

General Conditions of Purchase: - Rev 5.01 dated April 2021

In these General Conditions the following expressions shall have the following meanings:

“Acceptance Period”	has the meaning given in Condition 7.1;
“Certifications”	has the meaning given in Condition 18.2;
“Claim”	has the meaning given in Condition 12.3;
“Conflict Minerals”	means tin, tantalum, tungsten or gold or any other minerals originating from conflict-affected or high risk areas including without limitation those minerals and areas defined in the EU ‘Conflict Minerals’ Regulation (2017/821) and associated guidance.
“Contract”	means the Contract formed by the acceptance of the Order and any other documents referred to in the Order together with these General Conditions and any Special Conditions;
“Contracted Delivery Dates(s)”	means the date(s) stated on the Order (or as may otherwise be agreed by the Purchaser and Supplier) when the Goods must be delivered and/or the Services completed;
“Counterfeit Goods”	has the meaning given in Condition 17.1.2;
“Cyber Essentials”	means the UK Government-backed, industry-supported scheme to help organisations protect themselves against common online threats;
“Destination”	means the destination for delivery as stated on the Order;
“Event of Force Majeure”	means in relation to either Party an unforeseeable circumstance beyond the reasonable control of that Party which results in or causes the failure of that Party to perform any of its obligations under the Contract (including (without limitation) any acts or omissions by a Government or a Government agency, acts of war (whether or not declared), acts of God, fires, floods, explosions, earthquakes, insurrections or riots);
“General Conditions”	means these general conditions of purchase;
“Goods”	means those goods described in the Order and any materials, data, documentation or other deliverables resulting from the performance of Services to be provided to the Purchaser;
“Harmful Code”	has the meaning given in Condition 9.5.2.
“Identity”	has the meaning given in Condition 17.1.3;
“Intellectual Property Rights”	means all rights in inventions, patents, designs, utility models, trade and service marks, trade names, whether registered or not, copyright, databases, trade secrets, know-how, software, discoveries, improvements, concepts, models, drawings, secret formulae and processes and all rights to confidential or proprietary information and all other rights of a similar nature throughout the world including all applications for any such protection and rights to apply for any of the same;
“IT System”	means all computer hardware, network and telecommunications equipment, and databases owned, used, leased or licensed by or in relation to the Supplier;
“Items”	has the meaning given in Condition 17.1.1;
“Material Impact”	has the meaning given in Condition 22.5;
“Order Acknowledgement”	means the Purchaser’s acceptance document issued with the Order or Order amendment;
“Order”	means a purchase order issued by the Purchaser relating to the Goods and/or Services and any amendments thereto;

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“Party”	means the Purchaser or the Supplier as the context requires, Parties means the Purchaser and the Supplier. Party or Parties shall include any successors in title or permitted assigns of the Purchaser and/or the Supplier;
“Purchaser”	means Leonardo UK Ltd, a company incorporated and registered in England and Wales with company number 02426132 whose registered office is at 1 Eagle Place, St James’s, London SW1Y 6AF, United Kingdom
“Services”	means those services to be provided under the Order in accordance with any applicable statement of work;
“Special Conditions”	mean the conditions set out or referenced on the Order (whether marked as Special Conditions or not);
“Supplier”	means the provider of the Goods and/or Services stated on the face of the Order;
“Suspect Counterfeit Goods”	has the meaning given in Condition 17.1.1; and
“Working Day”	means a day other than a Saturday, Sunday or public holiday in England or Scotland when banks in London are open for business.

1. SCOPE OF CONTRACT

- 1.1. The Contract does not constitute a contract for the exclusive provision of the Goods and Services and the Purchaser reserves the right to contract with other suppliers of such Goods and Services. The Purchaser shall purchase Goods and/or Services with an Order. Any Order issued by the Purchaser shall be deemed to incorporate these General Conditions unless otherwise expressly stated in the Order.
- 1.2. The Contract constitutes the whole agreement between the Parties hereto with respect of the Goods and/or Services to be provided and supersedes all prior negotiations, representations or agreements related to the Contract, either written or oral. Each Party acknowledges that it has not relied on, and shall have no right or remedy in respect of any statement, representation, assurance or warranty (whether made negligently or innocently) other than as expressly set out in the Contract. Nothing in this condition shall limit or exclude any liability for fraud or fraudulent misrepresentation. No amendments to the Contract shall be effective unless evidenced in writing and signed by the Parties. For the avoidance of doubt the Contract shall override any terms and conditions stipulated or referred to by the Supplier in any order letter or negotiation prior to and throughout the duration of the Contract and supersedes any prior conditions agreed between the Parties.

2. THE ORDER AND ACKNOWLEDGEMENT

- 2.1 The Supplier agrees to sell and the Purchaser agrees to purchase the Goods and Services in accordance with the Contract. The Contract shall not include any of the Supplier’s conditions of sale, notwithstanding reference to them in any document. However, should the Contract be held by a court of competent jurisdiction to include the Supplier’s terms and conditions of sale then in the event of any conflict or apparent conflict these General Conditions shall always take precedence over the Supplier’s terms and conditions of sale. Delivery of Goods and Services in response to an Order shall be taken to imply that the Supplier has accepted the terms and conditions of the Order
- 2.2 The Purchaser will not be bound by any additional terms proposed by the Supplier on the Order Acknowledgement submitted by the Supplier.
- 2.3 The Purchaser shall not be liable for any Order, amendment or instructions to proceed with supply of Goods or Services unless authorised by the issue of the Purchaser’s formal Order. Any variations to the Contract must be agreed in writing by the Parties and included in an amendment to the Order.
- 2.4 The Order will be accepted by the Supplier completing and returning the Order Acknowledgement within 7 (seven) days of the Order date.

3. INCLUSIONS IN CONTRACT

The Contract includes the cost of use of all plant, equipment and materials, third party software, labour, transportation and handling including packaging and all other items of whatever type and nature necessary for the proper execution of the Contract.

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4. **CONTRACT PRICE**

The price of the Contract shall remain firm (non-revisable) and shall exclude VAT but is inclusive of all other taxes and fees for the duration of the Contract unless otherwise agreed in writing between the Parties. The price shall include storage, packing, insurance, royalties and licence fees, delivery, installation and commissioning (as applicable).

5. **PAYMENT**

5.1 The Purchaser will pay the Supplier for all Goods and Services within 30 (thirty) days unless specified otherwise on the front of the Order after the last of the following to occur:

5.1.1 the Supplier has made physical delivery of the Goods accompanied by the appropriate paperwork and/or has completed the Services

5.1.2 the Purchaser has accepted the Goods and/or Services in accordance with Condition 7; and/or

5.1.3 the Purchaser is in receipt of a valid invoice.

5.1.4 The Purchaser shall have no obligation to pay any invoice submitted by the Supplier prior to the Contracted Delivery Dates(s).

5.2 If any invoice is disputed, only the undisputed part will be paid by the Purchaser until the dispute is resolved. Unless otherwise agreed in writing between the Parties no progress payments will be made.

