

STANDARD BUSINESS TERMS AND CONDITIONS

DEFINITIONS

Contract:

Meaning as per Condition 1.

Conditions:

Means the terms and conditions set out herein and any Special Conditions.

Purchase Order or PO:

Means Buyer's purchase order (and any amendments thereto made by Buyer) along with these Conditions delivered to the Seller.

Buyer:

Means General Dynamics United Kingdom Limited.

Seller:

Means the seller of the Goods to General Dynamics United Kingdom Limited.

Parties:

Means the Buyer and Seller, and Party shall be construed accordingly.

Employment Regulations:

Means the Transfer of Undertakings (Protection of Employment) Regulations 2006 (*SI 2006/246*).

Goods:

Means any items, software, services and/or technical data ordered by Buyer from the Seller under the Contract.

DEF STAN:

Means Defence Standards which can be found at <https://www.aof.mod.uk>

DEFFORM:

Means the UK Ministry of Defence DEFFORM series which can be found at <https://www.aof.mod.uk>

UK Data Protection Legislation:

Means all applicable data protection and privacy legislation in force from time to time in the UK including the General Data Protection Regulation ((EU) 2016/679); the Data Protection Act 2018; the Privacy and Electronic Communications Directive 2002/58/EC (as updated by Directive 2009/136/EC) and the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) as amended.

Buyers Authorised Procurement Representative:

Means any party the Buyer has notified the Seller has Authorization to procure Goods on their behalf.

Headings:

Headings of each condition are only for the ease of reference and will not affect the interpretation of the Conditions.

Business Days:

Means any day excluding (i) Saturdays, Sundays and public and statutory holidays in the jurisdiction of either Party; (ii) privilege days notified in writing by the Buyer to the Seller at least ten (10) Business Days in advance; and (iii) such periods of holiday closure of the Parties premises of which the Party is given written notice by to the other at least ten (10) Business Days in advance.

Delivery Schedule:

Means the specified date defined on the Purchase Order that Goods shall be made available by the Seller to the Buyer.

Applicable Laws:

Means any applicable law, rule, regulation, regulatory requirement, any form of secondary legislation, resolution, policy guidelines, concession, or case law.

Material Condition:

Means a term or provision that concerns price, quantity and terms of payment or performance.

Delivery:

Means the transfer of deliverables from Seller to Buyer.

Buyers Customer:

Means the end user of the Goods.

Period of Performance:

Means the period of time taken by the Seller to complete all activities under the Contract.

Rectification Plan:

Means the anticipated improvements and the timeline over which those improvements are expected to be realised, which shall be no longer than sixty (60) days.

Manufacturing Materials:

Means a generic term meaning equipment (including fixed assets), stores, supplies and spares.

Security Incident:

Means any known successful or unsuccessful attempt by an authorized or unauthorized individual to inappropriately use, disclose, modify, access, or destroy any information or interference with system operations in an information system.

Special Tooling ("ST"):

Means jigs, dies, fixtures, molds, patterns, taps, gauges, other equipment and manufacturing aids, all components of these items, and replacements of these items that are of such a specialized nature that without substantial modification or alteration their use is limited to the development or production of particular supplies or parts thereof or performing particular services.

Special Test Equipment ("STE"):

Means either single or multipurpose integrated test units engineered, designed, fabricated, or modified to accomplish special purpose testing in performing a contract. STE consists of items or assemblies of equipment, including standard or general purpose items, or components that are interconnected and interdependent so as to become a new functional entity for special testing purposes.

1. THE CONTRACT:

The Contract ("Contract") means a contract for the sale and purchase of Goods between Buyer and Seller, consisting of the Purchase Order, these Conditions and any Special Conditions, Schedules, Annexes including without limitation: drawings, specifications, instructions, quality assurance requirements, and any other document referenced therein. Buyer may from time to time include new or updated documents or exclude documents to add clarity to the Contract. Seller shall only rely on written instructions given by Buyer's Authorised Procurement Representative. For purposes of these Conditions, the term "Goods" shall mean any items, software, services and/or technical data ordered by Buyer from the Seller under the Contract.

2. ACCEPTANCE:

The acceptance of the PO shall be unqualified and provided by Seller within 10 Business Days of the date of the Order. In the event that the Seller delivers Goods (in accordance with the Order) without such acceptance, the Seller shall be deemed to have accepted the PO, and the PO shall be deemed to have been entered into by the Buyer and Seller, on the date that the Seller first delivers the Goods.

Any terms or conditions that Seller proposes that are in addition to or differ in any way than those contained in the PO or these Conditions shall be void, unless agreed to in writing by Buyer's Authorised Procurement Representative. Seller agrees that Buyer's acceptance of or payment for any Goods or similar act of Buyer shall not be claimed or construed to constitute agreement or consent to any additional or differing terms or conditions proposed by Seller or a waiver of any of these Conditions.

3. DELIVERY AND PERFORMANCE:

- (a) Contract Delivery Schedules and quantities are a Material Condition of this PO, and Seller's failure to meet Contract Delivery Schedules or quantities shall be considered a Material Breach. Any delivery that deviates from the PO Delivery Schedule are subject to the Buyer's rejection, and Seller will be responsible for the cost incurred by Buyer to store and/or to ship the Goods. Once Buyer gives notice of the rejection of the Goods, the risk of loss and damage to the Goods is with the Seller. Any acceptance of deliveries late to the Contract Delivery Schedule will not waive Buyer's rights.
- (b) Performance of this Contract at the date or dates specified for delivery of the Goods is an integral part hereof. Time is of the essence unless otherwise provided herein. If Seller fails to make delivery in accordance with the Contract Delivery Schedule, Buyer will have the option of terminating this Contract in accordance with condition 19, Termination for default, or assessing 0.75% of the unit price per day, as liquidated damages and not as a penalty. Any such liquidated damages shall start no sooner than the fifth (5th) day after the Purchase Order Promise Date, and continue until and including the date on which the Product(s) is delivered to Buyer, not to exceed 20% of the unit price. Any liquidated damages assessed to Seller will be debited from Seller's account and may be set off against any other amount owed to Seller by Buyer. For the avoidance of doubt, liquidated damages or termination are the agreed-upon remedies for delay, but are without limitation as to other remedies available to Buyer under the contract at law for other breaches of contract.
- (c) In the event of any anticipated or actual delay in meeting the Contract Delivery Schedule, Seller shall:
 - (i) Promptly notify Buyer in writing of the reasons for the delay and the actions being taken to overcome or minimise the delay;
 - (ii) Provide Buyer with a written Recovery Schedule; and
 - (iii) If requested by Buyer, ship via air or expedited routing to avoid or minimise delay to the maximum extent possible unless Seller is excused from prompt performance as provided in condition 16 Force Majeure. Seller will be solely responsible for paying the difference between the method of shipping specified and the actual air or expedited rate incurred.
- (d) Any information provided by Seller regarding any anticipated or actual delay in meeting the Contract Delivery Schedule is for information purposes only and shall not be construed as a waiver by Buyer of any of Buyer's rights or remedies provided by law or the PO.
- (e) Goods fabricated in excess or in advance of Buyer's Delivery Schedule release are at Seller's risk unless otherwise authorised in writing by Buyer. Buyer reserves the right, without loss of discount privileges, to pay invoices covering Goods shipped in advance of the Delivery Schedule of the normal maturity after the date specified for Delivery.
- (f) Title and risk in the Goods delivered to the Buyer shall pass to the Buyer on delivery.

4. CONTRACT FLOWDOWN

Seller must flow down to any sub-tier suppliers: all applicable quality clauses, these Conditions, if applicable, to allow Buyer to flow down all relevant provisions of its contract with the Buyer's Customer. In addition and if required, any key characteristics of drawings and Technical Data Package ("TDP").

