

1. Definitions

- 1.1 *"Background Technology"* means any and all products, services, processes, technologies, Materials, software, data and other innovations that are created by either party or a third party prior to the Effective Date or outside of this Order and that are to be used as part of the Contract and includes Materials, and all know-how, Confidential Information, documents and Technology relating to the Buyer Background Technology or Supplier Background Technology which the Buyer or Supplier owns and makes available for the purposes of the Contract;
- 1.2 *"Business Day"* means a day other than a Saturday, Sunday or public holiday in England;
- 1.3 *"Buyer"* means TAE Power Solutions Engineering Limited, C/O Thrings Llp, 6 Drakes Meadow, Swindon, England, SN3 3LL
- 1.4 *"Charges"* means the charges to be paid by the Buyer for the supply of Goods and/or Services subject to section 3;
- 1.5 *"Conditions"* means these conditions of supply of Goods and Services;
- 1.6 *"Confidential Information"* means any information disclosed by either party to the other party, either directly or indirectly, in writing, orally or by inspection of tangible objects (including, without limitation, documents, prototypes, samples, plant and equipment), which is designated as "Confidential," "Proprietary" or some similar designation. Information communicated orally shall be considered Confidential Information if such information is confirmed in writing as being Confidential Information within ten (10) Business Days after the initial disclosure. Confidential Information may also include information disclosed to a disclosing party by third parties. Confidential Information shall not, however, include any information which was publicly known and made generally available in the public domain prior to the time of disclosure by the disclosing party; becomes publicly known and made generally available after disclosure by the disclosing party to the receiving party through no action or inaction of the receiving party; is already in the possession of the receiving party at the time of disclosure by the disclosing party as shown by the receiving party's files and records immediately prior to the time of disclosure; is obtained by the receiving party from a third party without a breach of such third party's obligations of confidentiality; is independently developed by the receiving party without use of or reference to the disclosing party's Confidential Information, as shown by documents and other competent evidence in the receiving party's possession; or is required by law to be disclosed by the receiving party, provided that the receiving party gives the disclosing party prompt written notice of such requirement prior to such disclosure and assistance in obtaining an order protecting the information from public disclosure.
- 1.7 *"Contract"* means the contract between the Buyer and the Supplier consisting of the Supplier's quotation and/or proposal, the Order and these terms and conditions;
- 1.8 *"Deliverables"* means all tangible or intangible documents, products, materials and data to be supplied by the Supplier in accordance with the proposal, or the Order by its officers, employees, agents, or contractors in relation to the Goods or Services including without limitation drawings, plans, diagrams, designs, pictures, computer programs or software, data, specifications, studies and reports (including drafts);
- 1.9 *"Delivery Date"* means the date or dates specified in the proposal and/or Order for the delivery of the Goods or the Supply of Services to the Buyer;
- 1.10 *"Duration"* The Contract shall begin on the Effective Date, and shall remain in force until all the obligations under the Contract have been fulfilled by the Supplier, unless the Contract is terminated earlier in accordance with these Conditions;
- 1.11 *"Effective Date"* means the date when the Order is sent by the Buyer to the Supplier;
- 1.12 *"Goods"* means the goods and materials to be supplied to the Buyer by the Supplier under the Contract;
- 1.13 *"Foreground Technology"* means all Intellectual Property Rights and technical know-how that will be created by the Supplier, or in collaboration with the supplier and the Buyer or on behalf of the Buyer in pursuance of the Contract and/or comprised in whole or in part in the Deliverables;
- 1.14 *"Intellectual Property Rights"* means all patents, patent applications, patent disclosures and inventions, trademarks, service marks, trade dress, trade names, logos and corporate names and registrations and applications for registration thereof together with all of the goodwill associated therewith, copyrights (registered or unregistered) and copyrightable works and registrations and applications for registration thereof, mask works and registrations and applications for registration thereof, computer software, data, data bases and documentation thereof, trade secrets and other confidential information (including, without limitation, ideas, formulas, compositions, inventions (whether patentable or unpatentable and whether or not reduced to practice), know-how, manufacturing and production processes and techniques, research and development information, drawings, specifications, designs, plans, proposals, technical data, copyrightable works, financial and marketing plans and customer and supplier lists and information), other intellectual property rights and copies and tangible embodiments thereof (in whatever form or medium), in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection which may now or in the future subsist in any part of the world;
- 1.15 *"Materials"* means equipment, parts, tools, drawings, specifications, and data supplied by the Buyer to the Supplier, including computer programs, reports and specifications;
- 1.16 *"Order"* means the order placed by the Buyer for the supply of the Goods and/or Services as set out in the Buyer's purchase order;
- 1.17 *"Parties"* means the parties to the Contract;
- 1.18 *"Representatives"* means employees, officers, professional advisers, agents and contractors having a need to know or access the Confidential Information in connection with the Contract;
- 1.19 *"Services"* means the services to be provided to the Buyer by the Supplier under the Contract;
- 1.20 *"Specifications"* means the technical description, performance criteria (if any) of the Goods or Services contained or referred to within the Contract;
- 1.21 *"Supplier"* means the person or company to whom the Order is addressed;
- 1.22 *"Technology"* means any data technical information (whether patentable or not), designs and drawings (whether capable of registration or not), specifications, schematics, computer software programs (including source and object codes), manuals,