5.3 The Supplier may charge interest on all overdue amounts not disputed by the Purchaser at the rate of 3% above the Bank of England annual base rate applicable at the end of the day that payment falls due, such interest accruing from the first day on which payment is overdue until payment has been received in full by the Supplier.

5.4 Whenever any sums of money shall be recoverable from or payable by the Supplier to the Purchaser, they may be deducted from any sums then due, or which at any later time become due to the Supplier under the Contract or under any other Contract the Supplier may have with the Purchaser.

5.5 All payments made shall be without prejudice to the Purchaser's rights should the Goods or Services prove unsatisfactory or not in accordance with the Order.

6. **DELIVERY**

6.1 The date for completion of the Services and/or delivery of the Goods shall be the Contracted Delivery Dates(s) or as otherwise agreed in writing between the Parties. Time shall be of the essence of the Contract unless otherwise stated. Goods shall be delivered to the Purchaser and packaged to protect from damage in transit and subject to INCOTERMS 2020 Edition, DAP Destination, where the destination is the delivery address specified on the Order. In the event that deliveries of Goods are made and/or Services satisfactorily completed in advance of the Contracted Delivery Dates(s) the Purchaser may accept the Goods or Services as per Condition 7 but payment shall always be in accordance with Condition 5.

6.2 **ADVICE NOTES & RELEASE CERTIFICATES (CERTIFICATES OF CONFORMANCE / COMPLIANCE)**

The Supplier shall provide certification that the Goods and Services delivered under the Contract have been tested and inspected and conform to all drawings and/or Order requirements. The Supplier must have objective evidence on file to substantiate the Certificate of Conformity / Compliance and such evidence must be available to the Purchaser for review. As a minimum Certificates of Conformity shall contain the following information:

- The Purchaser's part number, description and revision
- The Purchaser's Order Number and Order item number

- Quantity of Goods supplied against the Order Number and item number
- Signature of authorised Supplier's representative

- Recommended shelf life and date of manufacture of items with a shelf life supplied against the Order shall be identified on the Supplier's delivery documentation

6.3 For all Goods and/or Services which may contain material subject to any export restrictions or regulations the Supplier shall:

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6.3.1 Ensure that a statement to this effect is recorded on any advice note, certificate of conformance and/or despatch documentation; and

6.3.2 Include the Country of Origin of the Goods or Services being supplied on the advice note/Certificate of Conformance/despatch documentation accompanying the Goods or Services, and what, if any, regulatory controls apply to the items/goods. For Goods or Services supplied which contain material which is subject to United States Export Administration Regulations (EAR), the relevant Export Control Classification Numbers (ECCNs) shall be documented on accompanying documentation. For Goods or Services supplied which contain material subject to US ITAR control the Supplier shall ensure that a statement to this effect is recorded on the advice note/Certificate of Conformance/despatch documentation. The Supplier must also ensure that this statement is supported by a copy of the relevant US Export licensing documentation an example of which might be a DSP-05 or its reference number recorded on the accompanying documentation.

6.4 The Supplier undertakes to notify the Purchaser in writing without delay of any change in circumstances which may delay delivery.

7. ACCEPTANCE

7.1 Unless otherwise provided for in the Contract, acceptance shall take place within 1 (one) calendar month of delivery at the Purchaser's place of business as specified in the Order (the "**Acceptance Period**"). If during the Acceptance Period the Goods and/or Services are found to not be in accordance with the Contract then the Purchaser may reject the Goods and/or Services and at the Supplier's cost, either return the Goods to the Supplier or obtain re-performance of the Services by the Supplier. If after the Acceptance Period the Purchaser has not rejected the Goods and/or Services, then the Purchaser shall be deemed to have accepted the Goods and/or Services.

7.2 Where acceptance tests are specified in the Contract, acceptance of the Goods and/or Services shall be subject to completion of the acceptance tests to the satisfaction of the Purchaser. Unless otherwise stated, the Supplier shall give the Purchaser 10 (ten) Working Days' notice of the commencement of acceptance testing, together with a copy of the test procedure.

8. RISK & TITLE

8.1 Risk in any Goods shall pass to the Purchaser upon delivery in accordance with Condition 6 above.

8.2 Title to any Goods shall pass to the Purchaser upon acceptance in accordance with Condition 7 above, unless stage or advance payments have been made upon which time title shall pass to the Purchaser.

8.3 TOOLS AND MATERIALS

8.3.1 The Supplier shall not acquire any legal or beneficial interest in any property supplied to it by or on behalf of the Purchaser (whether on free issue or loan) or paid for by the Purchaser and held by the Supplier for performance of work on the Contract.

8.3.2 Any such property in the possession or control of the Supplier, shall be held at the Supplier's risk, stored and booked separately from other property, maintained at the Supplier's expense in good and serviceable condition, clearly marked as "**Leonardo UK Ltd property**" and only be used by the Supplier for the performance of the Contract.

8.3.3 At the request of the Purchaser (which may be made at any time) or on completion of the Contract, such property issued to the Supplier shall, unless incorporated into the Goods or Services, be returned promptly to the Purchaser.

9. WARRANTY

9.1 The Supplier warrants that:

9.1.1 it will provide Goods of satisfactory quality and fit for purpose, free from any defects, including latent defects, in Supplier design, material and workmanship and will correspond to any specification or sample;

9.1.2 All Services will be provided with due care and diligence and using appropriately qualified personnel.

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9.2 The Supplier shall ensure that the Purchaser receives the benefit of any third party warranty and guarantees in respect of any Goods transferred to the Purchaser.

9.3 Unless otherwise agreed in writing by the Parties the Supplier warrants that the Goods are delivered and the Services are performed duty free of all taxes and liens or other charges or encumbrances of whatsoever kind and all Goods are supplied free from any reservations or retentions of title.

9.4 **LIABILITY FOR DEFECTS**

9.4.1 If at any time during 12 (twelve) months after acceptance of the Goods or completion of the performance of the Services it is discovered that the Goods or Services or any part thereof are defective in any way or do not conform with the warranties contained in Condition 9.1 then the Supplier shall promptly and at its own expense repair or replace the defective Goods or re-perform Services.

9.4.2 The Purchaser shall within a reasonable period of time after any defect is discovered notify the Supplier in writing. This notice shall contain a description of how the defect manifests itself.

9.4.3 Any repair of Goods shall be effected at the Supplier's place of business unless the Parties agree that the defective Goods shall be repaired at the Purchaser's place of business.

9.4.4 Any re-performance of Services shall be in accordance with the relevant Order including for the avoidance of doubt any associated specification and or statement of work setting out the Purchaser's requirements for the Services.

9.4.5 The Supplier shall be responsible for the reasonable costs in dismantling and re-installation of the defective Goods from within the Purchaser's product, or the integration of the re-performed Services to the Purchaser's end product or service as the case may be.