5. PACKAGING AND SHIPPING:

Packaging and shipment of Goods shall ensure safe arrival of the Goods at the destination specified in the Contract, secure lowest transportation cost, and conform to requirements of common carriers and where appropriate Government Packaging Instructions in line with DEFSTAN 81-41 part 1 - 6 at the effective date of the Contract. When the Contract requires Goods to be shipped DDP (Incoterms 2020), the Seller shall not insure and not declare a value except when transportation rates are based on "released value", in which instance the Seller shall annotate on the bill of lading the lowest released value provided in applicable tariffs.

6. INSPECTION:

- (a) Buyer, the Buyer's Customer or any authorised representative of the Buyer shall have the right to inspect and test any Goods supplied under the Contract at any reasonable time during the manufacture or fabrication thereof at Seller's facilities or elsewhere. Such inspection may include, without limitation, raw materials, components, work in process, and completed products as well as drawings, specifications, and released data. Final inspection and acceptance shall be after delivery to the delivery point designated by Buyer. If any inspection or test is made by Buyer at Seller's facility or elsewhere, Seller shall provide reasonable facilities and assistance for the inspection personnel. Buyer may reject all Goods supplied under the Contract that are found to be defective and may return the Goods to Seller at Seller's expense. Under no circumstances will any inspection, examination, or test, or any approval given in connection with any such inspection, examination, or test, whether by Buyer or Buyer's customer and whether under the Contract or another contract for the same or similar goods, relieve Seller of any obligation to comply fully with all requirements of the Contract, including the obligation to deliver Goods that conform to all requirements of the drawings, specifications, and other Contract documents. At Buyer's request, Seller shall repair or replace defective Goods at Seller's expense. Failure to inspect goods, failure to discover defects in Goods, or payment for Goods shall not constitute acceptance or limit any of Buyer's rights or remedies, including, without limitation, those under condition 9, Warranty. In the event inspection reveals any defect and schedule urgency requires that the defect be corrected by Buyer, all cost of such correction, including, without limitation, installation and removal, will be charged to Seller. Such charges will also include time and material and appropriate indirect and overhead expenses incurred by Buyer.
- (b) Seller shall maintain an inspection system acceptable to Buyer covering the Goods furnished under the Contract. Seller shall permit Buyer to review procedures, practices, processes, and related documents to determine such acceptability. Seller shall keep records evidencing inspections and their results and shall make these records available to Buyer and Buyer's customer, where applicable, during Contract performance and for seven years after final payment.

7. SELLER'S NOTICE OF DISCREPANCIES:

Seller shall immediately notify Buyer in writing when there are discrepancies in Seller's processes relating to the Goods, including but not limited to production, inspection or quality processes, or when defects or nonconformity in Goods are suspected or discovered, regardless of whether the Goods have been or will be delivered under the Contract.

8. INVOICES:

Unless otherwise agreed by the parties in writing, the Seller shall submit its invoice no more than thirty (30) days from the date of delivery of any Goods or completion of any services. At least three (3) Business Days prior to the submission of its invoice, Seller shall submit to Buyer a draft or proforma invoice (the draft/ proforma invoice) of the said invoice for Buyer to review. Buyer shall, pursuant to its review and within the said period of three (3) Business Days, advise Seller of any irregularities on the draft/ proforma invoice and any recommended rectifications of any such irregularities, along with advice as to whether Buyer intends to accept or reject the invoice as and when it is submitted. Each invoice shall accurately set out details of the Goods in respect of which the invoice was rendered and the applicable price, exclusive of Value Added Tax. Invoices shall not be sent to Buyer prior to the date of delivery of the Goods or commencement of performance of the services and must be sent to

Buyer's address designated on the Purchase Order quoting the relevant Purchase Order number. Payment of all valid invoices shall be made in the currency stipulated in the Purchase Order and within thirty (30) days of receipt of the applicable invoice by Buyer, provided that Buyer may withhold payment in respect of any invoice that it is disputing, in good faith, until such time as the relevant dispute is resolved. Buyer may deduct from any sum due to the Seller, under the Contract or under any other contract, any sum recoverable or due to Buyer or an affiliate of Buyer from the Seller, under or in connection with the Contract or any other contract.

9. WARRANTY:

Seller warrant that Goods ordered to specification will conform to the Contract, including all specifications and drawings, and will be fit and sufficient for the purpose intended, and that all Goods are merchantable, of good material and workmanship, and free from defect. Such warranties, together with Seller's service warranties and guarantees, if any, shall survive inspection, test, acceptance of, and payment for the Goods and shall run to Buyer, its successors, assigns, customers at any tier, and ultimate end user and joint users. Notices of any defects or nonconformity shall be given by the Buyer to the Seller within fifteen (15) months after acceptance by the ultimate end user. Buyer's rights and remedies concerning latent defects shall exist indefinitely and shall not be affected in any way by any terms and conditions of this Contract, including this condition 9. Seller warrants that the Goods shall: (a) conform in all respects with all drawings, specifications, designs and other requirements or descriptions stated in the Purchase Order or Contract; (b) correspond in all respects with advertisements, brochures, samples or other representations made by the Seller to Buyer; (c) in the case of Goods, be new and of the best grade and quality and in compliance and conformity with any applicable national, European or international standards or safety regulations including, without limitation, ISO 9001 (latest revision), CE marking, AS9100 and all other reasonable quality assurance related requests and requirements of Buyer and all other applicable legal requirements; and be fit for any purpose for which Buyer has expressly or by implication made known that it requires the same; (d) pass all applicable acceptance tests of Buyer and the Seller shall retain relevant test certificates, conformity assessments and test construction files and ensure that these are available for inspection by Buyer or any relevant regulatory authorities when required; and (e) in the case of services be carried out with reasonable care and skill and in a professional manner. In addition to any other remedy available to Buyer at law or in equity, Seller shall be liable, at Buyer's option, for the cost of removal, repair or replacement, reinstallation and transportation of each non-conforming Good or service.

10. REMEDIES:

In addition to any other remedies established in this Contract or under applicable law, if the Goods or any part or portion thereof, in Buyer's judgment, fail to pass inspection, fail to meet warranty, or fail to conform to the requirements of the Contract, including with respect to timeliness of delivery (each such failure a "Non-Conformance" and each such Good a "Non-Conforming Good"), Buyer may do any or all of the following:

- (a) Reject or return Non-Conforming Goods. As to returned Non-Conforming Goods (and as to rejected Non-Conforming Goods, but only if Buyer so directs), Seller shall promptly, at its expense, and at Buyer's election, repair or replace such Non-Conforming Goods. Seller shall be responsible for Buyer's cost of removal and reinstallation of such Non-Conforming Goods and for all costs and expenses (including without limitation labour costs and third party inspection costs) incurred by Buyer in connection with the inspection and discovery of such Non-Conforming Goods, identifying and correcting the cause of any Non-Conformance, and all other activities reasonably undertaken by Buyer to obtain conforming Goods or attempting to obtain from the ultimate end user a waiver to permit the Non-Conforming Goods to be used. In addition, Seller acknowledges that the delivery of Non-Conforming Goods is very disruptive to Buyer's production processes, planning and scheduling, workflow, and resource allocation, among other things. Seller acknowledges that these disruptions impose substantial additional harms on Buyer and that the costs flowing from those harms are inherently difficult to quantify. Accordingly, in addition to recovering the costs identified above, for each Non-Conforming Good, Buyer shall have the right to assess as liquidated damages, 0.75% of the unit price for each Non-Conforming Good.

