

PS Marsden Precision Engineers Ltd
Standard Terms & Conditions for the Purchase of Goods and/or Services
- Issue 3 (6th February 2019)

1. DEFINITIONS

1.1. as used in these terms and conditions: -

“Certificate of Conformity”	a document confirming that the supply conforms with the Contract and contains the statement detailed in clause 4.10;
“Commencement Date”	has the meaning in clause 3.2;
“Confidential Information”	any and all information acquired by the Supplier about the business of the Customer and/or given by the Customer to the Supplier and/or generated by the Supplier from such information which may include aspects of Customer Property;
“Conditions”	these terms and conditions as amended from time to time in accordance with clause 20.4;
“Contract”	the contract between the Customer and the Supplier for the sale and purchase of the Goods and/or Services in accordance with these Conditions and the documents referred to in these Conditions;
“Control”	has the meaning as defined in section 1124 of the Corporation Tax Act 2010, and the expression change of Control shall be construed accordingly;
"Customer"	PS Marsden Precision Engineers Limited, a company registered in England and Wales with registered number 01021123 and whose registered address is Private Road No 8, Colwick Industrial Estate, Nottingham, NG4 2JX.
“Customer Property”	samples, drawings, technical data, specifications, raw materials, part manufactured products, tools, gauges, packaging materials and/or any other materials provided by the Customer and/or any jigs, tooling, equipment and/or other materials in respect of which the Customer has made a contribution to the costs of such items;
“Deliverables”	the products of the Services in any media, including any documents, products and/or materials developed for the Customer as part of the Services;
"Goods"	the goods (and any part of them) which the Supplier is to supply to the Customer under the Contract and as set out in the Order including any Deliverables;
“Goods Specification”	any specification for the Goods, including any related plans and drawings, that is agreed in writing by an authorised signatory of the Customer and the Supplier;
“Intellectual Property Rights”	patents, rights to inventions, copyright and related rights, trademarks, trade names and domain names, rights in get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database rights, rights in confidential information and any other intellectual property rights, in each case whether registered or unregistered and including all applications (and rights to apply) for, and renewals or extensions of, and rights to claim priority from such rights and all rights of action for infringement of such rights, and all similar or equivalent rights or forms of protection which subsist or will subsist, now or in the future, in any part of the world;
"IPR Claim"	as defined in clause 13.1;
“Liability”	liability for actions, awards, costs, claims, damages, losses (including without limitation any direct or indirect consequential losses), demands, expenses, loss of profits, loss of reputation, judgments, penalties and proceedings and any other losses and/or liabilities;

“Mandatory Policies”	the Customer's business policies as notified to the Supplier from time to time;
“Operational Documents”	any operational supply agreement between the parties and/or the Customer’s operational documents referred to or set out in the Order;
“Order”	the Customer’s written instruction for the supply of the Goods and/or Services by the Supplier as set out in the Customer’s purchase order form;
“Proposal”	means a proposal submitted by the Supplier detailing the Goods and/or Services that it offers to the Customer;
"Records"	as defined in clause 14.1;
“Release Requirements”	the release requirements (if any) specified or referred to in the Order and which must include the Customer’s quality assurance requirements as set out in clause 6.7 and one of the codes detailed at clause 6.10;
“Services”	the services which the Supplier is to supply to the Customer (if any) under the Contract and as set out in the Order, including the provision of any Deliverables;
“Service Specification”	any specification for the Services, including any related plans and drawings, that is agreed in writing by an authorised signatory of the Customer and the Supplier;
"Supplier"	the person or firm from whom the Customer; purchases the Goods and/or Services; and
“Working Day”	any day during the Customer's usual opening hours which is not a Saturday, Sunday or bank or public holiday in England.

2. INTERPRETATION

- 2.1. A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 2.2. A reference to a party includes its successors and permitted assigns.
- 2.3. A reference to a statute or statutory provision is a reference to it as amended or re-enacted. A reference to a statute or statutory provision includes all subordinate legislation made under that statute or statutory provision.
- 2.4. Any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 2.5. A reference to writing or written includes fax and email.

3. BASIS OF CONTRACT

- 3.1. The Proposal constitutes an offer by the Supplier to sell Goods and/or Services to the Customer in accordance with these Conditions.
- 3.2. The Customer shall decide whether or not to accept the Proposal. If the Customer accepts the Proposal it shall do so by sending the Supplier a signed and completed Order at which point and on which date the Contract shall come into existence (**Commencement Date**).
- 3.3. Unless the Supplier notifies the Customer that it is unable to fulfil the Order within 7 days of the date of the Order the Supplier shall be deemed to have accepted the Order.
- 3.4. The Customer may alter or withdraw any Order at any time for any reason prior to delivery of the Goods and/or Services.
- 3.5. The Supplier shall process and deliver all Orders for Goods and/or Services during the term of the Contract.
- 3.6. These Conditions and any terms and conditions stated on any Order or contained in any document referred to in these Conditions are the only terms and conditions upon which the Customer shall purchase Goods and/or Services and shall apply to the exclusion of all other terms and conditions that the Supplier seeks to impose or incorporate including any terms or