9.4.6 Transport of parts, plant, equipment and materials and labour to and from the Purchaser's place of business or the Supplier's shall be to the Supplier's account and risk.

9.4.7 Defective Goods, which have been replaced by the Supplier, shall be placed at the disposal of the Supplier and shall be their property.

9.4.8 Should the defect be of such nature that its repair or re-performance cannot be postponed and/or the Supplier has failed to remedy the defect, the Purchaser may undertake the repair of the Goods or re-performance of the Services itself or engage a third party to do so on its behalf. Any such repair undertaken by the Purchaser or a third party shall not affect the Supplier's liability under the Contract and shall be undertaken at the Supplier's cost.

9.4.9 The Supplier shall be liable only for defects which appear under the condition of operation or performance as specified in the Contract and under proper storing, installation, maintaining and normal operation of the Goods or Services. The Supplier shall not be liable for fair wear and tear arising from normal use.

9.4.10 The warranty in Condition 9.1 shall apply to the Goods or Services or any part of them replaced or repaired in accordance with this Condition so that the warranty shall continue for the unexpired period of 12 (twelve) calendar months from the date of acceptance by the Purchaser of such replaced or repaired item of the Goods or Services.

9.4.11 If a breach of warranty by the Supplier causes any of the Goods or Services not to be available for the Purchaser's use within the warranty period for the Goods or Services then the warranty period for the Goods or Services shall be extended by the period during which they were not available for use by the Purchaser or their customer as the case may be.

9.5 **SOFTWARE WARRANTY**

9.5.1 Without prejudice to Condition 11, where software (including but not limited to open source software) is required to be supplied hereunder the Supplier warrants that the Purchaser has been provided with any conditions of use or licence terms relating to such software prior to the date of the Order. In the event that such conditions or licence terms have not been provided the Supplier agrees to waive their application and the Supplier agrees to fully indemnify the Purchaser against all losses, claims, liabilities, damages, costs and expenses arising from the Purchaser's use of the software in contravention of any such conditions or licence terms. The Supplier warrants that the Supplier is the

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owner of the copyright or other intellectual property in such software to be supplied or has a valid licence from the owner of the copyright or intellectual property to sell or sub-licence the software to the Purchaser.

- 9.5.2 The Supplier warrants that any code provided in the Goods shall not contain any Harmful Code (“**Harmful Code**” shall mean any computer code or programming instructions that are intentionally constructed with the ability to damage or otherwise adversely affect computer programmes, data files or hardware without the agreement or intent of the user, and includes instructions known as worms and viruses). The Supplier shall ensure that it has written procedures designed to prevent any such a code being contaminated by Harmful Code, and will, upon request, make such procedures available to the Purchaser for review.

10. INDEMNITY AND INSURANCE

- 10.1 The Supplier shall indemnify the Purchaser against all loss, actions, costs, claims, demands, expenses and liabilities whatsoever (if any) which the Purchaser may incur either at common law or by statute in respect of personal injury or death of any person or in respect of any loss or destruction of or any damage to property (other than as a result or neglect of the Purchaser or of any person for whom the Purchaser is responsible) which shall have occurred in connection with any work executed by the Supplier under the Contract or shall be alleged to be attributable to some defect in the Goods.
- 10.2 An Order is given on the condition that (without prejudice to the generality of Condition 10.1) the Supplier shall indemnify the Purchaser against all loss, actions, costs, claims, demands, expenses and liabilities whatsoever (if any) which the Purchaser may incur either at common law or by statute in respect of personal injury or death of any person or in respect of any loss or destruction of or any damage to property (other than as a result or neglect of the Purchaser or of any person for whom the Purchaser is responsible) which shall have occurred while on the Purchaser’s premises whether or not such persons are (at the time of such injury or deaths are caused) acting in the course of their employment.
- 10.3 The Supplier will indemnify the Purchaser against any and all loss, costs, expenses, and liabilities caused to the Purchaser whether directly or as a result of the action, claim or demand of any third party by reason of any breach by the Supplier of the Contract or obligations on the Supplier’s part implied by law. This indemnity shall not be prejudiced or waived by any exercise of the Purchaser’s rights under Condition 7.
- 10.4 The Supplier shall hold satisfactory insurance cover, where available, with a reputable insurer to fulfil the Supplier’s insurance obligations for the duration of the Contract including public liability insurance cover of at least £10m (ten million pounds) together with any other necessary or prudent forms of insurance to provide appropriate coverage to support the Supplier’s obligations under the Contract. The Supplier shall affect insurance against all those risks arising from the Supplier’s indemnity in Condition 10.3. Satisfactory evidence of such insurance and payment of current premiums shall be shown to the Purchaser upon request. For the avoidance of doubt, absences of any appropriate form of insurance will not remove or impact any of the Supplier’s obligation(s) to the Purchaser.
- 10.5 If the Purchaser permits sub-contracting under the Order, the Supplier shall ensure that any sub-contractors also maintain adequate insurance having regard to their obligations under the Contract.

11. INTELLECTUAL PROPERTY RIGHTS

- 11.1 The Intellectual Property Rights relating to the Services or their performance, the Goods or their manufacture, which were in existence prior to the formation of the Contract, shall remain the property of the owner of the Intellectual Property Rights. They may not without the prior written consent of the owner otherwise be used or copied reproduced transmitted or communicated to a third party, except as set out within the Contract.
- 11.2 The Intellectual Property Rights relating to the Services or their performance, the Goods or their manufacture arising out of the performance of the Contract shall vest solely and exclusively in the Purchaser unless otherwise specifically agreed in writing by the Parties, and the Supplier undertakes at its cost to do all acts and things (including execution of documents) as the Purchaser deems necessary to vest such Intellectual Property Rights in the Purchaser.
- 11.3 The Supplier hereby grants to the Purchaser a perpetual non-exclusive worldwide royalty-free licence to use the Intellectual Property Rights belonging to the Supplier or any of their sub-contractors or parties from which they have obtained the rights to use such rights contained in the Goods or provided under the Services for the purpose necessary to allow the purchaser to fully utilise the Goods or Services provided under the Contract including without limitation fulfilling our obligations to the Customer.