databases, formulae, processes, applications, methods of production and other related information and materials (whether tangible or intangible), together with any Intellectual Property Rights relating thereto.

2. Contract and Acceptance

- 2.1 The Contract shall come into force on the Effective Date.
- 2.2 The Supplier's price quotation constitutes an offer to supply, and the Order constitutes the Buyer's acceptance of such offer. The Contract is formed when the Order is sent to the Supplier.
- 2.3 The Contract shall be subject to these Conditions which shall override any other terms or conditions or contract submitted by the Supplier or which are implied by trade, custom, practice or course of dealing.
- 2.4 The Contract contains the entire agreement between the parties and supersedes all prior representations, proposals, agreements (written or oral) or terms the Supplier may wish to incorporate or impose. Any specific acceptance criteria, procedures, or other terms which are made a part of the Order shall prevail in the event of an inconsistency with these Conditions.
- 2.5 No variation of this Order made orally shall be binding unless the Parties' Representatives have confirmed such variation in writing.

3. Charges and Payment Terms

- 3.1 In consideration of the Supplier's provision of Goods and or Services, the Buyer shall pay the Supplier's charges as stated in the Order which shall not be varied for any reason whatsoever unless expressly agreed in writing by a duly authorised Representative of the Buyer. The charges shall be, unless expressly agreed otherwise, inclusive of:
 - 3.1.1 all costs for packaging, packing, carriage and freight, insurance and deliveries of the Goods and any duties, or levies other than value added tax; and
 - 3.1.2 all royalties, licence fees and other expenses arising from the use of any Intellectual Property Rights in the Goods, Services and Deliverables.
- 3.2 The Supplier shall ensure that:-
 - 3.2.1 the invoice is correctly drawn and quotes the Buyer's Order number and includes all supporting information as required by the Buyer to verify the accuracy of the invoice;
 - 3.2.2 for the provision of subcontracted labour, timesheets, agreed by a duly authorised Representative of the Buyer accompany the invoice.
- 3.3 The Supplier shall invoice the Buyer on or after delivery of the Goods or completion of the Services, unless staged payments are agreed and set out in the Contract.
- 3.4 Subject to internal sign off, the Buyer shall pay each invoice 60 days from end of month, unless expressly agreed otherwise in writing by a duly authorised Representative of the Buyer;
- 3.5 The Charges payable by the Buyer under the Contract are exclusive of Value Added Tax (VAT) at the current rate, as chargeable and shall be shown separately on each invoice.
- 3.6 Time for payment shall in any case not be of the essence.

4. The Buyer's Obligations

- 4.1 The Buyer shall reasonably co-operate with the Supplier in all matters relating to the Goods and or Services and provide the Supplier with any information the Supplier may reasonably require in order to provide the Goods and or Services to the Buyer.