- (b) Upon rejection of Non-Conforming Goods or Seller's failure to promptly repair or replace such Non-Conforming Goods, Buyer may cancel this Contract and/or purchase goods or services in substitution for those due from Seller and recover from Seller the difference between the cost of cover and the Contract price together with any incidental or consequential damages, notwithstanding anything to the contrary in this Contract.
- (c) Goods rejected may, at Buyer's election, be returned to Seller at Seller's expense. If notice of rejection or return is given by Buyer to Seller, incidental expenses and the risk of loss or damage to such rejected or returned Goods shall be borne by Seller. In addition, Buyer may charge Seller all costs and expenses of unpacking, examining, repacking, and reshipping such Goods. Buyer reserves the right to require repayment, or effect a setoff against any amounts owed to Seller (irrespective of whether such amounts owed are in connection with this Contract or not), of any expenses incurred by Buyer resulting from rejection or return.
- (d) Accept or retain Non-Conforming Goods and, at Buyer's election, either equitably reduce the purchase price of those Goods or repair them at Seller's expense.

11. BUYER'S ASSISTANCE AND COOPERATION:

- (a) During Seller's performance of this Contract, Buyer may, but has no obligation to, provide assistance to, or cooperate with, Seller in activities that facilitate the proper performance and completion of this Contract by Seller. Such assistance and cooperation may include without limitation: (i) providing engineering or other analysis or advice on correcting manufacturing deficiencies or other problems; (ii) acquiescing in a change of manufacturing facilities or location; (iii) refraining from strict enforcement of time schedule requirements under the Contract; (iv) permitting use of test materials or documentation not performed or produced under this Contract; or (v) engaging with or providing assistance to Seller's subcontractors
- (b) Such assistance or cooperation by Buyer shall not be construed, and Seller agrees that it will not claim that any such assistance or cooperation operates, to relieve Seller from complete, proper and punctual performance of all of Seller's obligations under this Contract. Under no circumstances will Buyer be liable to Seller for any damages arising out of Buyer's assistance or cooperation.

12. BUYER'S PROPERTY:

On completion of the provision of the Works or on termination of the PO, Seller shall return all originals and copies of all Buyer's Property and any other information or items in Seller possession which belong to FPE. Where any materials or information have been stored electronically, Seller shall provide written confirmation that all such materials or information have been destroyed and/or erased (i) Any materials, drawings, tools, jigs, dies, fixtures, or any other property supplied or paid for by the Buyer or Buyers Customer will remain the property of Buyer and must be returned to Buyer upon Period of Performance (ii) Seller shall not use any such Buyer's property except for performance of work under the Contract or as authorised in writing by Buyer's Authorised Procurement Representative. (iii) All such Buyers' property while in Seller's possession or control shall be kept in good condition, shall be held at Seller's risk, and shall be kept insured by Seller, at Seller's expense, in an amount equal to the replacement cost with loss payable to Buyer. If Buyer's property has been damaged, stolen, destroyed, or is malfunctioning, Seller shall notify Buyer in writing within two (2) Business Days once discovered or known. (iv) seller must clearly mark Buyer's property, maintain inventory, and keep the property segregated. (v) Any scrap generated from or by Buyer furnished property shall be segregated from Seller's property and placed in a separate area or container. Before removal of the container or its contents, Seller shall request directions from Buyer's Authorised Procurement Representative. Seller will prepare shipping documents denoting date, contents, weight, and recipient of the scrap material. Shipping documents shall be sent directly to Buyer's By-Products Department. Under no circumstances shall scrap material be removed from Seller's premise without Buyers By-Products Department approval. (vi) GDUK shall have the right (with reasonable notice) to inspect Property while in the Supplier's possession or control. The Supplier shall maintain a list of all Property in its possession or control and shall, at the request of GDUK, provide GDUK with a copy of such list or any other information that GDUK may require concerning the Supplier's maintenance, use, possession, control or holding of such Property. The Supplier shall not use any Property other than for

the purpose of performing its obligations under the Contract and shall maintain the same in good condition. The Supplier shall, at the sole option of GDUK, either return the Property to GDUK or destroy the same (and provide confirmation of such destruction) at any time upon GDUK's written request or, in any event, on completion of the Contract. The Supplier shall comply with all applicable laws, rules and regulations concerning the destruction of Property, including (without limitation) any laws, rules, regulations or guidance concerning waste electrical and electronic equipment.

13. SPECIAL TOOLING/SPECIAL TEST EQUIPMENT:

- (a) Title to ST/STE acquired by Seller under this Contract will vest in and become the absolute property of the Buyer or the Buyer Customer, as applicable, as from the time the construction of the Goods begin or the ST/STE or material is acquired specifically for or is allocated for incorporation in any of the Goods and shall from that time be in the possession of the Seller for the sole purpose of completing the Goods and delivering them when completed to the Buyer. Seller will maintain such ST/STE in a serviceable condition and will preserve and administer it for the exclusive use of Buyer, except that Seller may use such ST/STE on a rent-free, non-interference basis in the performance of Government contracts with Buyer's prior written consent. If the ST/STE is attached to or made part of any other equipment or facility, Seller will be responsible for its removal and delivery in serviceable condition to Buyer upon written notification from Buyer.
- (b) Neither the Seller, nor a subcontractor, nor any other person shall have a lien on any ST/STE or material which have vested in the Buyer under clause 13 (a) for any sum due to the Seller, subcontractor or other person.
- (c) For the avoidance of doubt, any ST/STE or material which is rejected by the Buyer shall immediately re-vest in the Seller.
- (d) Payment for ST/STE assumes that parts made therefrom will be acceptable dimensionally and functionally, and Buyer reserves the right to withhold payment until samples from such ST/STE are fully approved by Buyer. All parts made from such ST/STE are subject to and covered by condition 6, Inspection and Condition 9, Warranty.

14. CHANGES:

- (a) Buyer may at any time, by written notice to Seller, make changes under this Contract, including without limitation changes to quantity, schedule and/or specifications. If such change increases or decreases the cost or time required to perform this Contract, the parties shall negotiate an equitable adjustment in the price or schedule, or both, to reflect the increase or decrease.
- (b) Seller shall assert any claim for adjustment to Buyer's Authorised Procurement Representative in writing within twenty (20) Business Days of receiving direction of a change from the Buyer and shall deliver a fully supported proposal to Buyer's Authorised Procurement Representative within thirty (30) Business Days after Seller's receipt of such direction.
- (c) Based on the Seller's claim, Buyer reserves the right to:
 - (i) Accept Seller's claim and amend the PO accordingly;
 - (ii) Dispose of obsolete or excess property as a result of the change; and/or
 - (iii) Request the appropriate Buyer's Customer agency to perform an audit, in which event Seller shall provide current, complete, and accurate accounting records properly documenting the cost changes within ten (10) Business Days of a request by Buyer or the appropriate Government agency and include a copy for Buyer.
- (c) For any claim GBP 80,000 or greater, Seller shall provide to Authorised procurement Representative within ten (10) Business Days a signed certificate that states as follows:

I certify that the claim is made in good faith that the supporting data are current, accurate, and complete to the best of my knowledge and belief, that the amount requested accurately

reflects the Contract adjustment for which Seller believes Buyer is liable, and that I am duly authorised to certify the claim on behalf of Seller.

- (d) Seller must perform in accordance with Buyer's direction pending the submission and resolution of any claim for adjustment. Under no circumstances shall a failure of the parties to agree upon any adjustment excuse the Seller from performing in accordance with Buyer's direction.

