the Confidential Information, except to its officers, directors, managers and employees (collectively, "**Authorized Parties**"), solely to the extent necessary to permit them to assist the Supplier in performing its obligations under this Order. Supplier agrees that prior to disclosing the Confidential Information to any Authorized Party, Supplier shall advise the Authorized Party of the confidential nature of the Confidential Information and ensure that such party has signed a confidentiality agreement no less restrictive than the terms of this Section. Supplier acknowledges the irreparable harm that shall result to the Buyer if the Confidential Information is used or disclosed contrary to the provisions of this Section.

(c) The restrictions in this Section 16 regarding the Confidential Information shall be inoperative as to particular portions of the Confidential Information disclosed by Buyer to Supplier if such information: (i) is or becomes generally available to the public other than as a result of disclosure by Supplier; (ii) was available on a non-confidential basis prior to its disclosure to Supplier; (iii) is or becomes available to Supplier on a non-confidential basis from a source other than Buyer when such source is not, to the best of Supplier's knowledge, subject to a confidentiality obligation with Buyer; or (iv) was independently developed by Supplier, without reference to the Confidential Information, and Supplier can verify the development of such information by written documentation.

(d) Within thirty (30) days of the completion or termination of this Order, Supplier shall return to Buyer or destroy (with such destruction certified in writing to Buyer) all Confidential Information, including any copies thereof. No such return or destruction of the Confidential Information shall affect the confidentiality obligations of Supplier all of which shall continue in effect as provided for in this Order.

(e) Any knowledge or information, which Supplier shall have disclosed or may hereafter disclose to Buyer and which in any way relates to the Goods or Services purchased under this Order (except to the extent deemed to be Buyer's Property as set forth in Section 5), shall not be deemed to be confidential or proprietary and shall be acquired by Buyer free from any restrictions (other than a claim for infringement) as part of the consideration for this Order, and notwithstanding any copyright or other notice thereon, Buyer shall have the right to use, copy, modify and disclose the same as it sees fit.

(f) Notwithstanding the foregoing, if Supplier is requested or required by interrogatories, subpoena or similar legal process, to disclose any Confidential Information, it agrees to provide Buyer with prompt written notice of each such request/requirement, to the extent practicable, so that Buyer may seek an appropriate protective order, waive compliance by Supplier with the provisions of this Section, or both. If, absent the entry of a protective order or receipt of a waiver, Supplier is, in the opinion of its counsel, legally compelled to disclose such Confidential Information, Supplier may disclose such Confidential Information to the persons and to the extent required without liability under this Order and shall use its best efforts to obtain confidential treatment for any Confidential Information so disclosed.

16.2 *Publicity*. Supplier shall not make any announcement, take or release any photographs (except for its internal operation purposes for the manufacture and assembly of the Goods), or release any information concerning this Order or with respect to its business relationship with Buyer or any Buyer Affiliate, to any third party except as required by applicable Law without Buyer or its Affiliate's prior written consent. Supplier agrees that it shall not, without prior written consent of Buyer or its Affiliates as applicable, (a) use in advertising, publicity or otherwise, the name, trade name, trademark logo or simulation thereof of Buyer or its Affiliate or the name of any officer or employee of Buyer or its Affiliates or (b) represent, directly or indirectly, that any product or any service provided by Supplier has been approved or endorsed by Buyer or its Affiliate.