5. Inspection and Testing

- 5.1 The Supplier agrees to participate in the Buyer's supplier quality and development programme(s) and to comply with all quality requirements and procedures specified by the buyer, as the same may be revised from time to time. The Buyer shall have the right to enter the Supplier's facilities at reasonable times upon making appointment beforehand, to inspect or test all goods, materials and equipment covered by this Order. The Buyer's inspection of the Goods, whether during manufacture, prior to delivery or within reasonable time after delivery, shall not constitute acceptance of any work-in-progress or finished Goods and shall not diminish or otherwise affect the Supplier's obligations under this Order.
- 5.2 If any Goods and/or Services are determined by Buyer personnel to be defective or not in conformance with the Contract the defect shall be repaired by Supplier. In such case where time is of the essence and the Goods continue to fail or does not meet the specification of the Order or Contract, Buyer reserves the right to proceed with alternate suppliers and back-charge Supplier for reasonable incurred expenses. Supplier shall provide safe and adequate facilities, drawings, documents, and samples as requested, and shall provide assistance and cooperation including stoppage of work to perform such inspection, testing, and quality surveillance as may be necessary to determine compliance with the requirements of the Order or Contract. Failure of Buyer to perform quality surveillance or to discover defective design, equipment, materials, or workmanship shall not relieve Supplier of its obligations under this Order or Contract nor prejudice the rights of Buyer thereafter to reject or require the correction of defective work in accordance with the provisions of this Order or Contract. If any work is determined by Buyer to be defective or not in conformance with this Order and/or Contract, the provisions of the applicable Conditions titled "WARRANTY", and "REMEDIES" shall apply.
- 5.3 If the Supplier fails to replace any rejected Goods and/or Services with Goods and/or Services which are in accordance with the Order or Contract within 30 days and/or such other reasonable period of time that is agreed between Supplier and Buyer, Buyer shall have the right to cover non-performance and purchase replacement Goods and/or Services from another source. Any payments by Buyer to the Supplier in respect of the rejected Goods and/or Services, together with any additional expenditure over and above such payments reasonably incurred by Buyer in obtaining replacement Goods or Services may be deducted by Buyer from such monies as may be due or thereafter become due to Supplier, or shall be paid by the Supplier to Buyer within 30 days after receipt of the relevant invoice.
- 5.4 When the Goods and/or Services under this Order or Contract are deemed accepted in accordance with the Order or Contract, Buyer may provide Supplier a written Notice of Final Acceptance of the Goods and/or Services which shall be conclusive except for latent defects, fraud, or Buyer's rights under the Conditions titled "Warranty", and "Remedies".

6. Passing of Risk and Title

- 6.1 Risk in the Goods shall only pass to the Buyer upon delivery to, and completion of offloading of the Goods at the Buyer's premises (or any other location specified by the Buyer pursuant to section 8.2.2).
- 6.2 Title in the Goods and/or Services shall pass to the Buyer upon payment for the Goods and/or Services. The passing of title in the Goods and/or Services shall be without prejudice to any right of rejection which may accrue to the Buyer (whether under these Conditions or otherwise howsoever).

7. Packaging and Damage or Loss in Transit

- 7.1 The Supplier shall ensure that the Goods shall be packaged in a manner consistent with good trade practice and in compliance with all applicable UK and international laws and regulations relating to the packaging and carriage of goods including those relating to hazardous goods.
- 7.2 The Supplier shall repair or replace, free of charge, any Goods damaged or lost in transit provided that the Buyer gives the Supplier written notification of such damage or shortages within a reasonable time.
- 7.3 The Buyer shall not be obliged to return to the Supplier any packaging or packing materials for the Goods whether or not any Goods are accepted by the Buyer.