15. STOP WORK ORDER:

Buyer may at any time, by written notice to Seller, require Seller to stop all or any part of the work called for by this Contract for a period of up to ninety (90) business days after the notice is delivered to Seller ("Stop Work Order"). Upon receipt of the Stop Work Order, Seller shall immediately comply and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the Stop Work Order during the period of work stoppage. Within a period of ninety (90) business days after a Stop Work Order is delivered to Seller, or within any extension of that period to which the parties have agreed, Buyer shall either cancel the Stop Work Order, or terminate the work covered by the Contract as provided in condition 19, Termination for Default or condition 20, Termination for Convenience, whichever may be deemed appropriate in Buyer's sole discretion. Seller shall resume work immediately upon cancellation or expiration of any Stop Work Order. If Seller delivers to Buyer a request for equitable adjustment to the Contract's delivery schedule or price (or both) within the period set forth in condition 14, Changes, Buyer may agree to an adjustment if the Stop Work Order has resulted in an increase in the time required for the performance of the PO or in Seller's costs properly allocable to the PO. The amount of any adjustment in the Contract price shall be determined as provided in condition 14, Changes.

16. FORCE MAJEURE

Force Majeure Event means any circumstance not within a party's reasonable control including, without limitation:

- i. acts of God, flood, drought, earthquake or other natural disaster;
- ii. epidemic or pandemic;
- iii. terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations;
- iv. nuclear, chemical or biological contamination or sonic boom;
- v. any law or any action taken by a government or public authority, including without limitation imposing an export or import restriction, quota or prohibition[, or failing to grant a necessary licence or consent];
- vi. collapse of buildings, fire, explosion or accident; and
- vii. any labour or trade dispute, strikes, industrial action or lockouts (other than in each case by the party seeking to rely on this clause, or companies in the same group as that party);
- viii. non-performance by suppliers or subcontractors; and
- ix. Interruption or failure of utility service.

Provided it has complied with sub-paragraph (d), if a party is prevented, hindered or delayed in or from performing any of its obligations under the Contract by a Force Majeure Event (**Affected Party**), the Affected Party shall not be in breach of the Contract or otherwise liable for any such failure or delay in the performance of such obligations. The time for performance of such obligations shall be extended accordingly.

The corresponding obligations of the other party will be suspended, and its time for performance of such obligations extended, to the same extent as those of the Affected Party.

The Affected Party shall:

as soon as reasonably practicable after the start of the Force Majeure Event but no later than 5 Business Days from its start, notify the other party in writing of the Force Majeure Event, the date on which it started, its likely or potential duration, and the effect of the Force Majeure Event on its ability

to perform any of its obligations under the Contract; and use all reasonable endeavours to mitigate the effect of the Force Majeure Event on the performance of its obligations.

If the Force Majeure Event prevents, hinders or delays the Affected Party's performance of its obligations for a continuous period of more than three (3) months, the party not affected by the Force Majeure Event may terminate this Contract by giving twenty (20) days written notice to the Affected Party.

17. NOTICE TO BUYER OF LABOUR DISPUTES:

Whenever Seller has knowledge that any actual or potential labour dispute is delaying or threatens to delay the timely performance of this Contract, Seller shall immediately give notice, including all relevant information, to the Buyer.

18. CONTRACT CANCELLATION:

By written notice and without a Rectification Plan, Buyer may cancel the whole Contract, or any part of this Contract, in the event of the suspension of Seller's business, insolvency of Seller, institution of bankruptcy, liquidation proceedings by or against Seller, appointment of a trustee or receiver for Seller's property or business, any assignment, reorganisation, or arrangement by Seller for the benefit of creditors, or the debarment or suspension of Seller by any Government agency. Buyer's remedies in the event of a cancellation of the Contract pursuant to this condition 18 shall be the same as set forth in condition 19, Termination for Default.

19. TERMINATION FOR DEFAULT:

- (a) Buyer may, by written notice to Seller, terminate all or any part of this Contract for default if Seller fails to: (i) make full delivery of the Goods or perform this Contract within the time specified in the Contract; (ii) deliver Goods that conform in all respects with the specifications and quality requirements set forth in the Contract; (iii) perform any of its other obligations set forth in the Contract; or (iv) take any action or inaction that endangers performance of this Contract and fail to cure such situation within a period of ten (5) Business Days after receipt of notice from Buyer. If only part of the Contract is terminated, Seller is not excused from performance of the non-terminated part of the Contract.
- (b) In the event Buyer terminates this Contract in whole or in part as provided in subparagraph (a) above, Buyer may procure, upon such terms and in such manner as Buyer may deem appropriate, Goods similar to those so terminated, and Seller shall be liable to Buyer for any excess costs for the same, including without limitation all costs and expenses of the type specified condition 9, Warranty.
- (c) Buyer, in addition to any other rights and remedies provided by applicable law or under this Contract, may require Seller to transfer title and deliver to Buyer or to Buyer's customer, in the manner and to the extent directed by Buyer for: (i) any completed Goods; (ii) any partially completed Goods or work in progress; and (iii) any materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "Manufacturing Materials") as Seller has specifically produced or specifically acquired for the performance of such part of this Contract as has been terminated.
- (d) Seller shall, upon direction of Buyer and at Seller's own cost, mark, separate, protect, and preserve property in Seller's possession in which Buyer or the Buyer's customer has a vested interest.
- (e) Payment for completed Goods delivered to and accepted by Buyer pursuant to subparagraph (c) above shall be at the Contract price. Payment for partially completed Goods, work in progress, or Manufacturing Materials delivered to and accepted by Buyer pursuant to subparagraph (c) above shall be in an amount agreed to by Buyer and Seller, and failure to agree to such amount shall be a dispute concerning a question of fact within the meaning condition 30, Dispute Resolution. Seller must transfer title and deliver partially completed Goods, work in progress, or Manufacturing

Materials in accordance with Buyer's direction even if the parties have not yet agreed on terms of Payment. Under no circumstances shall a failure of the parties to agree upon payment terms excuse the Seller from performing in accordance with Buyer's direction. Buyer may withhold from amounts otherwise due to Seller, such sum as Buyer reasonably determines to be necessary to protect Buyer or Buyer's customer against loss due to or resulting from outstanding liens or claims of former lien holders or for damages otherwise caused by Seller's failure to perform its obligations under this Contract.

- (f) If, after notice of termination of this Contract under the provisions of this condition 19, it is determined for any reason that Seller was not in default under the provisions above, or that the default was excusable under condition 16, Force Majeure, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to condition 20, Termination for Convenience.
- (g) The rights and remedies of Buyer provided in this condition 19 shall not be exclusive and are in addition to any other rights and remedies provided by applicable law or under this Contract. For the avoidance of doubt, nothing in this condition 19 shall limit in any way Buyer's rights under subparagraph (b) of condition 3, Delivery.
- (h) If Buyer notifies Seller in writing that the termination of this Contract pursuant to condition 19 was directed by the UK Government or that Buyer's prime contract with the UK Government has been terminated, termination of this Contract will be in accordance with applicable provisions of Defence Condition 656B – Termination for Convenience, which shall be incorporated herein by reference.