- conditions specified or referred to in any document or materials (including any quotation and/or order acknowledgement form) issued by the Supplier or any terms which are implied by trade, custom, practice or course of dealing.
- 3.7. No terms or conditions submitted or referred to by the Supplier (whether before or after the date of the Order) in any documentation or orally shall change, modify, supplement, explain or form part of the Contract unless expressly agreed in writing by authorised representatives of the Customer.
 - 3.8. All of these Conditions shall apply to the supply of both Goods and Services except where the application to one or the other is specified.
 - 3.9. The Supplier shall fulfil each Contract strictly in accordance with these Conditions. Time for delivery of the Goods and for meeting any performance dates specified in the Order for the Services shall be of the essence.
 - 3.10. Each Order shall be an acceptance by the Customer to purchase the Goods and/or Services subject to these Conditions and the documents referred to in these Conditions.
 - 3.11. Any advice or recommendation given by the Customer and/or its representatives in respect of the Goods and/or Services shall be without prejudice to the Customer's rights and remedies under the Contract and shall not in any way limit the Supplier's Liability under the Contract.
 - 3.12. Any error or omission in any offer, Order or other document, material or information issued by the Customer shall be subject to correction without any Liability on the part of the Customer.
 - 3.13. Any forecasts provided by the Customer to the Supplier are indicative only, and do not constitute an offer by the Customer to purchase the forecasted Goods and/or Services and can be changed at any time without consultation with the Supplier. Notwithstanding any contrary provision in these Conditions, any Order marked for "visibility" shall not constitute an offer by the Customer to purchase Goods and/or Services and shall only constitute part of the Customer's indicative non-binding forecast.

4. DELIVERY OF GOODS

- 4.1. The Goods shall be delivered to the delivery address on the delivery date (each as set out in the relevant Order).
- 4.2. If any Goods are delivered and/or any Services are performed by the Supplier in default of the terms of the Contract the Customer shall be entitled (but not obliged) to:
 - 4.2.1. refuse to accept the provision of any further Goods and/or Services by the Supplier and to require the immediate repayment by the Supplier of all sums previously paid by the Customer to the Supplier under the Contract; and/or
 - 4.2.2. to require the Supplier, without charge to the Customer, to carry out such additional work as is necessary to correct the Supplier's failure and/or at the Supplier's cost obtain replacement goods and/or services from a third party.
- 4.3. Each delivery of Goods shall be properly and securely packed and secured in such a manner as to enable them to reach their destination in good condition and delivered in accordance with the Release Requirements (if any) and the Order.
- 4.4. Each delivery of Goods shall be accompanied by the documentation required under the Release Requirements (if any), and accompanied by an advice note stating the full description, weight, measure, order number, batch number, expiry date and the date of the Order.
- 4.5. If Goods are delivered before the delivery date specified in the Order then the Customer shall be entitled in its sole discretion to refuse to take delivery or charge for insurance and storage of Goods until the contractual date for delivery.
- 4.6. No third party carrier (other than the Customer's distribution agent) engaged to deliver the Goods shall at any time be an agent of the Customer and accordingly the Supplier shall be liable to the Customer for the acts and omissions of all third party carriers engaged by the Supplier to deliver Goods to the Customer.
- 4.7. The Customer shall not be obliged to return to or account to the Supplier for any packaging materials for Goods. The Customer may at its option provide packaging materials to the Supplier. The Supplier shall treat any packaging materials provided by the Customer as Customer Property.
- 4.8. If the Customer agrees to accept delivery of Goods by instalments and to be invoiced for each instalment despatched, each instalment delivery shall nevertheless constitute part of one contract as recorded in the relevant Contract and shall not constitute separate contracts.
- 4.9. Signature on behalf of the Customer of a delivery note or other document presented for signature on delivery or collection of Goods is evidence only of the number of pallets or

packages received and not that the correct quantity or number of Goods have been delivered or that they otherwise meet the requirements of the Contract.

- 4.10. The Supplier's Certificate of Conformity shall contain a statement certified by the Supplier that the whole of the supplies detailed within the delivery have been inspected, tested and unless otherwise stated herein, conform in all respects with the requirements of the Order.

5. PERFORMANCE OF SERVICES

- 5.1. The Supplier shall from the Commencement Date and for the duration of the Contract, provide the Services to the Customer in accordance with the terms of the Contract.
- 5.2. In providing the Services, the Supplier shall:
- 5.2.1. obtain and at all times maintain all licences and consents which may be required for the provision of the Services;
 - 5.2.2. perform the Services with the best care, skill and diligence in accordance with best practice in the Supplier's industry, profession or trade;
 - 5.2.3. use personnel who are aware of the importance of ethical behaviour, suitably skilled, trained and experienced to perform tasks assigned to them, and in sufficient number to ensure that the Supplier's obligations are fulfilled in accordance with the Contract;
 - 5.2.4. ensure that the Services and Deliverables will conform with all descriptions and specifications set out in the Service Specification, and that the Deliverables shall be fit for any purpose that the Customer expressly or impliedly makes known to the Supplier;
 - 5.2.5. provide all equipment, tools and vehicles and such other items as are required to provide the Services;
 - 5.2.6. 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 the Customer, will be free from defects in workmanship, installation and design;
 - 5.2.7. observe all health and safety rules and regulations and any other security requirements that apply at any of the Customer's premises;
 - 5.2.8. hold all materials, equipment and tools, drawings, specifications and data supplied by the Customer to the Supplier ("**Customer Materials**") in safe custody at its own risk, maintain the Customer Materials in good condition until returned to the Customer, and not dispose or use the Customer Materials other than in accordance with the Customer's written instructions or authorisation; and
 - 5.2.9. not do or omit to do anything which may cause the Customer to lose any licence, authority, consent or permission upon which it relies for the purposes of conducting its business, and the Supplier acknowledges that the Customer may rely or act on the Services.