8. Delivery of Goods and Supply of Services

- 8.1 The Supplier shall use all reasonable endeavours to meet all Delivery Dates as set out in the Contract or notified by the Buyer to the Supplier.
- 8.2 Supplier's obligation to deliver shall not have been met until the Goods and the documentation as required per the Order or Contract, including any certificates, maintenance instructions, and final documents, have been delivered. The Supplier shall immediately notify Buyer of any delay or potential delay in the execution of the Order or Contract, and will state the events causing such delay. Upon Buyer's request, Buyer shall be given reasonable assistance and access to all relevant records of the Supplier related to the progress made or to be made in the execution of the Order or Contract. If Goods are not delivered in accordance with the Order or Contract, Buyer reserves the right, without liability, in addition to its other rights and remedies, to cancel that part of the Order or Contract not delivered. The Supplier shall be responsible for additional expenses to handle and deliver the Goods in an expedited manner or in a manner requested by Buyer if Goods are not delivered in accordance with the Order or Contract.
- 8.2 In providing the Goods and/or Services, the Supplier shall;
- 8.2.1 ensure that the Goods are properly packaged, packed and secured in such manner as to enable them to reach their destination in good condition. Each delivery of Goods shall be accompanied by a delivery note which shows the date of the Order, the Order number, the individual part numbers and the type and quantity of the Goods;
- 8.2.2 deliver the Goods and/or provide the Services to the Buyer's premises or any other location specified by the Buyer as set out in the Contract or as instructed by the Buyer's Representative before the delivery;
- 8.2.3 not deliver more or less than the quantity of Goods ordered or deliver Goods in instalments without the Buyer's prior written consent, otherwise, the Supplier shall be required to remedy the Buyer in accordance with section 9;
- 8.2.4 not change or alter the design or any dimensions or technical specification of the Goods without prior written consent of the Buyer;
- 8.2.5 perform the Services with all reasonable skill and care in accordance with best practice in the Supplier's industry, trade and profession;
- 8.2.6 use personnel who are suitably trained, skilled 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;
- 8.2.7 ensure that Goods and Services conform with all descriptions and Specifications as set out in the Contract, and any samples of the Goods provided by the Supplier, as well as the Deliverables shall be fit for purpose as held out by the Supplier, expressly or by implication (the Buyer shall rely on the Supplier's skill and judgment), and meet with all applicable statutory requirements relating to the manufacture, labelling, packaging, storage, handling and delivery of the Goods;
- 8.2.8 use the best quality goods, materials, standards and techniques, and ensure that the Deliverables and all Goods and all materials used in performing the Services will be free from defects in materials and workmanship, installation and design;
- 8.2.9 in the event that the Services are to be performed at the Buyer's premises, use its reasonable endeavours to ensure that its employees, officers, agents and contractors observe all of the Buyer's Health and Safety rules and regulations and security requirements;
- 8.2.10 obtain and maintain at its own expense any necessary import or export licence, customs clearance, exchange control, consents or other authorisations and permits whatsoever which are required for the performance of the Contract; and
- 8.2.11 give the Buyer reasonable prior written notice if any of the Goods present a hazard to the Health and Safety of persons or property and shall mark the Goods with the relevant international danger symbols and ensure that all such Goods include a description of the material in English providing full details of all precautions to be taken by the Buyer on the delivery of the Goods and their subsequent use, storage or handling.

9. Remedies

- 9.1 If the Supplier fails to comply with the terms of this Order, the Buyer shall be entitled (whether or not Goods or any part thereof shall have been accepted by the Buyer) to any one or more of the following remedies at its discretion:
- 9.1.1 to rescind this Order;
- 9.1.2 to return all Goods or any part thereof delivered back to the Supplier. Any costs incurred will be borne by the Supplier. The Buyer shall be entitled to full reimbursement of any Goods or works so returned;
- 9.1.3 to give the Supplier the opportunity to replace, repair or reinstate at the Supplier's expense the Goods so that they comply with the terms of the Order;
- 9.1.4 to refuse to accept any further deliveries or instalments of the Goods or any part thereof without any liability to the Supplier;

- 9.1.5 to carry out at the Supplier's sole expense such works as may be necessary to make the Goods or any part thereof comply with the Order; and
- 9.1.6 to claim such damages as the Buyer may have sustained in consequence of any breach of the Order.
- 9.2 The above remedies shall be in addition to and without prejudice to any other rights the Buyer may have in equity or law.
- 9.3 Replacement and repaired Goods and/or Services shall be warranted for the remainder of the warranty period, which shall be extended by the time the Goods and/or Services cannot be used due to a defect.