20. TERMINATION FOR CONVENIENCE:

- (a) Buyer may, by written notice to Seller, terminate all or any part of this Contract for convenience and without cause. If only part of the Contract is terminated, Seller is not excused from performance of the non-terminated part of the Contract.
- (b) In the event of a termination for convenience by Buyer, Seller shall be paid an amount, to be mutually agreed upon, which shall be adequate to cover the actual reasonable cost paid by Seller for the actual labour and material reasonably used by Seller to perform the work under this Contract up to the effective date of termination, plus a reasonable profit. Buyer will not pay for anticipatory profits related to work under this Contract not yet performed or costs incurred due to Seller's failure to terminate work as ordered as of the effective date of termination. Under no circumstances will the total amount paid under the provisions of this paragraph exceed the prices set forth in this Contract for the work terminated.
- (c) Buyer, in addition to any other rights and remedies provided by applicable law or under this Contract, may require Seller to transfer title and deliver to Buyer or to Buyer's customer, in the manner and to the extent directed by Buyer for: (i) any completed Goods; (ii) any partially completed Goods or work in progress; and (iii) any Manufacturing Materials as Seller has specifically produced or specifically acquired for the performance of such part of this Contract as has been terminated.
- (d) Seller shall, upon direction of Buyer, mark, separate, protect, and preserve property in Seller's possession in which Buyer or the Buyer's customer has a vested interest.
- (e) Payment for completed Goods delivered to and accepted by Buyer pursuant to subparagraph (c) above shall be at the Contract price. Payment for partially completed Goods, for Manufacturing Materials or work in progress delivered to and accepted by Buyer pursuant to subparagraph (c) above, or for the protection and preservation of property in Seller's possession pursuant to subparagraph (d) above, shall be in an amount agreed to by Buyer and Seller, and failure to agree to such amount shall be a dispute concerning a question of fact within the meaning condition 30, Dispute Resolution. Seller must transfer title and deliver partially completed Goods, work in progress, or Manufacturing Materials in accordance with Buyer's direction even if the parties have not yet agreed on terms of Payment. Under no circumstances shall a failure of the parties to agree upon payment terms excuse the Seller from performing in accordance with Buyer's direction.

- (f) If Buyer notifies Seller in writing that the termination of this Contract pursuant to this condition 20 was directed by the UK Government or that Buyer's prime contract with the UK Government has been terminated in accordance with Defence Condition 656A for convenience, termination will be in accordance with Defence Condition 656A as applicable.

21. DATA:

- (a) All drawings, models, and specifications supplied, furnished or paid for by Buyer shall be:
- (i) The property of Buyer;
 - (ii) Subject to removal by Buyer at any time without additional cost;
 - (iii) Used only by Seller in filling orders from Buyer; and
 - (iv) Identified and marked as the property of Buyer.
 - (v) Subject to Defence Form 177
- (b) Any information contained in reports, drawings, documents, or other records which are furnished to Seller by Buyer relative to this Contract shall not be disclosed by Seller to any third party, except to Seller's subcontractors as necessary for completion of this Contract who shall have the same non-disclosure responsibility. In the event Buyer requests return of any data, including without limitation, drawings and specifications, Seller shall return all data within twenty (20) Business Days of such request. Any data furnished or paid for by Buyer that is retained by Seller shall remain subject to the foregoing restrictions on use, reproduction, and disclosure. Upon termination of this Contract for any reason: (i) Seller shall, at Buyer's option, destroy or return to Buyer all data, including without limitation, drawings and specifications, furnished to Seller by Buyer relative to this Contract; and (ii) Buyer may use, on a non-exclusive basis, all drawings, documents or other records created by Seller in relation to this PO without further compensation to Seller.

22. COMPLIANCE WITH UK / U.S. AND ANY OTHER EXPORT CONTROL LAWS:

The Seller shall secure and comply with all necessary export and import licences, agreements, consents, Customs clearances and all other approvals in respect of the supply of the products and services to Buyer, including authorisations, if any, provided by the U.S. Department of State, pursuant to the International Traffic in Arms Regulations (ITAR), the U.S. Department of Commerce, pursuant to the Export Administration Regulations (EAR), and the UK Governments Export Control Joint Unit (ECJU) pursuant to the Export Control Order 2008. Seller shall provide a clear statement to Buyer of the U.S. (either ITAR-controlled or EAR-controlled) and UK Military and Dual-Use content of all products that they are required to sell to Buyer, and shall obtain and provide copies to Buyer of all licences, permits, approvals or other authorisations as necessary to sell and deliver the products to, and perform the services for, Buyer pursuant to this PO. Seller shall inform Buyer as soon as they become aware that the exportability or importability of the products that they are required to sell and deliver to Buyer has changed. Seller shall be held responsible for any delays in delivery of products or services to Buyer as a result of the permanent or temporary inability to obtain export licences or authorisations as a result of a change in the ITAR / EAR / UK Military and Dual-Use status of products that they are required to sell to Buyer. Seller shall obtain all necessary amendments to licences, permits, approvals or other authorisations as requested by Buyer. On request, each party shall supply the other with information necessary to support the requisite export / import authorisations, such as ultimate end user, ultimate end use, intermediate consignees, signatories, foreign sub-licensees and their nationalities. The Seller shall also provide a fully populated GDUK Product Classification Questionnaire which includes accurate Customs information for all products being supplied under this PO.

23. PATENTS AND COPYRIGHTS:

Seller shall procure, on a royalty-free, irrevocable, perpetual basis, all third party consents and licenses necessary for Buyer and Buyer's customers to use, make use of and/or have used the Products and Services. In the event the Order and/or the applicable purchase price provides for the design or development of any Deliverable by the Seller for Buyer, all patents, designs, copyrights and all other intellectual property rights in such Deliverable (and all other designs, drawings, specifications

and other documentation produced or developed by the Seller in connection with the same) shall vest in Buyer and the Seller shall execute all documents and do all acts as are necessary to vest such intellectual property rights in Buyer. All drawings, data, designs, engineering instructions, models, specifications, or other technical or business information, written or otherwise, supplied by or on behalf of Buyer or prepared by Seller specifically in connection with performance under this Purchase Order shall be and remain the property of Buyer and, upon request of Buyer, such information and all copies thereof held by Seller shall be returned to Buyer. The Seller shall not be entitled to receive any royalty or other payment in respect of the exercise of the rights granted under this Condition. The Seller shall not acquire any right, title or interest in or to such Designs, save for the right to use such Designs in the course of performing its obligations under the Contract.

24. WORK ON BUYER'S DESIGNATED PREMISES:

In the event that Seller or Seller's employees, agents or subcontractors enter Buyer's premises for any reason in connection with this Contract, Seller and such other parties shall observe all military security requirements including citizenship/immigrant status, all plant safety, plant protection, and traffic regulations. Seller shall defend, indemnify, and hold Buyer harmless from all claims, actions, demands, loss, and causes of action, arising from injury, including death, to any person, or damage to any property, when such injury or damage results in whole or in part from the acts or omissions of Seller, Seller's employees, agents, or subcontractors, except when such damage, injury or death is caused by the gross negligence of Buyer. The Seller shall ensure that all Personnel required to execute work on Buyer's premises in performance of the Contract shall abide by applicable laws, rules and regulations concerning health and safety including, without limitation, the Health and Safety at Works Act 1974 and by the safety rules, regulations and any other instructions of Buyer as may be communicated to such Personnel or the Seller from time to time. The Seller shall ensure its employees, sub-contractors, agents or other representatives employed for the purpose of the contract and suitably skilled and qualified and shall provide details on Buyer's or Buyer's Customers request.

25. INSURANCE:

The Seller shall ensure the provision of adequate Employer's Liability Insurance, Public Liability Insurance and any other relevant policies in respect of the Seller and its Employees during and in connection with this Agreement, and shall make a copy of such policies available to the Buyer upon request, such levels being:

- | | |
|----------------------------|-------------|
| (a) Employer's Liability | £10 million |
| (b) Public Liability | £5 million |
| (c) Professional Indemnity | £2 million |

26. ASSIGNMENT, CHANGE IN CONTROL AND SUBCONTRACTING:

Seller shall not:

- (i) Transfer or assign this Contract or any rights of this Contract, in whole or part;
 - (ii) Delegate any obligations of this Contract, in whole or part; or
 - (iii) Subcontract for completed or substantially completed Goods, in whole or part, without the prior express written consent of Buyer's Authorised Procurement Representative.
The parties agree that any attempted assignment in violation of this provision shall be void.
- (a) No assignment or subcontract by Seller, including any assignment or subcontract to which Buyer consents, shall in any way relieve Seller from any of its obligations under the Contract, including without limitation complete and proper performance of this Contract and Seller's obligations under Condition 9, Warranty.
 - (b) Seller must notify Buyer's Authorised Procurement Representative at least twenty (20) Business Days prior to any change in Seller's ownership or control, any change in Seller's name. Seller must provide the identity of the potential new owner controlling party along with information on such party and the transaction as Buyer may request. Seller's notification to Buyer pursuant to this subparagraph (c) shall not relieve Seller from the restrictions set forth in subparagraph (a)

above.