**17. INTELLECTUAL PROPERTY INDEMNIFICATION.** Supplier shall indemnify, defend and hold Buyer and Buyer's customers harmless from any and all claims against Buyer and/or Buyer's customers alleging intellectual property infringement of any patent, copyright, trademark, trade secret or other intellectual property rights of any third party arising out of the use, sale, importation, distribution, reproduction or licensing of any product, service, article or apparatus, or any part thereof constituting Goods or Services furnished under this Order, as well as any device or process necessarily resulting from the use thereof (the "**Indemnified IP**"), including the use, sale, importation, distribution, reproduction or licensing of such Indemnified IP, in foreseeable combinations with products or services not supplied by Supplier. Buyer shall notify Supplier promptly of any such suit, claim or proceeding and give Supplier authority and information and assistance (at Supplier's expense) for the defense of same, and Supplier shall pay all damages, costs and expenses incurred or awarded therein, including reasonable attorneys' fees. Notwithstanding the foregoing, any settlement of such suit, claim or proceeding shall be subject to Buyer's consent, such consent not to be unreasonably withheld. If use of any Indemnified IP is enjoined, Supplier shall, at Buyer's option and Supplier's expense, either: (a) procure for Buyer the right to continue using such Indemnified IP; (b) replace the same with a non-infringing equivalent; or (c) remove the Indemnified IP and/or halt such use of the Indemnified IP in providing goods and/or services under this Order and refund the purchase price to Buyer, and in all cases, Supplier shall be responsible for all related costs and expenses. Supplier agrees that it shall use commercially reasonable efforts to obtain an intellectual property infringement indemnity from its direct or indirect suppliers providing Goods and/or Services as part of the deliverables under this Order consistent with the intellectual property infringement indemnity it provides to Buyer in this Order.

## 18. BUSINESS CONTINUITY PLANNING AND SUPPLY CHAIN SECURITY.

18.1 *Business Continuity Planning*. Upon written request of Buyer, Supplier shall prepare and maintain at no additional cost to Buyer a Business Continuity Plan ("**BCP**") and provide a copy to Buyer. The BCP shall be designed to ensure that Supplier can continue to provide the Goods and/or Services in accordance with this Order in the event of a disaster or other BCP-triggering event (as such events are defined in the applicable BCP). Supplier's BCP shall, at a minimum, provide for: (a) the retention and retrieval of data and files; (b) obtaining resources necessary for recovery, (c) appropriate continuity plans to maintain adequate levels of staffing required to provide the goods and services during a disruptive event; (d) procedures to activate an immediate, orderly response to emergency situations; (e) procedures to address potential disruptions to Supplier's supply chain; (f) a defined escalation process for notification of Buyer, within two (2) business days, in the event of a BCP-triggering event; and (g) training for key Supplier Personnel who are responsible for monitoring and maintaining Supplier's continuity plans and records. Supplier shall maintain the BCP and test it at least annually or whenever there are material changes in Supplier's operations, risks or business practices. Upon Buyer's written and reasonable request, Supplier shall provide Buyer an executive summary of test results and a report of corrective actions (including the timing for implementation) to be taken to remedy any deficiencies identified by such testing. Upon Buyer's request and with reasonable advance notice and conducted in such a manner as not to unduly interfere with Supplier's operations, Supplier shall give Buyer and its designated agents access to Supplier's designated representative(s) with detailed functional knowledge of Supplier's BCP and relevant subject matter.

18.2 *Supply Chain Security*. Supplier shall implement and maintain a written security program that consists of physical and procedural controls: to (a) prevent unauthorized access to Supplier's facilities; (b) prevent finished goods or equipment from being tampered with, stolen or damaged prior to Supplier's delivery in accordance with the terms of this Order; and (c) detect when malicious activity has occurred (the "**Supply Chain Security Program**"). Supplier's Supply Chain Security Program shall align to the World Customs Organization's SAFE Framework of Standards to Secure and Facilitate Global Trade ("**SAFE Framework**") or other global security programs recognized by the World Customs Organization. Supplier shall flow down and verify the requirements of its Supply Chain Security Program to its sub-tier suppliers, if applicable. Supplier shall test its Supply Chain Security Program at least annually or whenever there are material changes in Supplier's operations, risks or business practices. Upon Buyer's written and reasonable request, Supplier shall provide Buyer with: (i) a copy of Supplier's Supply Chain Security Program; (ii) an executive summary of test results and a report of corrective actions (including the timing for implementation) to be taken to remedy any deficiencies identified by such testing; and (iii) any audit results or findings resulting from Supplier's periodic audit or testing of its sub-tier suppliers' security programs.