6. PERFORMANCE AND QUALITY

- 6.1. The Supplier shall provide the Goods and/or Services in all respects in accordance with:
- 6.1.1. the Contract;
 - 6.1.2. the Goods Specification and/or the Service Specification (as applicable);
 - 6.1.3. the reasonable directions and/or instructions of the Customer;
 - 6.1.4. the Release Requirements (if any);
 - 6.1.5. in a timely and prompt manner; and
 - 6.1.6. comply with all applicable laws, regulations, regulatory policies, guidelines or industry codes from time to time in force, which may apply to the provision of the Services, and with the Mandatory Policies, and the Supplier shall notify the Customer as soon as it becomes aware of any changes in all applicable laws, regulations, regulatory policies, guidelines or industry codes.
- 6.2. Without limiting the Supplier's Liability and without prejudice to any rights or remedies of the Customer, the Supplier shall immediately notify the Customer in writing, if at any time:
- 6.2.1. the Supplier becomes aware of any non-conformity of the Goods and/or Services with the Contract;
 - 6.2.2. there is a change of Control of the Supplier;
 - 6.2.3. in respect of the Goods, there is a change in the supplier's to the Supplier;

- 6.2.4. there is a change to the Supplier's senior management structure.
- 6.3. The provisions of clause 6.2 shall survive termination of the Contract.
- 6.4. The Supplier shall ensure that any non-conforming Goods and/or Services are quarantined and the Supplier shall not deliver such Goods and/or Services to the Customer unless the Customer agrees in writing that the Supplier can deliver the non-conforming Goods and/or Services after being notified in writing by the Supplier of each of the non-conformities. Any agreement by the Customer to the supply of non-conforming Goods and/or Services shall not in any way limit the Supplier's Liability and shall be without prejudice to any rights or remedies of the Customer under the Contract.
- 6.5. The Supplier shall maintain each accreditation which it requires to supply the Goods and/or Services in accordance with the Release Requirements and, without limiting the Supplier's Liability and without prejudice to any rights or remedies of the Customer, the Supplier shall notify the Customer immediately if it loses any such accreditation and/or if any matter occurs, or the Supplier anticipates may occur, which may cause the Supplier to lose any such accreditation.
- 6.6. The Supplier shall perform the Contract at the manufacturing location covered by the accreditation which it requires to supply the Goods and/or Services in accordance with the Release Requirements. The Supplier shall not perform the Contract at any other location without the Customer's prior written consent.
- 6.7. Specific quality assurance requirements of the Customer (if any) in terms of the provision of pre-delivery testing certificates or compliance with specific quality standards in the production or supply of the Goods and/or Services are set out in the Release Requirements and/or otherwise set out or referred to in the Order. The Supplier warrants that it shall meet each of these requirements prior to delivery of the Goods and/or performance of the Services.
- 6.8. The Customer reserves the right to carry out such testing and inspections on Goods and/or Services as the Customer considers necessary to ensure that Goods and/or Services which are presented for delivery are supplied in conformity with the Contract. The costs of such testing in relation to non-conforming Goods and/or Services shall be charged to and paid by the Supplier.
- 6.9. The Supplier warrants that the Goods and/or Services will for a period of not less than 48 months following delivery:
- 6.9.1. conform to the Goods Specification and/or the Service Specification and any samples and prototypes approved by the Customer;
- 6.9.2. perform and function in all respects in accordance with the Goods Specification and/or the Service Specification;
- 6.9.3. conform to the Release Requirements;
- 6.9.4. be of satisfactory quality (within the meaning of the Sale of Goods Act 1979), free from all defects in materials and workmanship and fit and suitable for the purposes for which they are normally used or for any purpose held out by the Supplier or made known to the Supplier by the Customer, expressly or by implication, and in this respect the Customer relies on the Supplier's skill and judgement;
- 6.9.5. comply with all applicable statutory and regulatory requirements in the United Kingdom;
- 6.9.6. be free from design and other inherent defects; and
- 6.9.7. meet all of the requirements of the Contract.
- 6.10. The following descriptions apply to the corresponding Release Requirements code: -
- 6.10.1. CODE A - A Certificate of Conformity is required.
- 6.10.2. CODE B - Material supplied must be supported by certification of chemical analysis, mechanical test and mill certificates.
- 6.10.3. CODE C - First article inspection report is required.
- 6.10.4. CODE D - Inspection report is required.
- 6.10.5. CODE E - UKAS Certification is required.
- 6.10.6. CODE F - Calibration certificate traceable to national standards is required.
- 6.10.7. CODE G - Material safety data sheet is required.
- 6.10.8. CODE H - Shelf life and cure date certification is required.
- 6.10.9. CODE I - Parts are subject to Rolls Royce SABRe Edition 3 requirements.
- 6.11. The Supplier shall provide reports to the Customer in respect of its performance of the Contract, as agreed between the parties.
- 6.12. The Customer shall monitor the Supplier's quality and delivery performance in accordance with company procedures.