12. INTELLECTUAL PROPERTY RIGHTS INDEMNITY

- 12.1 The Supplier shall indemnify the Purchaser against all liabilities, costs, expenses, damages and losses (including any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal and other professional costs and expenses) suffered or incurred by the Purchaser arising out of or in connection with any claim made against the Purchaser for actual or alleged infringement of a third party's Intellectual Property Rights arising out of or in connection with the Purchaser's use in any way of the Goods and or Services.
- 12.2 This indemnity shall not cover the Purchaser to the extent that a claim under it results from the Purchaser's negligence or wilful misconduct.
- 12.3 If any third party makes a claim, or notifies an intention to make a claim, against the Purchaser which may reasonably be considered likely to give rise to a liability under this indemnity (a "**Claim**"), the Purchaser shall:
- 12.3.1 As soon as reasonably practicable, give written notice of the Claim to the Supplier specifying the nature of the Claim in reasonable detail;
- 12.3.2 Not make any admission of liability, agreement or compromise in relation to the Claim without the prior written consent of the Supplier; and
- 12.3.3 Give the Supplier and its professional advisers access at reasonable times (on reasonable prior notice) to its premises and its officers, directors, employees, agents, representatives or advisers, and to any relevant assets, accounts, documents and records within the power or control of the Purchaser so as to enable the Supplier and its professional advisers to examine them and to take copies (at the Supplier's expense) for the purpose of assessing the Claim.
- 12.4 If any third party makes a claim, or notifies an intention to make a claim, against the Supplier which may reasonably be considered likely to have an impact on the Purchaser or any of the Purchaser's activities, the Supplier shall inform the Purchaser as soon as possible.
- 12.5 If a payment due from the Supplier under this Condition is subject to tax (whether by way of direct assessment or withholding at its source), the Purchaser shall be entitled to receive from the Supplier such amounts as shall ensure that the net receipt, after tax, to the Purchaser in respect of the payment is the same as it would have been were the payment not subject to tax.

13. FORCE MAJEURE

- 13.1 Neither Party shall be deemed in breach of the Contract or liable to the other for delay in performing its obligations, or failure to perform any such obligations, under the Contract, if the delay or failure results from an Event of Force Majeure provided that the affected Party:
- 13.1.1 promptly notifies the other Party, in writing, of the known or anticipated event which causes or may cause it;
- 13.1.2 produces reasonable evidence of its occurrence;
- 13.1.3 uses all reasonable endeavours to eliminate or minimise the delay and continues to fulfil its obligations to the extent that they are not affected by the Event of Force Majeure;
- 13.1.4 recommences its full performance as soon as is reasonably possible following its cessation;
- 13.1.5 gives notice of the cessation of any event previously notified to the other Party as likely to result in prevention or delay in execution of the Contract.
- 13.2 If a Party is affected by an Event of Force Majeure, it will use all reasonable endeavours to mitigate its effect. Neither Party will be entitled to any payment from the other Party for any costs or expenses incurred as a result of it.
- 13.3 If an Event of Force Majeure exceeds a continuous period of 30 (thirty) days, then the Purchaser shall have the right by written notice to the Supplier to terminate the Contract immediately without having any liability to the Supplier except in respect of that part of the Goods and/or Services already delivered to and accepted by the Purchaser prior to such termination.

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14. TERMINATION

- 14.1 The Purchaser shall be entitled to terminate the Contract either in full or in part in the following circumstances:
- 14.1.1 Forthwith if the Supplier has abandoned the Contract or within 5 (five) Working Days after a written notification by the Purchaser if the Supplier has failed or refused to proceed with due diligence and expedition in the performance of the Contract;
 - 14.1.2 Forthwith if the Supplier commits any material breach of any term of the Contract and which breach shall not have been remedied within 5 (five) Working Days after a written request by the Purchaser to remedy the same;
 - 14.1.3 Forthwith if the Supplier enters into an arrangement with its creditors, shall become insolvent or shall have appointed a receiver or administrative receiver or shall be unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986 (as amended from time to time) or other steps are taken for the winding up or putting into bankruptcy of the Supplier or for the making of an administration or receiving order (otherwise than for the purposes of a solvent amalgamation or reconstruction). For the avoidance of doubt where the Supplier is based in a jurisdiction other than the United Kingdom and in the event that the Supplier undergoes or undertakes equivalent action in the Supplier's relevant jurisdiction then the provisions of this Condition 14.1.3 shall apply and the Contract shall terminate;
 - 14.1.4 By the Purchaser without cause giving the Supplier 1 (one) calendar months' notice in writing. The Purchaser and the Supplier shall agree a fair and reasonable price for all work reasonably done and materials reasonably purchased by the Supplier for the purpose of carrying out work on the Contract up to the date of such cancellation in satisfaction of all sums due to the Supplier by the Purchaser under the Contract. The agreed price, together with any sums paid or due to the Supplier under the Contract before the effective date of termination shall not exceed the total price of the Goods or Services under the Contract and such payment shall be the Purchaser's sole liability in respect of the cancellation.
 - 14.1.5 In the event the Supplier is acquired by or merged with any third party or undergoes a change of control, the Purchaser shall be entitled to suspend the performance of, or terminate, the Contract immediately (whether in whole or in part) without incurring any liability whatsoever except in respect of Goods or Services delivered to the Purchaser before the occurrence of the events listed in this Condition 14.1.5.

15. RIGHT OF ACCESS

Upon the Purchaser providing reasonable notice, the Supplier shall (and will procure that its sub-contractors shall):-

- 15.1 allow the Purchaser and persons authorised by the Purchaser (which may include the customer of the Purchaser) access to the Supplier's premises (and those of its sub-contractors) as are being used to carry out work on the Goods and Services in order to inspect and audit the facilities, processes and procedures used in manufacturing the Goods or providing the Services;
- 15.2 provide adequate data to the Purchaser relating to progress of work on the Goods and or Services and their quality; and
- 15.3 provide all necessary assistance (including, where appropriate, access to office accommodation, telephone and a broadband connection) to enable the rights set out in this Condition 15 to be exercised fully.
- 15.4 While on the Supplier's premises the Purchaser shall adhere to the Supplier's health, safety and environmental policy and procedures and safety and security rules applying at the relevant site. Likewise if the Contract requires the Supplier to visit the Purchaser's premises then the Supplier shall ensure that the Supplier's employees, the Supplier's sub-contractors and their employees and any other person associated with the Supplier will adhere in every respect to the Purchaser's health, safety and environmental policy and procedures and safety and security rules applying at the relevant site.
- 15.5 At any point during the procurement process, the Purchaser may, at its own discretion, conduct an audit of the Supplier's cost in order to substantiate and finalise prices. In the event that Purchaser elects to conduct a cost audit, then the Supplier will be required to make available full cost documentation and support for any or all of the Supplier's price submittals.

16. QUALITY

16.1 QUALITY MANAGEMENT SYSTEM

The Supplier should hold, as a minimum, UKAS Accredited (or overseas equivalent,) ISO 9001 Certification. If any certification is held, any Contract shall be carried out in accordance with the scope of the Suppliers current registration (e.g. ISO 9000, AS9100). On request evidence of Certification (Certificate and Scope of Approval) will be supplied to the Purchaser.

16.2 CONTROL OF RECORDS/DOCUMENTATION

The Supplier shall generate and maintain records and data for all inspections and tests performed. The records and data generated shall be appropriate to the inspection and test operations performed and in sufficient detail to provide for complete verification and evaluation of operations. On request the records will be supplied to the Purchaser and no records will be destroyed without prior permission of the Purchaser. These records may include, but are not limited to:

- Product and Goods Release certification; and/or
- Records and data relating to validation, testing and inspection such as test certificates, route cards, or batch records that detail product serial numbers and are required for traceability purposes.