18.3 *C-TPAT*. Any Supplier providing Goods under this Order where the final destination of such Goods is the U.S. agrees that it: (a) is certified under C-TPAT; (b) is certified under an Authorized Economic Operator program that is mutually recognized by C-TPAT ( a "**Mutually Recognized AEO**"); or (c) has developed and implemented or shall develop and implement within sixty (60) days of acceptance of this Order supply chain security procedures compliant with C-TPAT or a Mutually Recognized AEO. Any Supplier providing Goods under this Order where the final destination of such Goods is the outside of the U.S. agrees that it is either: (i) certified under a government-approved supply chain security program (such as an AEO program or similar program); or (ii) has developed and implemented or shall develop and implement within sixty (60) days of acceptance of this Order adequate supply chain security procedures as determined by Buyer in its sole discretion. If Buyer does not consider Supplier's supply chain security procedures to be adequate, Buyer may require Supplier to implement measures to improve its supply chain security program. Upon Buyer's written request and with reasonable advance notice, Supplier shall give Buyer and its designated agents access to Supplier's records and facilities for the purpose of verifying and auditing Supplier's compliance with C-TPAT, a Mutually Recognized AEO or applicable government-approved supply chain security program. Supplier agrees to notify Buyer of any event that has resulted in or threatens the loss of Supplier's C-TPAT, Mutually Recognized AEO or other government-approved supply chain security program certification (if it has such certification) or alternatively jeopardizes Buyer's C-TPAT certification.

**19. Audit**

19.1 Supplier agrees that, upon reasonable notice and during normal business hours, Buyer, its Affiliates, and their respective authorized representatives shall have the right to access and audit Supplier's premises, books, records, accounts, and all other documentation relating to the Goods and/or Services provided under this Order, for the purposes of verifying compliance with the terms of this Order, including but not limited to commercial, operational, and financial matters. Supplier shall cooperate fully with any such audit and shall provide all reasonable assistance and access to information as may be requested by Buyer or its representatives. Buyer's audit rights shall survive for a period of five (5) years following the completion or termination of this Order. If any audit reveals any non-compliance or overcharge, Supplier shall promptly reimburse Buyer for any overpayments and shall bear the reasonable costs of such audit.

19.2 Supplier shall, upon Buyer's written request and no more than once per calendar year, provide Buyer with evidence of Supplier's annual financial performance, including but not limited to audited financial statements or, where audited statements are not available, management accounts certified by a duly authorized officer of Supplier. Such information shall be provided within thirty (30) days of Buyer's request and shall be treated as Confidential Information in accordance with Section 16 of this Order.

**20. GOVERNING LAW AND DISPUTE RESOLUTION.**

20.1 *Governing Law*. This Order shall in all respects be governed by and interpreted in accordance with the substantive law of England and Wales, excluding its conflicts of law provisions. The parties exclude application of the United Nations Convention on Contracts for the International Sale of Goods.

20.2 In the event of any controversy, dispute or difference arising out of or in connection with this Order, including any question regarding its existence, validity or termination ("**Dispute**"), the parties shall first seek to resolve the Dispute promptly by negotiation between senior representatives of each party with authority to settle the Dispute. Either party may give to the other written notice of the Dispute, setting out its nature and full particulars ("**Dispute Notice**"), together with relevant supporting documents. Within ten (10) days of receipt of the Dispute Notice, the senior representatives of both parties shall meet in good faith to attempt to resolve the Dispute. If the Dispute is not resolved within thirty (30) days of the Dispute Notice (or such longer period as the parties may agree in writing), the Dispute shall be referred to the dispute resolution process set out in Section 20.3 below.

20.3 If the Dispute has not been resolved in accordance with Section 20.2, the parties agree to submit any such Dispute to settlement proceedings under the Alternative Dispute Resolution Rules (the "**ADR Rules**") of the International Chamber of Commerce ("**ICC**"). If the Dispute has not been settled pursuant to the ADR Rules within forty-five (45) days following the filing of a request for ADR or within such other period as the parties may agree in writing, such Dispute shall be finally settled under the Rules of Arbitration and Conciliation of the ICC (the "**ICC Rules**") by one or three arbitrators appointed in accordance with such ICC Rules. The place of arbitration shall be London, England and proceedings shall be conducted in English. The award shall be final and binding on both Buyer and Supplier, and the parties hereby waive the right of appeal to any court for amendment or modification of the arbitrators' award.