7. ACCEPTANCE AND REJECTION

- 7.1. The Customer shall not be treated as having accepted any Goods and/or Services until it has had a reasonable time (taking into consideration the type and volume of the Goods and/or Services supplied) to inspect the Goods and/or Services following delivery or performance or after any latent defect has become apparent.
- 7.2. Neither any inspection or testing by the Customer or its representatives whether before or after physical delivery or performance of Goods and/or Services nor the signing of any delivery note or other document acknowledging physical receipt of any Goods and/or Services shall constitute evidence of acceptance or approval of Goods and/or Services.
- 7.3. The Customer may reject any Goods and/or Services that are defective or damaged or otherwise not supplied in accordance with these Conditions by giving notice to the Supplier.
- 7.4. Without prejudice to any rights or remedies of the Customer, if any Goods and/or Services are found to be defective or not in accordance with the requirements of the Contract, the Supplier shall promptly and at its own cost and expense, repair or replace the Goods and/or re-perform the Services and/or refund the price for the Goods and/or Services (and replace any Customer Property used in respect of the defective Goods and/or Services) in full as the Customer directs.
- 7.5. Where the Customer discovers more than one defective unit in any given batch of Goods and/or Services delivered at the same time, the Customer shall be entitled to reject the entire batch.
- 7.6. Consignment or part deliveries may be rejected unless the Customer has agreed in writing to accept such deliveries.

8. PROPERTY/RISK

- 8.1. The risk in each shipment of Goods shall not pass to the Customer until the Customer has accepted the Goods comprised in such shipment as detailed in clauses 7.1 and 7.2.
- 8.2. The title (both legal and equitable) in each shipment of Goods shall pass to the Customer on delivery, or if earlier on payment of any part of the price of the Goods and/or Services.
- 8.3. The risk in any Customer Property shall pass to the Supplier on delivery to the Supplier by the Customer or on production of the Customer Property by the Supplier or when ordered by the Supplier where it is to be delivered by a third party.
- 8.4. Title (both legal and equitable) in the Customer Property provided by the Customer shall remain with the Customer. Where Customer Property is produced by the Supplier or purchased from a third party by the Supplier the property (both legal and equitable) shall pass to the Customer when the Customer Property has been produced by the Supplier and/or when ordered by the Supplier where it is to be delivered by a third party

9. PRICE AND PAYMENT

- 9.1. The price to be paid by the Customer to the Supplier for Goods and/or Services shall be as set out in Order or as otherwise agreed between the parties in writing.
- 9.2. Unless otherwise agreed by the Customer in writing the price is inclusive of all costs and expenses ancillary and/or in connection with the provision of the Goods and/or Services including the cost of all packaging, packing, security tagging, labelling, carriage, insurance and delivery, third party costs and expenses and all other costs and/or expenses incurred by the Supplier in relation to Goods and/or performance of the Services and any duties or levies, but are exclusive of VAT or sales tax.
- 9.3. Unless otherwise agreed by the Customer in writing, invoices shall only be rendered by the Supplier, after completion of delivery of the Goods and/or performance of the Services under the Contract in full and to the satisfaction of the Customer.
- 9.4. The Supplier is required to issue a proper tax invoice in accordance with applicable legislation before the Customer shall be required to make payment for Goods and/or Services. Invoices shall be in the form which the Customer specifies from time to time and state the Order number.
- 9.5. Unless otherwise agreed in writing by the Customer, the Customer shall pay each valid invoice rendered in accordance with these Conditions within 60 days of the end of the month in which the invoice is received.
- 9.6. The Supplier and the Customer shall work jointly to implement a process for continuous improvement of efficiencies in manufacturing the Goods and performance of the Services. The Supplier shall ensure that the Customer receives the benefit of any reduced costs and

expenses relevant to Goods and/or Services and the price shall be reduced by the amount of the reduction in costs and expenses.

10. CONFIDENTIALITY

- 10.1. The Supplier shall not directly and/or indirectly use and/or disclose Confidential Information to any person except in the proper performance of the Contract.
- 10.2. The obligations of confidentiality and non-use set out above shall continue indefinitely and shall survive termination of the Contract for any reason except they shall not apply to information:
 - 10.2.1. which the Supplier proves was already in its possession and at its free disposal prior to disclosure by the Customer;
 - 10.2.2. which the Supplier proves was developed by it without reference to any Confidential Information;
 - 10.2.3. which is after the date of the Contract disclosed to the Supplier without any obligations of confidentiality by a third party who is not in breach of any duty of confidentiality in doing so;
 - 10.2.4. which is or becomes generally available to the public through no default and/or omission on the Supplier's part; or
 - 10.2.5. to the extent it is required to be disclosed by law and/or the rules of any recognised stock exchange and/or regulatory authority on condition that the Supplier gives the Customer as much advance notice of such disclosure as possible.
- 10.3. The exceptions in clause 10.2 above shall not apply to any combination of features merely because individual features (but not the combination itself) fall within any one or more of such exceptions.
- 10.4. The Supplier acknowledges that damages may not be an adequate remedy for breach of this clause 10 and accordingly agrees that the Customer shall be entitled to seek and obtain any injunctive and/or other equitable relief in relation to any breach of this clause 10.