10. Warranty

- 10.1 Supplier represents and warrants that: (a) the Goods and/or Services shall be new and free from defects in workmanship, material, manufacture, and design and shall be free and clear of any liens, claims, encumbrances and other restrictions; (b) the Goods and Services shall conform to the specifications, drawings, and other requirements; (c) the Goods and/or Services shall be merchantable, fit for a particular purpose and sufficient for the use intended by Buyer; (d) the Goods and/or Services shall comply in all respects with any statutes, laws, rules or regulations; and (e) the purchase, sale, use, and license of the Goods and/or Services shall in no way constitute an infringement or other violation of any copyright, trade secret, trademark, patent, or other proprietary right of any third party. The foregoing warranties are in addition to all other warranties, expressed or implied, and shall survive any delivery, inspection, acceptance, and payment by Buyer. Buyer's approval of the Supplier's material or design shall not relieve the Supplier of the warranties set forth herein.
- 10.2 Any equipment and materials furnished under the Contract shall be OEM (Original Equipment Manufacturer) genuine and original and shall include only OEM genuine and original components, with no counterfeit items or suspect items. Supplier shall obtain or provide, for the benefit of Buyer and their successors in interest, warranties or guarantees for the equipment, materials and work furnished by suppliers and subcontractors of any tier. Such warranties or guarantees are to run for the period set forth in the applicable specification of this Order or Contract or, when not specified, that period customarily provided by the supplier.
- 10.3 If any Good or Service does not conform to the foregoing warranty or the other requirements of this Order or Contract, Buyer may, at its sole discretion, (i) require the Seller to deliver a replacement or repair the Good or provide a conforming Service to Buyer after Buyer's notice of non-compliance, (ii) repair or replace the non-complying Good and/or Service itself and recover its reasonable expenses related thereto from the Supplier, or (iii) return such non-complying Good to Supplier, at the Supplier's expense, and recover from the Supplier the Charges thereof. The foregoing remedies are in addition to all other remedies allowed by law or in equity or under this Order or Contract, for damages or otherwise, and shall not be deemed to be exclusive.

11. Intellectual Property Rights

- 11.1 Any Background Technology shall remain the property of the Party (or the Party's licensor) that makes it available to the other.
- 11.2 Any concept, discovery, creation, invention, product, process, Service deliverables, improvements, developments, works (patentable or otherwise), copyrightable material (including without limitation documents, specifications, calculations, maps, sketches, notes, reports, data, masks, models, samples, devices, procedures, drawings, designs, computer programs and electronic code or software, material made, work in progress, or confidential information (i) conceived, developed, produced or reduced to practice by Supplier, alone or with others, or any of its employees or Supplier's lower-tier subcontractors and suppliers, or any of their employees as defined herein, in the performance of this Order or Contract (collectively, "Work Product") or embody the Work Product, or (ii) developed at any time, in whole or in part, using Buyer's equipment, supplies, facilities, proprietary information, Background Technology, trade secrets, or confidential information, or (iii) both during the term of this Order or Contract and for six (6) months thereafter, relate at the time of conception or reduction to practice to Buyer's actual or contemplated business or actual or demonstrably anticipated research or development shall be the sole property of Buyer upon creation, whether or not delivered to Buyer at the time of creation, and shall upon request by Buyer (but in no event later than final acceptance of the Goods or Services when conceived or reduced to practice during the term of this Order or Contract) be delivered to Buyer. Supplier hereby assigns and will assign, without further consideration, all right, title and interest Supplier may have or may acquire in such Work Product to Buyer. Upon request by Buyer from time to time, Supplier agrees to do all things reasonably necessary, at Buyer's expense and as Buyer directs, to obtain patents or copyrights on any portion of such Work Product, to the extent the same may be patentable or copyrightable. Supplier further agrees to execute and deliver, or cause to be executed and delivered such documents, including in particular instruments of assignment, as Buyer may in its discretion deem necessary or desirable to assign and transfer title to such Work Product as Buyer may direct and to carry out the provisions of this clause. The Supplier assigns to the Buyer all rights, title and interest in and to all trademarks and copyrights and any material created for the Buyer under this Order (unless expressly provided to the contrary on the face of this Order).
- 11.3 The Supplier agrees that each Party shall continue to be the sole and exclusive owner of all rights in its own Background Technology, subject to any agreements in writing to the contrary. Save as expressly provided in this Order, each Party acknowledges that this Order shall not give it any express or implied right, interest, license, and title in, under and to the other Party's Background Technology.
- 11.4 Neither Party will make any representation or in any way act in a manner which may be taken to indicate that it has any such right, title, license, or interest.