27. NOTICES:

All notices required or permitted to be given under the Contract shall be deemed properly given if delivered in electronic mail or sent by UK certified or registered mail addressed to Seller or Buyer, as the case may be, at the addresses set forth on the face of the Contract, with postage fully prepaid. The effective time of notice shall be at the time of mailing.

28. WAIVER:

No waiver by Buyer of any breach of any term in this Contract or grant of an extension for performance under the Contract shall be deemed to be a waiver of any other or subsequent breach. Seller agrees that it will not claim that Buyer has waived any of Seller's performance requirements under this Contract, and no such waiver shall be effective to relieve Seller from complete and punctual performance of such requirements, unless such waiver is expressly stated in writing and signed by Buyer's Authorised Procurement Representative. Neither party shall have any remedy in respect of any untrue statement, made by the other, upon which that party relied in entering into the Contract, unless such untrue statement was made fraudulently.

29. GOVERNING LAW AND JURISDICTION

(a) **Governing Law:** This agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

(b) **Jurisdiction:** Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this agreement or its subject matter or formation.

30. DISPUTE RESOLUTION

If a dispute arises out of or in connection with this agreement or the performance, validity or enforceability of the dispute, then, the parties shall follow the procedure set out in this clause: (a) either party shall give to the other written notice of the Dispute, setting out its nature and full particulars (Dispute Notice), together with relevant supporting documents. On service of the Dispute Notice, the parties Authorised Procurement Representatives shall attempt in good faith to resolve the Dispute; (b) if the parties Authorised Procurement Representatives are unable to resolve the Dispute within 30 days of service of the Dispute Notice, the Dispute shall be referred to the Head of Commercial of both parties who shall attempt in good faith to resolve it; and (c) if the Head of Commercial/ Legal of either party for any reason is unable to resolve the Dispute within 30 days of it being referred to them, the parties agree to enter into arbitration to settle the dispute in accordance with the London Court of Arbitration (LCIA) Rules and Procedure. To initiate the arbitration, a party must serve notice in writing (ADR Notice) to the other party to the Dispute, referring the dispute to arbitration. The commencement of arbitration shall not prevent the parties commencing or continuing court proceedings in relation to the Dispute under Condition 29 Governing Law and Jurisdiction which clause shall apply at all times.

31. INDEMNIFICATION:

(a) Seller shall indemnify Buyer against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other reasonable professional costs and expenses) suffered or incurred by Seller arising or in connection with:

- (i) Any breach of warranties contained in clause 9.
- (ii) Seller's breach or negligent performance or non performance of this Contract.
- (iii) The enforcement of the Contract
- (iv) Any claim made against Buyer for actual or alleged infringement of a third party's

intellectual property rights arising out of or in connection with this Contract.

- (v) Any claim made against Buyer by a third party arising out of or in connection with the provision of Goods, to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of this Contract by Seller, its employees, agents or subcontractors.
 - (vi) Any claim made against Buyer by a third party for death, personal injury or damage to property arising out of or in connection with defective Goods, to the extent that the defect in the Goods is attributable to acts or omissions of Seller, its employees, agents or subcontractors.
- (b) This indemnity shall not cover Buyer to the extent a claim under it results from Buyer's gross negligence or willful misconduct.
 - (c) The provision for indemnification is in addition to any other provision for indemnification in any document made part of this Contract.

This condition 31 shall survive any termination or expiration of this Contract for any reason.

32. CONFIGURATION CONTROL:

- (a) Seller shall make no change in design, materials, manufacturing location, manufacturing process, assembly processes, or source of supply, after approval of the first production test item or after acceptance of the first completed end item, without Buyer's written approval. If Seller makes any changes in the design, materials, manufacturing location, manufacturing process, assembly processes, or source of supply after approval of the first production test item or after acceptance of the first completed end item and the change was initiated by the Seller, all re-qualification costs will be the responsibility of the Seller. Seller agrees that any approval by Buyer of the first production test item or any acceptance by Buyer of the first completed end item shall not in any way relieve Seller from performing all requirements of this Contract, including Seller's obligations under condition 9, Warranty.
- (b) Seller shall furnish military standard hardware to the drawing revision level contained in the technical data package(s) issued to Seller for performing the Contract. If no revision level is specified, parts must be supplied to the latest revision level established by government agencies as of the date of this Contract.
- (c) During the performance of this Contract and for a period of two (2) years following the last delivery of Goods under this Contract, Seller shall notify Buyer if Seller becomes aware of any obsolescence or planned obsolescence, of any Goods covered under this Contract.

33. NOT USED

34. PUBLICITY

Seller, along with Seller's subcontractor(s) at any tier, shall not release any publicity, advertisement, news release, or any other public statement regarding the Contract without prior written approval by Buyer. Seller shall be liable to Buyer for any breach of such obligation by Seller and/or any of its subcontractors.

35. CONFIDENTIALITY:

Seller acknowledges that Supplier may receive, be exposed to, and learn in the course of providing to GDUK the Products and Services hereunder secret, confidential, or proprietary knowledge, information, or trade secrets of GDUK, including but not limited to information regarding know-how, drawings, designs, specifications supplied by GDUK in connection with the Contract, business methods, finances, customers, suppliers, pricing, marketing, technologies, and the personnel of GDUK and the terms/conditions of this Contract, ("Confidential Information"), in various media, including but not limited to oral, written, and electronic form. "Confidential Information" shall not include any information which is publicly available through no fault of Supplier. Both during and after Supplier's engagement with GDUK, without prior written consent by GDUK, Supplier shall not (a)

disclose or make accessible to any person or communicate in any manner to any party any Confidential Information, or (b) use any Confidential Information for personal benefit or for that of a third party; provided, however, that the Supplier may provide such information where required by law so long as Supplier uses all reasonable endeavors to notify GDUK in advance of such disclosure and seeks to ensure that all such recipients agree to be bound by similar confidentiality restrictions. Supplier shall return or destroy the Confidential Information upon GDUK's request. Supplier agrees to comply with all applicable security procedures in the event Supplier is provided with information marked as "classified" pursuant to the Contract or Order.

36. ORDER OF PRECEDENCE:

The Contract constitutes the entire, fully integrated agreement of the parties. In the event of any inconsistency or conflict in the Contract documents or other terms and conditions associated with this Contract, precedence shall be given in the following descending order of priority:

- (a) Special Conditions
- (b) Standard Business Terms and Conditions
- (c) Schedule of Requirements
- (d) Delivery Schedule
- (e) Annex's

The Contract may not be modified except in the event of a signed writing executed by Buyer's Authorised Procurement Representative.

37. HAZARDOUS MATERIALS AND OTHER RELEVANT REGULATIONS:

The Seller shall comply in all material respects with all applicable environmental laws and regulations in force from time to time in relation to the supply of Goods including but not limited to sustaining ISO14001. The Seller shall meet all reasonable requests by the Buyer for information evidencing compliance with the provisions of this Condition by the Buyer, and provide the Buyer with the contact name and details of its Environment and Sustainability Representative. The Seller shall at all times be capable of demonstrating to the Buyer how it builds Sustainable Development into its policies, plans and decisions, and how it identifies, monitors and mitigates environmental, economic and social impacts.