The Supplier shall retain records of all inspections and tests for a minimum of 6 (six) years from completion of the Contract unless otherwise agreed in writing by the Purchaser.

16.3 TRACEABILITY

Part, Material, Equipment or Raw Material Traceability

Unless otherwise specified in the Order, the Goods and Services supplied against the Contract require full traceability of code generation, software tools, parts, materials, equipment's or raw materials from the time of receipt through delivery of the finished article as follows.

16.3.1 **Part or Material Traceability** to the original component manufacturer is required from the Supplier as follows:

16.3.1.1 For parts or materials from the original part or material manufacturer, the Purchaser requires traceability to the original component manufacturer including both date and lot code information.

16.3.1.2 For parts or materials from the original part or material manufacturer purchased via the authorised / franchised distributor or agent, the Purchaser requires traceability to the original component manufacturer.

16.3.1.3 For parts or materials procured from routes other than from Conditions 16.3.1.1 and 16.3.1.2 above then Supplier shall provide full traceability as in Condition 16.3.1.2 above. However where this is not possible then all necessary steps shall be taken to ensure parts or material provenance in accordance with Condition 16.3.4. For parts or materials other than electro-mechanical, electronic or electrical categories such as (but not exclusive to) turned parts, cast parts, machined parts, formed parts, moulded parts, extruded parts, then these materials shall have traceability as contained in Condition 16.3.3 below.

16.3.2 **Equipment Traceability.** For equipment such as (but not exclusive to) printed circuit assemblies, power supply units, other electro-mechanical, electronic or electrical assemblies, the Supplier shall make available on request full traceability to the original component manufacturer of the parts that are assembled into the equipment as a constituent part including both date and lot code information.

16.3.3 **Raw Material Traceability** is required to the physical and chemical analysis of the raw material from the raw material manufacturer and or its appointed agent/distributor.

16.3.4 The Supplier may only purchase items directly from Original Component Manufacturers (OCMs), OCM authorised (i.e. franchised) distributors, or authorised (i.e. franchised) aftermarket manufacturers. Use of items that were not provided by these sources is not authorised unless first approved in writing by the Purchaser. The Supplier must present compelling support for its request for the Purchaser's approval (e.g., OCM documentation that authenticates supply chain traceability

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of the parts to the OCM) and include in its request all actions to ensure the items thus procured are new, unused and authentic items.

16.4 DEVIATIONS/CONCESSIONS

All deviations from the requirements of the Order are to be referred to the Purchaser's procurement department for approval, and if approved shall be authorised by the Purchaser in the form of an Order amendment prior to delivery of the Goods or Services. It is essential that pre-approved deviations/concessions are recorded on all delivery paperwork.

16.5 CONFIGURATIONAL CONTROL

The Supplier will establish and control the configuration of their documents such as drawings, specifications, data sheets, plans and procedures necessary to design, manufacture, test, inspect and deliver Goods or Services to the configuration package supplied by the Purchaser. There shall be no changes or deviations to the contractually agreed Purchaser configuration package without written approval by an amendment to the Order from the Purchaser.

16.6 CONTROL AND MONITORING OF MEASURING DEVICES

Test equipment shall have its performance and calibration verified for all parameters detailed in its manufacturer's published performance/calibration specification, against measurement standards traceable to national or international standards, UKAS or overseas equivalent accreditations.

At the request of the Purchaser the Supplier or the Supplier's sub-contractors or suppliers as the case may be shall provide a calibration certificate and test report showing all test results including an estimate of the uncertainty of measurement.

16.7 ENVIRONMENTAL CONTROL

The Supplier shall meet their regulatory approvals regarding environmental compliance in accordance with ISO14001 or an equivalent environmental standard.

16.8 AUDITS

It is a condition of the Contract that the Purchaser's quality assurance authority reserves the right to conduct audits of the Supplier to confirm compliance with the quality conditions of the Contract. In addition the Supplier shall ensure that persons doing work under the Suppliers control are aware of and fully comply with the requirements necessary to ensure product or service conformity and product safety."

16.9 FOREIGN OBJECT DAMAGE

The Supplier shall develop and maintain a Foreign Object Debris/Damage ("FOD") prevention program for manufacturing areas. Aerospace Standard 9146 (AS9146) should be used as a guideline

16.9.1 The Supplier shall ensure timely removal of contaminants/residue/debris generated, if any, during manufacturing operations.

16.9.2 The Supplier shall ensure tooling, jigs, fixtures, and test or handling equipment are maintained in a state of cleanliness and repair sufficient to prevent FOD.

16.9.3 The Supplier shall maintain work areas and control tools, parts and materials in a manner sufficient to preclude the risk of FOD incidents. The Supplier shall document and investigate each FOD incident and ensure elimination of the root cause of each such incident.

16.9.4 By delivering Items to the Purchaser, the Supplier shall be deemed to have certified to the Purchaser that such Items are free from any foreign materials that could result in FOD.

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16.10 DELEGATED VERIFICATION OF PURCHASED PRODUCT

16.10.1 Suppliers shall conduct verification of the Goods on the Order(s) on behalf of the Purchaser.

16.10.2 Suppliers authorised to perform delegated verification shall:

- Maintain copies of all documents associated with shipments on file for a period of six (6) years (or otherwise as declared within the purchase order and/or associated documentation) from the last delivery. The Purchaser must be notified prior to disposal of any documentation associated with deliveries of product to the Purchaser.
- Submit all known nonconforming conditions to the Purchasers procurement representative for review, disposition, and authorisation to ship.
- Provide confirmation of the receipt of the goods and the results of the agreed verification activities
- Comply with all Purchaser instructions regarding the return and/or disposal of any not conforming Goods

17. COUNTERFEIT GOODS

17.1 For the purposes of this Condition 17:

17.1.1 "**Suspect Counterfeit Goods**" means material, component, part, assembly, sub-assembly, product and any other item forming part of the Goods (together referred to as "Items" and separately as "Item") in which there is an indication by visual inspection, testing, or other information that it may have been misrepresented by the Supplier or their sub-contractor or the ultimate manufacturer if different and may meet the definition of Counterfeit Goods below;

17.1.2 "**Counterfeit Goods**" means Suspect Counterfeit Goods that is a copy or substitute made without legal right or authority or one whose material, performance, Identity or characteristics are misrepresented by a supplier in the Supplier's supply chain; and

17.1.3 "**Identity**" means information including but not limited to the original manufacturer, trademark or other intellectual property, part number, date code, lot number, applied testing methods and the results, inspection performed, documentation, warranty, origin, alterations, tampering, salvage, recycling, ownership history, packaging, physical condition and previous use or rejection.

17.2 The Supplier warrants that Counterfeit Goods shall not be supplied to the Purchaser or installed in the Purchaser's products by the Supplier.

17.3 The Supplier warrants that only new, unused and authentic Items shall form part of the Goods and shall be supplied to the Purchaser.