12. Rights to Work Tools and Work Products

- 12.1 The Buyer shall have, and Supplier hereby grants the Buyer, at no additional charge, a permanent, assignable, non-exclusive, worldwide, royalty free, fully paid, sublicenseable license to use any concept, product, process (patentable or otherwise), copyrighted

- material (including without limitation documents, specifications, calculations, maps, sketches, notes, reports, data, models, samples, drawings, designs, and electronic code or software) and confidential information used by Seller or furnished or supplied to Buyer by the Supplier in the course of performance under the Contract, as well as the right to develop derivative works in the same and receive all updates to the same, with the right to incorporate such goods or services into Buyer's products and services at no additional charge. Supplier hereby represents and warrants that it owns all rights and has all authority necessary to make the conveyance set forth above. Supplier further represents and warrants that neither Supplier nor the license granted to the Buyer infringes, violates, or conflicts with any intellectual property or other rights of any third party.
- 12.2 Under such license, Buyer may copy or reproduce any and all documents and information furnished by Supplier in connection with the Contract and distribute such copies or reproductions to others as deemed appropriate by the Buyer notwithstanding any proprietary legends or copyright notices to the contrary. Supplier shall obtain necessary permission and releases from any third parties placing proprietary legends or copyright notices on such documents or information and upon request, Supplier may be granted a nonexclusive, irrevocable license to reuse selective designs developed by Supplier that are of a general nature. Such approval of external reuse of selective designs is at the sole discretion of Buyer and may be granted and authorised on a case-by-case basis and in writing by an officer of Buyer.
- 13. Confidentiality/Publicity and Announcements**
- 13.1 No announcement, circular, advertisement or other publicity in connection with this Order or any ancillary matter shall be made or issued by either Party save as required by law or the regulations of the relevant stock exchange without the prior written consent of the other Party.
- 14. Indemnities**
- 14.1 The Supplier shall indemnify, defend (by counsel reasonably acceptable to Buyer), and hold harmless Buyer, its directors, officers, employees, agents, parent, subsidiaries, customers, associated companies, successors and assigns, from and against any and all claims, demands, actions, suits, damages, losses, liabilities and costs (including settlement costs and legal fees) ("Claims") arising from or with respect to: (a) any violation or alleged violation by Supplier of any laws, rules, or regulations, (b) any infringement or alleged infringement of a patent, registered design, copyright, trade mark, or other proprietary or Intellectual Property Rights, in connection with the Goods or the Services, (c) any actual or alleged loss, damage to or destruction of property and/or death, illness or injury to any person arising out of any defects or hazards in the Goods and/or Services, or the Supplier's performance of, or failure to perform, any of the Supplier's obligations, including any Services, (d) any other third party claims resulting from the execution of the Order or Contract, (e) any damage to or loss of Buyer's property in the Supplier's possession, or (f) any act or omission by Supplier in the performance of or in connection with Supplier's obligations pursuant to the Order or Contract. The foregoing obligation will apply regardless of whether the loss in question arises in part from any negligent act or omission of Buyer, from strict liability of Buyer, or otherwise.
- 14.2 Buyer may participate in the defence without relieving the Supplier of its obligations and the Supplier will at all times consult with and update Buyer regarding any Claims. The Supplier will not settle any Claim without the written consent of Buyer. In the event of an infringement Claim, the Supplier, at its sole expense, shall: (a) immediately obtain the right for Buyer to continue to sell, use, and distribute the Goods or the Services, or (b) modify the Goods or the Services so as to relieve the purported infringement while still complying with all the requirements of the Order and/or Contract.
- 15. Limitation of Liability**
- 15.1 IN NO EVENT SHALL BUYER BE LIABLE FOR ANTICIPATED OR LOST PROFITS OR FOR SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH OR RESULTING FROM THESE CONDITIONS AND/OR AN ORDER OR CONTRACT. BUYER'S TOTAL LIABILITY ON ANY CLAIM OF ANY KIND FOR ANY LOSS OR DAMAGE ARISING OUT OF OR IN CONNECTION WITH OR RESULTING FROM THESE CONDITIONS AND/OR AN ORDER OR CONTRACT, OR FROM THE PERFORMANCE OR BREACH THEREOF, SHALL IN NO CASE EXCEED THAT PORTION OF THE PRICE ALLOCABLE TO THE GOODS OR THE SERVICES OR UNIT THEREOF WHICH GIVES RISE TO THE CLAIM. BUYER EXPLICITLY REJECTS, AND SHALL NOT BE LIABLE FOR ANY CANCELLATION CHARGES, LATE FEES, PENALTIES, OR LIQUIDATED DAMAGES.