The Seller shall not deliver any hazardous or toxic substances to Buyer's premises without Buyer's prior written approval and, if approved, the Seller shall mark all hazardous Goods with applicable international danger symbols and display the name of the material in English. All information held by or reasonably available to the Seller regarding any potential hazards known or believed to apply to the handling or use of the Goods supplied shall be promptly communicated to Buyer prior to delivery and the Seller shall supply before delivery any information required by the Buyer regarding the handling, use or disposal of hazardous Goods or substances. Upon Buyer's request, the Seller shall deliver a certificate or other written statement confirming that any Goods supplied to Buyer do not contain levels of lead, cadmium or other hazardous materials above those permitted under any applicable laws, rules, regulation or guidance, including (without limitation) in respect of waste electrical and electronic equipment. Further, the Seller shall comply with the UK Control of Substances Hazardous to Health Regulations 2002 and the Montreal Protocol on Substances That Deplete the Ozone Layer.

In addition to adhering to the WEEE EC Directive 2002/96/EC dated February 2003 (Waste of Electrical and Electronic Equipment), the Seller shall also comply with the Restriction of Hazardous Substances EU Directive 2011/65/EU which entered into force on 21st July 2011 having been transposed in to law on 1st July 2011.

The Seller shall at all times comply with the requirements of REACH, regulation number 1907/2006 dated 18th December 2006 of the European Union regarding the handling of such chemical substances. The Seller shall ensure that all duties imposed upon it according to Articles 31 to 33 inclusive of such Regulations are fulfilled. Without request by the Buyer, the Seller shall provide all information which the Buyer may require from the Seller in the supply of any goods or services.

38. NOT USED

39. SEVERABILITY

If any provision in this Contract is held to be invalid, illegal, or unenforceable, the remaining provisions shall not be affected in any way and shall remain in full force and effect. Any provision held to be invalid, illegal, or unenforceable, shall be negotiated in good faith by the parties to maintain the original intent of the parties to the fullest extent permitted by applicable law.

40. DAMAGES

Notwithstanding any other provisions contained herein, where seller misrepresents or breaches Seller's duty or obligations under this PO or engages in negligence or willful misconduct, seller shall be liable for special, consequential, collateral exemplary, indirect damages, loss of profits, loss of revenues, loss of use, or business interruption losses that arise out of Seller's misrepresentation or breach of duty or obligations.

41. COMPLIANCE WITH LAWS

Compliance with Laws

Seller in performing its obligations under the PO, shall and shall procure that each member of its Group comply with all applicable laws, statutes, regulations from time to time in force. The Buyer may terminate the PO with immediate effect by giving written notice to the Seller if Seller commits a breach of this condition 41 (a). In addition the Seller shall comply with (i) the manufacture or provisioning of Goods and supply of services under this PO; (ii) the shipping of Goods, and (iii) the configuration or content of Goods or services for the use intended under this PO.

Counterfeit Goods

Seller represents that it shall not furnish counterfeit goods to Buyer, defined as goods or separately-identifiable items or components of goods that may without limitation: (i) be an unauthorized copy or substitute of an original equipment manufacturer or original component manufacturer (collectively, "OEM") item; (ii) are not traceable to an OEM sufficient to ensure authenticity in OEM design and manufacture; (iii) do not contain proper external or internal materials or components required by the OEM or are not constructed in accordance with OEM design; (iv) have been re-worked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OEM design but are represented as OEM authentic or as new; (v) have not passed successfully all OEM required testing, verification, screening, and quality control processes; or (vi) have not acted as or engaged an independent distributor, non-authorized supplier, non-authorized distributor, non-franchised distributor, broker, or non-authorized reseller (collectively "Non-Franchised Source"), unless Buyer has provided prior written approval. Any requests to Buyer to include Non-Franchised Source Goods or components of Goods shall include complete and compelling support.

Seller represents that it shall not furnish counterfeit goods to Buyer, defined as goods or separately-identifiable items or components of goods that may without limitation: (i) be an unauthorized copy or substitute of an original equipment manufacturer or original component manufacturer (collectively, "OEM") item; (ii) are not traceable to an OEM sufficient to ensure authenticity in OEM design and manufacture; (iii) do not contain proper external or internal materials or components required by the OEM or are not constructed in accordance with OEM design; (iv) have been re-worked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OEM design but are represented as OEM authentic or as new; (v) have not passed successfully all OEM required testing, verification, screening, and quality control processes; or (vi) have not acted as or engaged an independent distributor, non-authorized supplier, non-authorized distributor, non-franchised distributor, broker, or non-authorized reseller (collectively "Non-Franchised Source"), unless Buyer has provided prior written approval. Any requests to Buyer to include Non-Franchised Source Goods or components of Goods shall include complete and compelling support.

Seller warrants that it has, and maintains, a Counterfeit Item risk mitigation process for internal processes and with its suppliers.

Counterfeit goods shall be deemed non-conforming, and in addition to any other rights Buyer may have at law or pursuant to this Contract, Seller shall disclose the source of the counterfeit good to Buyer and cooperate with Buyer with respect to any investigations or remedial actions undertaken by Buyer or Buyer's customer. Seller shall provide to Buyer, upon Buyer's reasonable request, the identity of its suppliers and/or the location of manufacture of the goods or any subcomponents of the goods, or provision of services, as applicable, to confirm compliance with legal and regulatory requirements and this Contract.

Conflict Minerals

Seller recognises, consistent with the public policy underlying enactment of the Conflict Minerals provision (Section 1502) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"), the significant legal and non-legal risks associated with sourcing tin, tantalum, tungsten and gold (the "Conflict Minerals") from the Democratic Republic of the Congo and adjoining countries ("DRC countries"). Accordingly, Seller commits to comply with Section 1502 of the Act and its implementing regulations; to the extent Seller is not a "Registrant" as defined in the Act, Seller shall comply with Section 1502 of the Act and its implementation regulations except for the filing requirements. In particular, Seller commits to have in place a supply chain policy and processes to undertake (i) a reasonable inquiry into the country of origin of Conflict Minerals incorporated into products it provides Buyer; (ii) due diligence of its supply chain, following a nationally or internationally recognized due diligence framework, as necessary, to determine if Conflict Minerals sourced from the DRC countries directly or indirectly support unlawful conflict there, and (iii) risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures. Seller shall take all other measures as are necessary to comply with Section 1502 of the Act and its implementing regulations, including any amendments thereto.

Seller agrees that it shall require its own subcontractors and suppliers (at any tier in the supply chain for a product delivered to Buyer under this Order) to furnish information to Seller necessary to support Seller's obligations under this Condition 41. Seller will maintain records reviewable by Buyer to support its certifications above. Seller acknowledges that Buyer may utilise and disclose Conflict Minerals information provided by Seller in order to satisfy its disclosure obligations under the Rule. If Buyer determines that any certification made by Seller under this Condition 41 is inaccurate or incomplete in any respect, then Buyer may terminate this PO pursuant to the provisions of Condition Termination

Anti Corruption Compliance

Both parties agree that in connection with activities under this Agreement it shall not carry out any prohibited acts, make or promise to make any improper payments, or provide or offer to provide anything of value, directly or indirectly, to government officials or other parties in violation of the Foreign Corrupt Practices Act, the UK Bribery Act 2010 or other applicable anti-bribery laws. It is the intent of the parties that no payments or transfers of value shall be made which have the purpose or effect of public or commercial bribery, acceptance of or acquiescence in extortion, kickbacks or other unlawful or improper means of obtaining business or any improper advantage. Each party further represents that it maintains an anti-corruption policy which prohibits the foregoing activities.