17.4 If Counterfeit Goods or Suspect Counterfeit Goods are furnished under the Contract such Goods shall be impounded. The Supplier shall promptly replace such Goods with Goods acceptable to the Purchaser and the Supplier shall be liable for all costs relating to impoundment, removal and replacement. The Purchaser may notify and turn Counterfeit Goods over to Government authorities for investigation and the Purchaser reserves the right to withhold payment pending the results of the investigation.

17.5 This Condition 17 applies in addition to any quality provision, specification, and statement of work or other provision included in the Contract addressing the authenticity of Goods. To the extent that such provisions conflict with this Condition, this Condition shall prevail.

17.6 The Supplier shall include all provisions of this Condition 17, including this sentence, in all lower tier contracts under the Contract. Any inability or unwillingness of a lower-tier supplier to comply with this provision shall be documented in writing and submitted immediately to the Purchaser.

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18. **CONFLICT MINERALS**

- 18.1 The Supplier acknowledges that the Purchaser may be required to provide to the customer certain information regarding any Conflict Minerals that may be contained in Goods sold by the Purchaser
- 18.2 Upon Purchaser's request, the Supplier shall promptly provide such written certifications concerning Conflict Minerals contained in Goods sold by the Supplier to the Purchaser (including components, parts and materials thereof) as the Purchaser may request from time to time (hereinafter "**Certifications**").
- 18.3 The Supplier represents and warrants that it has adopted and will maintain adequate measures to enable such due diligence as to the source and chain of custody of Conflict Minerals as is necessary to determine:
- 18.3.1 whether the products, components, parts or materials supplied to the Purchaser contain Conflict Minerals and, if so;
- 18.3.2 whether in the case of each of those Conflict Minerals, that Conflict Mineral is:
- 18.3.2.1 derived from recycled or scrap materials; or
- 18.3.2.2 originates (or the Supplier reasonably believes that those Conflict Minerals may originate) from the Democratic Republic of the Congo or an adjoining country (Angola, Burundi, Central Africa Republic, Congo Republic, Rwanda, South Sudan, Sudan, Tanzania, Uganda, Zambia (collectively the "Covered Countries")).
- 18.4 Where the Supplier determines that there may exist Conflict Minerals falling under Condition 18.3.2 above, the Supplier shall perform the necessary due diligence and make every effort to identify:
- 18.4.1 the facilities used to process those Conflict Minerals; and
- 18.4.2 The location of each mine or the location of origin of those Conflict Minerals with the greatest possible specificity.
- 18.5 The Supplier warrants that any information contained within the Certifications provided to the Purchaser pursuant to Condition 18.2, shall be an accurate reflection of the outcome of the Supplier's due diligence.
- 18.6 For the purpose of Condition 18.3, "**adequate measures**" shall mean any process which effectively incorporates a nationally or internationally recognised due diligence framework (e.g. due diligence guidance approved by the Organisation for Economic Cooperation and Development (OECD)). The Supplier warrants and represents that its Goods parts, components and materials are not and will not be produced with child or forced labour.

19. **INDUCEMENT AND ETHICS**

- 19.1 The Supplier is fully aware of the provisions of the UK Bribery Act 2010 (the "**Bribery Act**") and has committed to comply fully with the Bribery Act and will not enter into any contract or arrangement which involves any act or omission anywhere in the world which breaches the Bribery Act. Whether acting alone or with others the Supplier undertakes that it will not do or omit to do anything which constitutes an offence (whether or not the Supplier can be prosecuted) under the Bribery Act.
- 19.2 The Supplier shall maintain an ethics program which includes a written code of conduct, training and awareness for all employees. The Purchaser requests that the Supplier confirms that they have in place adequate procedures to prevent bribery which includes an effective anti-bribery programme in place which is complied with. The Supplier shall, upon written request, make available for inspection records relating to its adequate procedures and anti-bribery programme, but any inspection or non-exercise of the right to inspect, shall not relieve the Supplier of its obligations nor, by doing so, shall the Purchaser be considered to condone the Supplier's activities.
- 19.3 The Purchaser reserves the right to terminate the Contract in the event that:
- 19.3.1 The Supplier does not allow the Purchaser to review records relating to its adequate procedures and anti-bribery programme;
- 19.3.2 The Purchaser in its reasonable belief considers that the Supplier's anti-bribery programme is insufficient; or

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- 19.3.3 The Supplier is, or is likely to be, prosecuted under the Bribery Act or any other similar anti-bribery and corruption legislation in other countries.
- 19.4 The Supplier shall immediately inform the Purchaser if it is aware of, or becomes aware of, any of the following:
 - 19.4.1 A business relationship of any kind, other than the one relating to the provision of Goods and Services under cover of an Order, between the Supplier or any of its employees and the Purchaser.
 - 19.4.2 Any current Supplier employee having been previously been employed by the Purchaser.
 - 19.4.3 Any current Supplier employee that has immediate family members in the employ of the Purchaser.

20. EXPORT

- 20.1 The Goods or Services may be exported or re-exported by the Purchaser.
- 20.2 The Supplier warrants that it has obtained all necessary export approvals for the provision of the Goods and Services to the Purchaser, its customer and end user customer.
- 20.3 The Supplier agrees to notify the Purchaser if any Goods or Services deliverable under the Contract contains technology which is restricted by export control laws or regulations. Notification shall be provided at the earliest opportunity but no later than preparation of the first delivery. Notification shall include details of the export control regulations including specific controls and any provisos the Purchaser needs to be made aware of that are governing the Goods or Services to be provided.
- 20.4 The Supplier further agrees to comply with all applicable export control laws and regulations of Manufacturer countries relating to the importation and/or exportation of Goods or Services to be supplied, specifically including but not limited to the requirements of the European control laws and regulations, Arms Export Control Act, 22 USC.2751-2794, the International Traffic in Arms Regulations (ITAR), 22 CFR 120 et seq., and the Export Administration Regulations, 15 CFR. 730-774; including the requirement for obtaining any export license or agreement, if applicable. Without limiting the foregoing, the Supplier agrees that it will not transfer any export controlled item, data, or services, to include transfer to foreign persons employed by or associated with, or under contract to Supplier or Supplier's lower tier suppliers, without the authority of an export license, agreement, or applicable exemption or exception.
- 20.5 The Supplier shall provide the Purchaser with copies of export licenses to ensure that the Purchaser can comply with any export control conditions. This information should be made known to the Purchaser prior to despatch of the Goods or Services.
- 20.6 For each delivery, Supplier shall notify the Purchaser of the country of origin of the Goods or Services and the relevant export constraint for items/goods supplied which contain material subject to Export Administration Regulations (EAR), or ITAR the Supplier shall ensure that a statement to this effect is recorded on the advice note/Certificate of Conformance/despatch documentation.
- 20.7 In the absence of notification or marking on accompanying documentation, the Supplier warrants that no restriction exists in respect of any Export Regulation, including but not limited to the US ITAR or US EAR or any other US or non-US Government Regulations preventing such export or re-export by the Purchaser.
- 20.8 The Supplier shall immediately notify the Purchaser procurement representative if the Supplier is or becomes aware of any of the following:-
 - 20.8.1 That Supplier has been or becomes listed in any denied parties list or if their export privileges are otherwise denied, suspended or revoked in whole or in part by any government entity or agency; The Supplier's obligations under this clause shall survive the expiration or termination of any Order placed
 - 20.8.2 Any of the Export related information the Supplier has provided to the Purchaser on any Goods or Services supplied have changed. Notice of this change in circumstances must be made to the Purchaser immediately it becomes known to the Supplier. Supplier will provide the Purchaser with revised and updated information and appropriate documentation to support this change.