- 16. Insurance**
- 16.1 Without prejudice to section 14, the Supplier shall:
- 16.1.1 procure and maintain insurance(s), in amounts and with coverage acceptable to the Buyer, with reputable and financially responsible insurance companies.
- 16.1.2 at the Buyers request, the Supplier shall furnish to the Buyer the insurance certificate giving details of such coverage and the receipt for the current year's premium.
- 16.2 The Supplier's purchase and maintenance of appropriate insurance, however, shall not relieve the Supplier of its obligations or liabilities under this Order.
- 17. Termination**
- 17.1 The Buyer reserves the right to terminate all or any part of the Contract and the Order without liability (save as set out in section 15.2) in respect of the supply of Goods and or Services in whole or in part at any time with immediate effect, by giving written notice to the Supplier, whereupon the Supplier shall discontinue all work on the Contract.
- 17.2 In respect of section 17.1, and subject to sections 3 upon termination of the Contract, the Buyer shall pay the Supplier's unpaid costs without duplication:
- 17.2.1 the Order price for all goods or services which have been completed in accordance with this Order and not previously paid for; and;
- 17.2.2 the actual costs of work-in progress and raw materials incurred by the Supplier in furnishing the Goods or Services under this Order to the extent such costs are reasonable in amount and are properly allocable or proportionate under generally accepted accounting principles to the terminated portion of this Order, less, however the reasonable value or cost (whichever is higher) of any goods or materials used or sold by the Supplier with the Buyers written consent, and the cost of any damaged or destroyed goods or material.
- 17.3 The Supplier shall provide to the Buyer all reasonable documentation to support unpaid costs.
- 17.4 Following termination pursuant to section 17.1, the Supplier shall immediately return to the Buyer all Materials and any Deliverables whether or not they are complete. Until the Materials and Deliverables have been returned or delivered, the Supplier shall be solely responsible for their safe keeping and will not use them for any purpose not connected with the Contract.
- 17.5 The Buyer will make no payments for finished goods, work-in-progress, or raw materials fabricated or procured by the Supplier in excess of those authorised for delivery releases nor for any undelivered goods which are in the Supplier 's standard stock or which are readily marketable. Payments made as a result of the Buyer exercising its right to termination, shall not exceed the aggregate price payable by the Buyer for finished goods that would be produced by the Supplier under delivery or release schedules outstanding at the date of termination. Except as provided in this statement, the Buyer' shall not be liable for and shall not be required to make payments to the Supplier, directly or on account of claims by the Supplier's subcontractors, for loss of anticipated profit, unabsorbed overhead, interest, product development and engineering cost, facilities and equipment rearrangement costs, rental, unamortised depreciation costs, general and administrative burden charges from termination of this order.
- 17.6 The Buyer may immediately terminate this Order without liability to the Supplier by giving notice to the Supplier if:
- 17.6.1 the Supplier makes any voluntary arrangement with its creditors, becomes bankrupt or becomes subject to an administration order or goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction); or
- 17.6.2 an encumbrancer takes possession, or a receiver is appointed, of any of the property or assets of the Supplier; or
- 17.6.3 the Supplier ceases, or threatens to cease, to carry on business; or
- 17.6.4 the Buyer reasonably apprehends that any of the events mentioned above is about to occur in relation to the Supplier and notifies the Supplier accordingly.
- 17.7 Upon termination of this Order or Contract, all data, plans, specifications, reports, estimates, summaries, lower-tier purchase orders and subcontracts, completed Goods and/or Services, and Goods or Services in progress, and other information and materials as may have been accumulated by Supplier in performing this Order or Contract shall become the property of and be delivered to Buyer. Upon the expiration or termination of this Order or Contract for any reason, each party will be released from all obligations to the other arising after the date of expiration or termination, except for those, which by their terms survive such termination or expiration.