Software:

Seller warrants any hardware, software and firmware delivered under this Contract is free of but not limited to any viruses, malicious code, Trojan horse, time bomb, self-help code, back door, or any software code that could damage, destroy, disable, reveal, modify, or allow unauthorised access of any software or hardware.

Seller warrants that it has not used or modified any software to which it does not own the rights ("Third Party Software") in connection with the development of, nor has it incorporated any such Third Party Software into, any of the Goods where: (a) the use, modification or incorporation of such Third Party Software obliges or otherwise requires the Buyer, the Seller or any of the Buyer's Customers (i) to pay any sum of money to a third party, (ii) to provide to a third party source code or software upon request, at no charge or for a nominal or minimal charge, or (iii) to notify any of the foregoing to a third

party; or (b) such Third Party Software was licensed to Seller under the "GNU General Public License" or under the terms of any similar license.

42. INDEPENDENT CONTRACTORS

The relationship between the parties is that of independent contractors and not that of principal and agent, employer and employee, joint employers or legal partners. Neither party will represent itself as the agent or legal partner of the other party nor perform any action that might result in other persons believing that it has any authority to bind or enter into commitments on behalf of the other.

43. UK DATA PROTECTION LEGISLATION:

Each Party shall comply with all the obligations imposed on a controller under the UK Data Protection Legislation, and any material breach of the UK Data Protection Legislation by one party shall, if not remedied within 30 days of written notice from the other Party, give grounds to the other party to terminate this agreement with immediate effect. In addition, each Party shall assist the other in complying with all applicable requirements of the UK Data Protection Legislation.

Each party shall indemnify the other against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other reasonable professional costs and expenses) suffered or incurred by the indemnified Party arising out of or in connection with the breach of the UK Data Protection Legislation by the indemnifying Party, its employees or agents, provided that the indemnified Party gives to the indemnifier prompt notice of such claim, full information about the circumstances giving rise to it, reasonable assistance in dealing with the claim and sole authority to manage, defend and/or settle it.

44. DRUG-FREE WORKPLACE/WORKFORCE POLICY:

The Seller certifies that it implements drug free workplace/ workforce policies to maintain a drug free workplace/ workforce.

45. NOT USED

46. SHELF LIFE

(a) All Goods, including components, must be new and shall have a suitable Shelf Life at the time of receipt at Buyer's Ship To location. The Goods are to be provided to the Buyer with a minimum shelf life remaining of:

- (i) Greater than 90% for spare part orders ;
- (ii) Minimum of 75% for Production Orders; or
- (iii) As determined acceptable by the Buyer.

(b) The Seller shall ensure that Goods with Shelf life are marked appropriately. Each of a shipment's smallest container must be labeled with:

- (i) General Dynamics Part Number;
- (ii) The Manufactured Date;
- (iii) Shelf Life Expiration Date (if shelf life is indefinite, then it must state the word 'Indefinite');
- (iv) Product Lot / Batch Number; and
- (v) Cure Date (where applicable – for elastomeric and rubber product).

(c) In the event Seller fails to comply with condition 50 (a) or (b), remedies set forth in condition 10 shall apply.

(d) The Seller should refer to or ISO 2230:2002(E), and Mil-HDBK-695 for guidance with Shelf Life Goods.

47. THIRD PARTY RIGHTS

The Parties agree to do all such further acts and execute such additional documents which may reasonably be required to give full effect to the rights given and the transactions contemplated in the Contract. A person, who is not a Party to the Contract, other than the successors or permitted assignees of the Parties or Affiliate of Buyer, shall have no rights by virtue of the Contracts (Rights of Third Parties) Act 1999 to enforce or rely on any of its terms.

48. EMPLOYMENT REGULATION

In any event, where the Employment Regulation applies to staff transfers of either party, each Party shall comply in full with all the obligations imposed on it by the Employment Regulation.

Each party shall indemnify the other against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other reasonable professional costs and expenses) suffered or incurred by the indemnified Party arising out of or in connection with the breach of the Employment Regulation by the indemnifying Party, its employees or agents, provided that the indemnified Party gives to the indemnifier prompt notice of such claim, full information about the circumstances giving rise to it, reasonable assistance in dealing with the claim and sole authority to manage, defend and/or settle it.

49. CHARGES

Performance of this Contract shall be at the prices set forth on the first page hereof and shall be exclusive of Value Added Tax, but inclusive of all other taxes, fees, duties, costs and expenses (including any expenses incurred by Seller to comply with legal or other obligations concerning waste, electrical and electronic equipment). No charges shall be made for packing, insurance or delivery unless otherwise agreed, by the parties in writing and, in such case, any such charge shall be separately detailed in the Seller's invoice.

50. CYBER ESSENTIALS

Where the supply of Goods entail the transfer of UK Ministry of Defence identifiable information from Buyer to Seller or the generation of information by Seller specifically in support of the UK Ministry of Defence contract, the Seller is required to have a Cyber Essentials certificate and such certificate will be required to be renewed annually. The Seller will provide a copy of such certificate to Buyer on request. This requirement must be flowed down through to the Sellers supply chain.

In addition, Seller agrees to defend, indemnify, and hold harmless Buyer, its customers and its agents against any liability, including without limitation costs, expenses and legal fees, caused by or related to a Security Incident.

51. ANTI-SLAVERY AND HUMAN TRAFFICKING

(a) In performing its obligations under the Contract, the Seller shall:

- a. comply with all applicable anti-slavery and human trafficking laws, statutes, regulations from time to time in force including but not limited to the Modern Slavery Act 2015; and
- b. not engage in any activity, practice or conduct that would constitute an offence under sections 1, 2 or 4, of the Modern Slavery Act 2015 if such activity, practice or conduct were carried out in the UK;
- c. include in contracts with its direct subcontractors and suppliers provisions which are at least as onerous as those set out in this Condition 51.
- d. notify Buyer as soon as it becomes aware of any actual or suspected slavery or

human trafficking in a supply chain which has a connection with The Contract and/or PO.

- e. maintain a complete set of records to trace the supply chain of all Goods and services provided to Buyer in connection with the Contract and PO; and permit the Buyer and its third party representatives to inspect the Seller's premises, records, and to meet the Seller's personnel to audit the Seller's compliance with its obligations under this Condition 51.
- (b) The Seller represents and warrants that at the date of the Contract it not has been convicted of any offence involving slavery and human trafficking; nor has it been the subject of any investigation, inquiry or enforcement proceedings regarding any offence or alleged offence of or in connection with slavery and human trafficking.
- (c) Buyer may terminate the Contract and PO with immediate effect by giving written notice to the Seller if the Seller commits a breach of this Condition 51.
- (d) The Seller is required to provide a representation annually to Buyer that it has robust policies and procedures to ensure that none of the Goods provided include persons who have been subject to slavery or human trafficking. Moreover, Seller will be required to provide a declaration on the level of due diligence it conducts to ensure that these illegal practices do not exist in their supply chain to satisfy itself that none of the Goods provided have been subject to slavery or human trafficking.
- (e) The Seller shall implement a system of training for its employees to ensure compliance with its Anti-slavery Policy.
- (f) The Supplier shall keep a record of all training offered and completed by its to ensure compliance with its Anti-slavery Policy and shall make a copy of the record available to the Buyer on request.
- (g) The Seller shall indemnify the Buyer against any losses, liabilities, damages, costs (including but not limited to legal fees) and expenses incurred by, or awarded against, the Buyer as a result of any breach of its Anti-slavery Policy and Anti-slavery laws.