11. CUSTOMER PROPERTY

- 11.1. All rights in any Customer Property shall belong to the Customer and the Supplier shall execute any documents and do anything necessary to vest such rights in the Customer without making any charge unless the Customer directs otherwise.
- 11.2. The Customer grants the Supplier a non-exclusive, royalty free licence during the term of the Contract to use Customer Property only in the manufacture of the Goods and/or performance of the Services for the Customer in accordance with the Contract only.
- 11.3. The Supplier shall not sub-licence, assign or otherwise transfer the rights granted by clause 11.2 and shall not use the Customer Property to manufacture any Goods and/or perform any Services for itself or for any third parties.
- 11.4. The Supplier shall keep all Customer Property safe, shall not damage or make any modifications to nor part with possession of any Customer Property (unless required to do so in proper performance of the Contract), if any Customer Property is lost, damaged or wasted the Supplier shall promptly as the Customer directs (and at the Supplier's own cost and expense) repair or replace the Customer Property and/or pay to the Customer the repair costs and/or replacement value of the Customer Property notified to the Supplier by the Customer.
- 11.5. The Supplier shall deliver up the Customer Property to the Customer immediately on demand.
- 11.6. The Supplier shall keep an auditable register of all Customer Property and make this available to the Customer on request.
- 11.7. The Supplier shall report any quantity discrepancies or damage to the Customer Property within 24 hours of receipt of the Customer Property.

12. INTELLECTUAL PROPERTY

- 12.1. In the absence of prior written agreement by the Customer to the contrary, all Intellectual Property Rights (other than any Intellectual Property Rights in Goods if the Goods have not been supplied to a bespoke specification of the Customer) created by the Supplier or any employee, agent, supplier or subcontractor of the Supplier in the course of performing the Contract, or for the purpose of performing the Contract shall vest in the Customer upon creation ("**Customer IPR**").

- 12.2. The Supplier hereby assigns to the Customer all of the Customer IPR which does not automatically vest in the Customer.
- 12.3. To the extent that any of the Customer IPR is not wholly and/or validly assigned, the Supplier shall hold them upon a bare trust for the full and exclusive benefit of the Customer.
- 12.4. The Supplier warrants that the use and/or exploitation of the Goods and/or Services by or on behalf of the Customer will not infringe the Intellectual Property Rights of any third party.
- 12.5. The Supplier shall at the request of the Customer: -
 - 12.5.1. execute all further documents and/or deeds and do all such things as the Customer may require to enable the Customer to secure the delivery of information and the benefit of the Customer IPR and/or any rights licensed under clause 12.8; and
 - 12.5.2. take such action as the Customer may reasonably require to assist the Customer in bringing or defending any proceedings relating to the Customer IPR and/or any rights licensed under the Contract.
- 12.6. The Supplier shall at the Customer's request deliver up to the Customer all documents, material and/or other media which may be in the possession, power or control of the Supplier and which comprises or contains any part of the Customer IPR or any physical embodiment of the Customer IPR and share with the Customer all know-how that is not in material form.
- 12.7. The Supplier shall procure waivers of any moral rights in any physical embodiment of the Customer IPR to which any individual is now or may be at any future time entitled under Chapter IV of Part I of the Copyright Designs and Patents Act 1988 or any similar provisions of law in any jurisdiction.
- 12.8. Where, in connection with the provision of the Goods and/or Services by the Supplier, the Supplier uses any Intellectual Property Rights which do not fall within clause 11.1, clause 12.1 or clause 12.2, the Supplier shall grant to the Customer, or shall procure that the Customer is granted (without charge to the Customer), a perpetual, non-exclusive, royalty-free licence to use, adapt, maintain and support such Intellectual Property Rights, which licence shall include the right for any person providing goods and/or services to the Customer to use, adapt, maintain and support such Intellectual Property Rights for the benefit of the Customer.

13. INDEMNITIES

- 13.1. The Supplier shall indemnify and keep indemnified the Customer against any and all Liability and legal costs on a full indemnity basis suffered and/or incurred by the Customer and arising from or due to:
 - 13.1.1. any breach of contract;
 - 13.1.2. any liability under the Consumer Protection Act 1987;
 - 13.1.3. any tortious act and/or omission;
 - 13.1.4. any claim made against the Customer by a third party for death, personal injury or damage to property arising out of, or in connection with, defects in the Goods, as delivered, or the Deliverables;
 - 13.1.5. any claim made against the Customer by a third party arising out of or in connection with the supply of the Goods, as delivered, or the Services; and
 - 13.1.6. any infringement or alleged infringement of any Intellectual Property Rights of any third party as a result of the Customer's receipt, use and/or exploitation of the Goods and/or Services, the Customer IPR and/or any other Intellectual Property Rights provided by the Supplier ("**IPR Claim**"); and/or;
 - 13.1.7. any breach of statutory duty by the Supplier.
- 13.2. If at any time an IPR Claim is made the Supplier shall at the Customer's option:-
 - 13.2.1. procure the right for the Customer to continue using the Goods and/or Services; or
 - 13.2.2. replace or modify the Goods and/or Services, with non-infringing substitutes, provided that any substitute shall not materially prejudice the Customer's use of the Goods and/or Services and that such substitution will be carried out so as to avoid or reduce insofar as possible any interruption to the Customer's business operations. Without prejudice to any other rights of the Customer, the Supplier shall reimburse the Customer any costs or expenses incurred by the Customer in implementing or using any replaced or modified Goods and/or Services.