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- 20.9 Where the Supplier is a signatory to a United States export license or export agreement (e.g., TAA, MLA, WDA), the Supplier shall provide prompt notification to the Purchaser procurement representative in the event of changed circumstances including, but not limited to, ineligibility, a violation or potential violation of the ITAR, and the initiation or existence of a U.S. government investigation, that could affect the Supplier's performance under the Contract.
- 20.10 The Supplier shall be responsible for all losses, costs, claims, causes of action, damages, liabilities and expense, including legal fees, all expense of litigation and/or settlement, and court costs, arising from any act or omission of the Supplier, its officers, employees, agents, suppliers, or sub-contractors at any tier, in the performance of any of its obligations under this Condition.

Additional Condition for US Suppliers

- 20.11 If the Supplier is engaged in the business of either exporting or manufacturing (whether exporting or not) defence articles or furnishing defence services, the Supplier represents that it is registered with the Directorate of Defence Trade Controls as required by the ITAR and that the Supplier maintains an effective export/import compliance program in accordance with the ITAR regulations.

21. CONFIDENTIALITY AND PUBLICITY

- 21.1 Each Party agrees to treat as confidential and not to use or disclose to any third party any information disclosed by one Party to the other Party in connection with the Contract without the prior written consent of the disclosing Party and only to use such information to the extent reasonably necessary for the proper performance of the Contract. Notwithstanding the foregoing, the Purchaser shall be entitled to disclose confidential information received from the Supplier to the Purchaser's customers where necessary to comply with its obligations to such customer(s).
- 21.2 The Supplier shall not make any statements or public release for publicity or marketing purposes without the Purchaser's prior written permission.

22. ASSIGNMENT, SUBCONTRACTING AND SIGNIFICANT CHANGE

- 22.1 The Supplier shall not assign the Contract in whole or in part, or sub-contract, or permit any sub-contractor to sub-contract, any or all of the manufacture of the Goods or performance of the Services without the prior written consent of the Purchaser, such consent not to be unreasonably withheld.
- 22.2 Suppliers using sub-contractors shall either have their systems to control sub-contractors approved by the Purchaser or an external certification body. Should the Supplier's system be approved to control the sub-contractors, the Supplier shall have records of this approval on file and available for review by the Purchaser's quality representative. Approval of sub-contractors by the Purchaser does not relieve the Supplier of the responsibility for assuring that work performed by sub-contractors is in accordance with the requirements of the Contract.
- 22.3 The Supplier shall give the Purchaser not less than 180 (one hundred and eighty) days prior written notice (in reasonable detail) of any organisational, operational or other changes which may affect the Supplier's performance of the Contract, including but not limited to:
- 22.3.1 the relocation of any of the Supplier's plant which is involved in the manufacture or supply of the relevant supplies;
 - 22.3.2 the transfer of any significant part of the relevant process or manufacturing operations from one plant to another;
 - 22.3.3 any significant changes to or affecting the workforce employed in relation to the relevant supplies; and/or
 - 22.3.4 the refusal, suspension, withdrawal or revocation of a relevant quality or capability system or approval

Prompt notice shall be given in respect of Condition 22.3.2 and/or Condition 22.3.3 as soon as the Supplier has notice thereof, all of the above matters being referred to as a "Significant Change".

- 22.4 Upon receipt of such notice the Purchaser will review the likely effect(s) of any Significant Change(s) upon the performance of the Contract. The Supplier shall promptly provide all reasonable assistance to the Purchaser in carrying out the review and shall address the Purchaser's concerns arising therefrom.

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22.5 The Purchaser is entitled to suspend all or any work on a Contract for a reasonable period of time without liability to the Purchaser if it considers that a Significant Change has or is likely to have a material effect on any contractual requirement (a "**Material Impact**"). Also, at any time during or after its said review the Purchaser may notify the Supplier in writing of the reason(s) it considers the Significant Change to have or be likely to have a Material Impact. The Purchaser may terminate (without liability or prejudice to rights under the Contract or rights of law) the Contract forthwith if the Supplier fails to i) demonstrate (within 30 (thirty) days of such notification) to the Purchaser's satisfaction that the Significant Change does not and/or will not have a Material Impact, or ii) conclude (in such period) alternative arrangements acceptable to the Purchaser.

23. OFFSET

23.1 The Parties agree that the entire value of the Contract may be used by the Purchaser to claim offset credit. Allocation of any offset credits arising from any order against obligations owned by the Supplier to a third party shall only take place following the Purchaser's prior agreement in writing.

23.2 For all offset claims the Supplier agrees to work with the Purchaser to identify offset qualifying content and to support the verification process with the national offset authority in the applicable country.

23.3 The Supplier shall, on acceptance of each individual Order, inform the Purchaser regarding any significant sub-contracts required to support the execution of any Order which have or will be let to companies based in or with operations in the following countries:

Australia, Canada, Denmark, Finland, India, Indonesia, Israel, South Korea, Kuwait, Malaysia, Poland, KSA, South Africa, Spain, Switzerland, Turkey, UAE.

23.4 On request by the Purchaser, the Supplier shall assist the Purchaser in registering this order with the appropriate bodies as a satisfactory offset.

24. SECURITY

24.1 Where a security classification appears in the Order the Supplier shall at all times comply with the relevant security procedures for handling classified information including those contained in any security aspects letter issued by the Purchaser's Security Officer which shall form part of the Contract.

24.2 The Supplier shall ensure that any of its employees, agents or sub-contractors (to whom information shall only be given in support of the preparation or furtherance of the Contract) are made aware of the security conditions appertaining to the Contract and accept that they are subject to the security procedures notified on the Order or in operation at the Purchaser's sites.

24.3 For projects which the Purchaser has identified as being protectively marked, the Supplier must not sub-contract any work in furtherance of an applicable Order without prior written agreement from the Purchaser.

24.4 Where specified, the provisions of the Official Secrets Acts 1911 to 1989 and any amendment thereto shall apply to the Contract. The Supplier shall procure that any of its employees, sub-contractors or agents have the correct security clearances and are notified of the security classification of any information and accept that they are subject to the security procedures in operation while at the Purchaser's, customer's and end user of the ultimate items that contain the Good's sites.