**21. ELECTRONIC COMMERCE**. Supplier agrees to participate in Buyer's current and future electronic commerce applications and initiatives. For purposes of this Order, each electronic message sent between the parties within such applications or initiatives shall be deemed: (a) "written" and a "writing";(b) "signed" (in the manner below); and (c) an original business record when printed from electronic files or records established and maintained in the normal course of business. The parties expressly waive any right to object to the validity, effectiveness or enforceability of any such electronic message on the ground that a "statute of frauds" or any other Law or rule of evidence requires written, signed agreements. Any such electronic documents may be introduced as substantive evidence in any proceedings between the parties as business records as if originated and maintained in paper form. Neither party shall object to the admissibility of any such electronic document for any reason. By placing a name or other identifier on any such electronic message, the party doing so intends to sign the message with his/her signature attributed to the message content.

**22. INDEPENDENT CONTRACTORS/ADDITIONAL SERVICE RELATED PROVISIONS**.

22.1 *Independent Contractor.* The relationship of Buyer and Supplier is that of independent contractors. Nothing in this Order shall be interpreted or construed as creating or establishing the relationship of employer and employee between Buyer and Supplier or Supplier personnel. Buyer has no right to control directly or indirectly the terms and conditions of the employment of Supplier personnel.

**23. MISCELLANEOUS**. This Order, with documents as are expressly incorporated by reference, is intended as a complete, exclusive and final expression of the parties' agreement with respect to the subject matter herein and supersedes any prior or contemporaneous agreements between the parties and communications or representations by or between the parties concerning the terms of this Order, whether written or oral. No claim or right arising out of a breach of this Order can be discharged in whole or in part by a waiver or renunciation unless supported by consideration and made in writing signed by the aggrieved party. Either party's failure to enforce any provision hereof shall not be construed to be a waiver of such provision or the right of such party thereafter to enforce each and every such provision. Buyer's rights and remedies in this Order are in addition to any other rights and remedies provided by Law, contract, or equity, and Buyer may exercise all such rights and remedies singularly, alternatively, successively or concurrently, including any and all damages resulting from Supplier's breach of the Order. Section headings are for convenience and shall not be given effect in interpretation of this Order. The term "including" shall mean and be construed as "including, but not limited to" or "including, without limitation", unless expressly stated to the contrary. The invalidity, in whole or in part, of any section or paragraph of this Order shall not affect the remainder of such section or paragraph or any other section or paragraph, which shall continue in full force and effect. Further, the parties agree to give any such section or paragraph deemed invalid, in whole or in part, a lawful interpretation that most closely reflects the original intention of Buyer and Supplier. All provisions or obligations contained in this Order, which by their nature or effect are required or intended to be observed, kept or performed after termination or expiration of this Order shall survive and remain binding upon and for the benefit of the parties, their successors (including successors by merger) and permitted assigns.

**24. FORCE MAJEURE.** Neither party shall be in default, or otherwise liable, for any delay in delivery or performance under this Order to the extent such delay is directly caused by events of force majeure, as defined herein, which are unavoidable, outside of its control after the exercise of due diligence and prudence and without its fault or negligence. Such force majeure events shall include, without limitation, any act of God, or any government or any governmental body, war, currency and trade restriction, embargo, sanction, insurrection, or other similar cause that are, in each case, beyond the control of either party and are without the fault or negligence of either party. The following shall not be deemed force majeure events: market conditions and/or fluctuations (including, without limitation, a downturn of Supplier's business); financial distress; insufficient money to perform the Order; shortage of labor, parts, materials, equipment or other resources by Supplier or its suppliers; events involving a previous or existing condition at or before the Order date; and labor strike or other form of work stoppage by employees of Supplier or any of its suppliers. The party claiming force majeure shall promptly (and no later than five (5) days) notify the other party of the force majeure circumstances, giving details of the force majeure circumstances, and of the cessation of such circumstances, and the delivery or performance date shall be extended solely to the extent caused by the force majeure and so long as the force majeure continues. Notwithstanding the foregoing, Supplier shall use all reasonable efforts to mitigate and ameliorate the adverse effects thereof and Buyer may terminate this Order if the force majeure lasts more than thirty (30) days. In no event shall Supplier be entitled to any price adjustment, compensation or other financial relief under this Order as a result of any force majeure event.