14. RECORDS AND AUDIT RIGHTS

- 14.1. The Supplier shall at all times operate a system of accounting and maintain complete and accurate records of all actions taken in connection with, and all supporting documentation in relation to, the performance of its obligations under the Contract (“**Records**”).
- 14.2. The Supplier shall retain the Records (both during and after the Contract) for a minimum period of 13 years (or as otherwise agreed by a duly authorised signatory of the Customer in writing) and shall not destroy the Records (whether during or after the Contract) without the Customer’s prior consent in writing. The Supplier shall ensure the safe custody of all Records and shall prevent unauthorised access to or use of them both during and after the Contract.
- 14.3. The Supplier shall provide to the Customer and the Customer’s representatives, and shall procure that the Customer and the Customer’s representatives are provided with, access to the Supplier’s premises and/or any other premises where the Goods and/or Services are manufactured and/or performed and/or where the Records are located and access to personnel and systems to conduct an audit to ensure the Supplier’s compliance with the Contract (including an audit of the Records, and/or the facilities, processes and/or procedures used for the manufacture of the Goods and/or performance of the Services).
- 14.4. Any such audit will be carried out with not less than 48 hours’ prior notice, or in the case of suspected fraud or if the Customer (or its end-customer) is required to conduct an audit, then the Customer, the Customer’s representatives, the end-customer and/or any regulatory authority shall be entitled to carry out the audit without giving prior notice. The rights of access set out under this clause shall also apply to any relevant suppliers to the Supplier whereby each supplier to the Supplier shall each be deemed to be the “Supplier”.
- 14.5. The Customer and its professional advisers shall have the right to take copies of any records which they reasonably require and remove such copies and the Supplier shall provide the necessary facilities to assist in copying free of charge.
- 14.6. The Supplier shall ensure that all Records and all information provided to the Customer in relation to any Contract are accurate, complete and not misleading.
- 14.7. The Supplier shall provide, and procure the provision, at no cost to the Customer of all reasonable assistance and facilities (including, where appropriate, access to office accommodation, telephone and/or fax facilities) to the Customer and the Customer’s representatives as required by the Customer to exercise its rights under clause 12.5 above.

15. HEALTH, SAFETY AND ENVIRONMENTAL

- 15.1. The Supplier agrees to comply in all respects with all applicable legislation and regulations (as they may be amended or come into force from time to time) and any requirements of any relevant authorities relating (but not limited) to: hazardous substances, articles including any parts, subparts, components and chemical constituents contained therein, and chemicals affecting the Goods including, without limitation, all registration requirements, labelling requirements, safety assessments, communication requirements of information up and down the supply chain, responding promptly to requests for data and information from suppliers and customers, all requirements in relation to “articles” or “substances of very high concern” (“SVHC”) as identified on the “Candidate List” as published by European Chemicals Agency (“ECHA”) in accordance with Article 59.1 of REACH (as defined below), retaining all relevant documentation and supplying any documentation regarding handling or use whether pursuant to the European Regulation (EC) no. 1907/2006 of 18th December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (“REACH”) as amended or other applicable laws or regulations. The parties undertake and agree to inform each other of any information or restrictions on use which may or are likely to impact on the use, sale or disposal of any substance contained in the Goods supplied. The Supplier shall inform the Customer in writing of all applicable legislation and regulations.
- 15.2. Without limiting the foregoing, the Supplier agrees to notify The Customer, in writing, of all SVHCs on the Candidate List contained in Goods supplied to The Customer pursuant to the terms of the Contract upon the initial delivery of the Goods and whenever the Candidate list is amended. Such written notification shall include the following information:
 - 15.2.1. the name(s) of all SVHCs contained in the Goods,
 - 15.2.2. the European Chemical Substance Information System (EINECS) and Chemical Abstract System (CAS) Number,
 - 15.2.3. for each SVHC, the concentration (in percent) of the SVHC contained in the Goods, and if the concentration of the SVHC is greater than 0.1% w/w, then include

information on the safe use and handling of the Goods as required under Article 33 of REACH.

- 15.3. The Supplier shall comply in all respects with all applicable legislation and regulations relating to electrical or electronic equipment and in particular take-back obligations and whether this is pursuant to The Waste Electrical and Electronic Equipment Directive (2002/96/EC) and Regulations 2006 (SI No. 2006/3289) ("WEEE") and amending legislation or other applicable laws or regulations and, in relation to any such equipment provided or sold by the Supplier, the Supplier agrees to take back such equipment and the Supplier will not charge The Customer any additional amount to undertake these responsibilities.
- 15.4. With respect to all Goods supplied to the Customer under the Contract, the Supplier represents and warrants to its knowledge after reasonable investigation and due diligence, that:
 - 15.4.1. Goods, including all chemical constituents contained therein, are pre-registered and/or registered under REACH if required, are not restricted from use under Annex XVII of REACH, and if subject to Authorisation under Annex XIV of REACH, are authorised for use by The Customer; and
 - 15.4.2. none of the Goods containing any lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBB), polybrominated diphenyl ethers (PBDE) or any other hazardous substances fall under the code of EU Directive 2002/95-EC (RoHS Directive) as amended from time to time.
- 15.5. The Supplier shall comply in all respects with all applicable health and safety and environmental laws and regulations and shall indemnify the Customer against all damages, costs, losses, charges, expenses or liabilities whatsoever caused by or arising out of any breach by the Supplier of such legislation or regulation.
- 15.6. The Supplier agrees to comply in all respects with all applicable legislation and regulations of the US Securities and Exchange Commission (SEC) ruling, also known as the Dodd-Frank Act. The Legislation requires publicly traded (i.e. SEC-registered) companies to report annually to the SEC on their worldwide use of "Conflict Minerals" in products manufactured and the country of origin for any "Conflict Mineral".
- 15.7. The Supplier shall plan, implement and control the processes needed to ensure product safety during the entire product life cycle, as appropriate to the organisation and the product. The Supplier shall ensure that persons doing the work under the organisations control are aware of the importance of product safety.