- 18. Governing Law: Jurisdiction**
- 18.1 Any controversy or claim of whatever nature arising out of or relating in any manner whatsoever to the Order or any breach of its terms shall be governed by English Law and the parties shall submit to the exclusive jurisdiction of the English Courts.
- 19. Miscellaneous Provisions**
- 19.1 Except as provided in the Contract, a person who is not a party to the Contract shall not have any right under the Contracts Rights of Third Parties Act 1999 to enforce any terms of the Contract.
- 19.2 The Supplier shall not, assign, sub-contract, or transfer any of its rights or obligations under the Contract to any other person unless the Supplier has gained the Buyer's prior written consent;
- 19.3 Neither party shall be in breach of the Contract, nor liable for delay in performing, or failure to perform, any of its obligations under it if such a delay or failure result from an event, circumstances, or cause beyond its reasonable control (Force Majeure Event);
- 19.3.1 the Supplier shall use all reasonable endeavours to mitigate the effect of a Force Majeure Event on the performance of its obligations; and
- 19.3.2 if a Force Majeure Event prevents, hinders, or delays the Supplier's performance of its obligations for a continuous period of more than 30 Business days, the Buyer may terminate the Contract immediately by giving written notice to the Supplier.
- 19.4 No amendment, modification, or other variation of the Contract, including the introduction of any additional terms or conditions, shall be effective unless agreed in writing by a duly authorised representative of the Buyer and Supplier;
- 19.5 Any notice or communication required to be given by either party to the other shall be:
- 19.5.1 in writing and addressed to that other party at its registered office or principal place of business or such other address as may at the relevant time have been notified pursuant to this provision; or
- 19.5.2 communicated by email, deemed receipt shall be one Business day after transmission.
- 19.6 Buyer is subject to the export control laws of the United Kingdom and their respective regulations, and may be subject to export or import regulations in other countries. Supplier agrees to comply fully with all applicable laws and regulations ("Export Laws") and shall assure that the Goods or Services thereof are not: (i) exported, directly or indirectly, in violation of Export Laws, either to any countries that are subject to United States or United Kingdom export restrictions or to any user who has been prohibited from participating in the United States or United Kingdom export transactions by any federal agency of the United States or British government; or (ii) intended to be used for any purpose prohibited by Export Laws.
- 19.7 Buyer is subject to the laws and regulations of the United States including the Foreign Corrupt Practices Act ("FCPA"), and the United Kingdom including the UK Bribery Act ("UKBA"). Neither Supplier nor its affiliates, subsidiaries, subcontractors, or sublicensees shall use any payment, if any, or other benefit derived from Buyer to offer, promise or pay any money, gift or any other thing of value to any person for the purpose of influencing official actions or decisions or with the intention of obtaining or maintaining any business related to Buyer, while knowing or having reason to know that any portion of this money, gift or thing will, directly or indirectly, be given, offered or promised to: (a) an employee, officer or other person acting in an official capacity for

any government or its instrumentalities; or (b) any political party, party official or candidate for political office. Supplier shall provide Buyer with the assurances and official documents that Buyer may periodically request to verify its compliance with the applicable laws, the FCPA, and UKBA.

20. Records and Audit

20.1 Supplier shall maintain records and accounts in connection with the performance of the Order or Contract which will accurately document incurred costs, both direct and indirect, of whatever nature for a period of three (3) years from the expiration of Supplier's warranty unless a longer period is otherwise specified by applicable law. Supplier shall maintain its records and accounts in accordance with International Accounting Standards Committee (IASC) standards consistently applied, as applicable. Buyer, or its representatives, shall have the right to examine and copy, at all reasonable times and with advance notification, such records and accounts for the purposes of confirming compliance with contract provisions, verifying payments or requests for payment when costs are the basis of such payment and evaluating the reasonableness of proposed contract price adjustments and claims.