16. TERMINATION

- 16.1. The Customer may immediately terminate the Contract by written notice if the Supplier:
 - 16.1.1. breaches clause 6.5 and/or 6.6;
 - 16.1.2. loses any accreditation which it requires to supply the Goods and/or Services in accordance with the Release Requirements;
 - 16.1.3. breaches the terms of the Contract (and if remediable the breach has not been remedied within 30 days of receiving notice requiring it to be remedied);
 - 16.1.4. persistently breaches any one or more terms of the Contract;
 - 16.1.5. ceases or threatens to cease to carry on business;
 - 16.1.6. is declared or becomes insolvent or bankrupt, has a moratorium declared in respect of any of its indebtedness, enters into administration, receivership, administrative receivership or liquidation or threatens to do any of these things, takes or suffers any similar action in any jurisdiction or any step is taken (including, without limitation, the making of an application or the giving of any notice) by it or by any other person in respect of any of these circumstances; and/or
 - 16.1.7. suffers or undergoes any change of Control.
- 16.2. In addition, the Customer may, terminate the Contract in whole or in part for its convenience at any time by giving written notice to the Supplier thirty (30) days prior to the termination being effective in which case the Supplier shall comply with the obligations set out in Clause 16.3. The Customer undertakes to pay a fair and reasonable price for all work done and materials reasonably and properly purchased up to the time of termination and subject to evidence that the materials have been purchased. Such payments made, taken together with any sums paid or due or becoming due to the Supplier under the Contract shall not exceed the total price of the Goods and/or Services under the Contract and in the case of partial termination shall not exceed the portion of the Contract applicable to the part of the Goods and/or Services so terminated.

- 16.3. Upon termination of the Contract for whatever reason, the Supplier will deliver up to the Customer or at the Customer's option destroy any and all Deliverables, Confidential Information, all Customer Property, the physical embodiment of any Customer IPR and/or any other materials provided by the Customer, which are in the Supplier's possession, power or control.

17. COMPLIANCE WITH LAWS AND POLICIES

- 17.1. The Supplier shall comply with:
- 17.1.1. all applicable laws, regulations, codes and sanctions relating to anti-bribery and anticorruption including the Bribery Act 2010; and
 - 17.1.2. the Mandatory Policies.
- 17.2. The Supplier shall ensure that any person associated with the Supplier who is performing the Services does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on the Supplier in this clause 17 ("**Relevant Terms**"). The Supplier shall in any circumstances be responsible for the observance and performance by such persons of the Relevant Terms, and shall in any circumstances be directly liable to the Customer for any breach by such persons of any of the Relevant Terms howsoever arising.
- 17.3. Breach of this clause 17 shall be a material breach of the Contract entitling the Customer to terminate the Contract without incurring any Liability for such termination.
- 17.4. For the purpose of this clause 17 whether a person is associated with another person shall be determined in accordance with the Bribery Act 2010 and includes but is not limited to any subcontractor of the Supplier.

18. NON-COMPETE

- 18.1. The Supplier shall not in the course of completing the Contract take any action to directly or indirectly compete with the Customer. The Supplier shall make no contract with any of the Customer's customers, save where such contract is expressly approved by the Customer and under no circumstances is the Supplier to take any action which may be deemed as soliciting of work currently contracted to the Customer.

19. COUNTERFEIT GOODS

- 19.1. The Supplier warrants and certifies that Goods delivered pursuant to the Contract, unless otherwise specified shall (i) be new, (ii) be and only contain materials obtained from the Original Equipment Manufacturer ("**OEM**") or an authorised OEM reseller or distributor, (iii) not be or contain any counterfeit goods, and (iv) contain only authentic, unaltered OEM labels and other markings.
- 19.2. Where goods are acquired from an authorised OEM reseller or distributor, the Supplier shall provide the Customer with the OEM's Certificate of Conformity. Goods shall not be acquired from independent distributors or brokers unless specifically authorised in writing by the Customer.
- 19.3. The Supplier shall maintain a method of item traceability that ensures tracking of the supply chain back to the OEM of all parts of the Goods which have been manufactured in assemblies and sub-assemblies. This traceability method shall clearly identify the name and location of all of the supply chain intermediaries from the OEM to the direct source of the product for Supplier, and shall include the OEM's batch identification for the item(s) such as date codes, lot codes, serializations, or other batch identifications. When requested by the Customer, the Supplier shall provide OEM documentation that authenticates traceability of the affected items to the applicable OEM.
- 19.4. In the event Goods delivered under the Contract are found to be counterfeit, the Supplier shall at its expense promptly replace such Goods with genuine Goods conforming to the requirements of the Contract. Notwithstanding any other provision of the Contract, the Supplier shall be liable for all costs relating to the removal or replacement of counterfeit Goods, including without limitation Customer's or Customer's customers costs of removing such counterfeit Goods, reinserting genuine Goods, and any testing necessitated by the reinstallation of any Goods after counterfeit Goods have been exchanged.

20. GENERAL

- 20.1. These Conditions together with the Order and the documents referred to in these Conditions contain the whole agreement between the parties and supersede any prior written or oral agreement between them and are not affected by any other promise, representation, warranty, usage, custom or course of dealing. The parties confirm that they have not entered into the Contract on the basis of any representation that is not expressly incorporated into the Contract. Nothing in the Contract shall exclude liability for any fraudulent statement or act made prior to the date of the Contract.
- 20.2. If there is any conflict between the provisions in the documents referred to in these Conditions then the provisions shall prevail and take priority in the following order:
 - 20.2.1. the provisions contained in these Conditions;
 - 20.2.2. the provisions contained in the Order;
 - 20.2.3. the provisions contained in the Goods Specification and/or the Service Specification;
 - 20.2.4. the provisions contained in the Release Requirements;
 - 20.2.5. the provisions contained in any Operational Documents; and
- 20.3. A person who is not a party to the Contract shall not have the right to enforce any terms of the Contract. This shall not apply to any customer of the Customer, to whom the Customer consents to being able to enforce the Contract as though they were the Customer. The rights of any third party to enforce the Contract may be varied and/or extinguished by the Customer without the consent of any such third party.
- 20.4. No variation to the Contract shall be binding unless in writing signed by an authorised representative of each party.
- 20.5. No waiver by either party of any breach of the Contract shall be considered as a waiver of any subsequent breach of the same provision or any other provision.
- 20.6. If any provision or part-provision of the Contract is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of the Contract. The Supplier shall not assign or otherwise transfer its interest in the Contract (or any part) or sub-contract any of its obligations under the Contract without the written consent of the Customer. The Customer may assign or otherwise transfer any or all of its rights and/or obligations under the Contract to any third party without the Supplier's consent.
- 20.7. The Supplier acknowledges and agrees that the Customer shall be freely entitled at any time to assign the benefit of the any warranties or guarantees provided with the Goods and/or Services to the Customer's own customers.
- 20.8. The Supplier may only subcontract the whole or any part of its obligations under the Contract with the Customer's prior written consent. If the Supplier sub-contracts the whole or any part of its obligations under the Contract having obtained the Customer's written consent, the Supplier shall ensure that it imposes obligations on the sub-contractor in the sub-contract at least equivalent to the Supplier's obligations under the Contract and shall procure that the Customer has the right to directly benefit and enforce such sub-contract.
- 20.9. The Supplier shall, at the request of the Customer, do all things and execute all further documents necessary to give full effect to the Contract.
- 20.10. During the term of the Contract the Supplier shall maintain in force, with a reputable insurance company, professional indemnity insurance, product liability insurance and public liability insurance to cover the liabilities that may arise under or in connection with the Contract, and shall, on the Customer's request, produce both the insurance certificate giving details of cover and the receipt for the current year's premium in respect of each insurance.
- 20.11. Termination of the Contract shall not affect any rights of the parties accrued up to the date of termination.
- 20.12. Nothing in the Contract is intended to, or shall be deemed to, establish any partnership or joint venture between the parties, constitute either party the agent of the other, or authorise either party to make or enter into any commitments for or on behalf of the other party.
- 20.13. The rights, powers and remedies provided in the Contract are cumulative and not exclusive of any rights, powers and remedies provided by law.
- 20.14. Any notice or other document required to be given under the Contract or any communication between the parties with respect to any of the provisions of the Contract shall be in writing in

- English and be deemed duly given if signed by or on behalf of a duly authorised officer of the party giving the notice.
- 20.15. Any notice or other communication shall be deemed to be given to and received by the addressee:
- 20.15.1. at the time the same is left at the address of or handed to a representative of the party to be served if on a Working Day, and if not on the next Working Day;
 - 20.15.2. by prepaid first class post on the second Working Day following the date of posting; and/or
 - 20.15.3. in the case of a facsimile transmission or other means of telecommunication or email at the time of transmission, or if this time falls outside business hours in the place of receipt, when business hours resume. In this clause 20.15.3, business hours means 8.00am to 4.00pm Monday to Friday on a day that is not a public holiday in the place of receipt.
- 20.16. In proving the receipt of a notice it shall be sufficient to prove that the notice was left, or that the envelope containing the notice was properly addressed and posted, or that the applicable means of telecommunication and/or email was properly addressed and despatched and despatch of the transmission was confirmed and/or acknowledged as the case may be.
- 20.17. The Contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with, English law, and the parties irrevocably submit to the exclusive jurisdiction of the courts of England, provided that nothing in this clause shall prevent the Customer from taking any action in any foreign court where the Supplier is resident outside England and Wales.