25. SAFETY STANDARDS

25.1 For all Goods which by law must bear a "CE" mark, the Supplier shall unless stated otherwise provide a declaration of conformity, material and test certification which shall accompany delivery of the Goods. In addition, the Purchaser shall, at its sole discretion, have reasonable access at all reasonable times to the Supplier's technical files relating to the Goods.

25.2 The Supplier shall notify the Purchaser of any hazards and related safety information associated with any Goods supplied under this Order in accordance with the Control of Substances Hazardous to Health Regulations 2002 (referred to as COSHH).

25.3 The Supplier shall perform the Contract in compliance with the provisions of the Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (EC Regulation n. 1907/2006, "REACH Regulation") and its subsequent amendments and additions.

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- 25.4 In accordance with Art. 33 of the REACH Regulation, the Supplier undertakes to issue to the Purchaser a declaration for the safe use of the articles (as defined in REACH Regulation) contained within the Goods provided under the Contract. This declaration to contain, as a minimum, the name, weight and concentration (% by weight) of any substance of very high concern ("SVHC") listed in the register of the European Chemical Agency ("ECHA") "Candidate List", and the location of the SVHC within the Goods supplied, when in a concentration above 0.1% weight by weight (w/w) in whichever Goods composing the article, including but not limited to the subassemblies and spare, repaired or reworked parts ("SVHC Declaration").

In particular, the Supplier shall certify: i) that the Goods being supplied comply with the restrictions contained in Annex XVII of the REACH Regulation; and ii) that the Supplier has the authorization to use any substances present in the Goods and in the list in Annex XIV of the REACH Regulation.

The Supplier shall also provide the SVHC Declaration in the event the Goods supplied do not contain substances identified as SVHCs in the "Candidate List" of the REACH Regulation. Nevertheless, in the event no SVHC Declaration is provided, the Goods shall be deemed as SVHCs free.

The SVHC Declaration shall be provided by the Supplier based on the Purchaser template and shall be duly signed by an authorised representative of the Supplier. The SVHC Declaration shall reference the purchaser part number and shall be sent to the following e-mail address prior to the first delivery of the Goods, or a first time delivery post the introduction of this clause: REACHDeclaration@leonardocompany.com. The SVHC Declaration is only required once to enable entry in to the Purchaser database, however, in the event of any changes in the manufacture of the Goods results in a change to the SVHC content of the Goods, the Supplier shall resubmit an amended SVHC Declaration.

In the event Free Issue material is supplied by the Purchaser to the Supplier, the Purchaser shall provide all information and documents required by the REACH Regulation regarding the parts, semi-finished products and chemical materials delivered to the Supplier to enable inclusion in the SVHC Declaration by the Supplier, whereas the Supplier shall provide the such information concerning the materials employed for all processing carried out in performing the Contract (for example, galvanic, painting, gluing, components and spares, etc.).

- 25.5 The Supplier shall provide for each individual part numbered Goods the Material Safety Data Sheet (MSDS) resulting from the SVHC Declaration in accordance with all applicable law, or an updated MSDS reflecting any changes, with the first delivery of part or a first time delivery post the introduction of this clause. The MSDS shall be sent to the following e-mail address prior to the first delivery of the Goods: REACHDeclaration@leonardocompany.com.
- 25.6 The Supplier guarantees compliance with the REACH Regulation by explicitly transferring this requirement to any sub-tier suppliers, ensuring that all relevant information is available to enable the Supplier to complete the SVHC Declaration form.
- 25.7 In the event the SVHC Declaration and/or Material Safety Data Sheet is false, misleading or incomplete at the time the Goods (articles, substances and/or preparations) are shipped, the Supplier shall, upon identification by the Purchaser or their customer, rectify the SVHC Declaration and MSDS at its cost. Furthermore, the Supplier shall indemnify the Purchaser for any damages and/or costs incurred, deriving from or related to such false, misleading or incomplete statement.
- 25.8 Furthermore, the Supplier shall hold the Purchaser harmless and indemnified from any and all actions or claims brought by any third parties in connection with such false, misleading or incomplete statement or, in any event, consequential thereto.
- 25.9 In the event that the Supplier is unable to continue to provide Goods and/or Services that are compliant with the Registration, Evaluation, Authorisation and Restriction of Chemicals Regulations (referred to as REACH), then the Parties agree that they shall enter into negotiations in good faith in order to find a mutually agreeable solution, including the possibility of the Supplier providing similar, REACH compliant Goods and/or Services. In the event that a mutually agreeable solution cannot be found within a reasonable time, the failure to provide the Goods and/or Services shall be held to be beyond the reasonable control of the Parties and the Contract shall be terminated on the grounds of an Event of Force Majeure

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25.10 The Supplier shall ensure there is no asbestos to be found on any products supplied.

26. ROHS: SOLDER AND COMPONENT FINISHES

26.1 The Supplier shall fully comply with specified component finishes and manufacturing solder. In addition, the Supplier shall maintain a clear definition and configuration control of the component finishes and solder within the Goods delivered to the Purchaser.

26.2 Components with lead-free finishes may be used in Goods designed by the Supplier provided they are compatible with the Purchaser's storage, manufacturing and reliability requirements. Unless explicitly specified otherwise by the Purchaser, for Goods designed by the Supplier the use of components with tin-based, plated finishes containing less than three percent (3%) lead shall be declared to the Purchaser in order for tin-whisker risk to be assessed.

26.3 The Supplier must obtain approval in writing for any potential non-compliance with the Purchaser's drawing requirements and prior to making any changes to component finishes or manufacturing solder within Goods delivered to the Purchaser.

26.4 Liability for Goods that do not comply with component finishes or manufacturing solder specified in the Purchaser's drawing requirements shall rest with the Supplier unless otherwise agreed in writing with the Purchaser.

27. CHANGES IN LEGISLATION

27.1 The Parties expressly agree that any reference to EU legislation contained in the Contract shall be deemed to include its UK equivalent and/or any supplementary law or regulation in respect thereof brought into effect in the UK.

27.2 Where either Party has reasonable grounds to believe that the UK legislation differs from its EU antecedent in such a manner as to materially impact their rights and/or obligations under the Contract, said Party shall issue a notice in writing to the other. Upon receipt of such notice the Parties shall negotiate in good faith, including without limitation reasonable and timely decision making and proactive disclosure of relevant information, and mutually agree in writing such amendments as may be necessary for the continued operation of the Contract. If no agreement is reached within 20 Working Days then the Parties shall either continue the Contract or the Purchaser may exercise such rights of termination as are contained herein

28. BUSINESS CONTINUITY PLANNING

28.1 The Supplier on request by the Purchaser will provide the Purchaser with a copy of the Supplier's current business continuity plan. Where no Supplier business continuity plan exists, the Purchaser may request the Supplier to engage in activities with the Purchaser to achieve an acceptable level of business continuity planning, management, and maturity.

29. SUSTAINABILITY

29.1 The Purchaser shall regularly assess the sustainable development implications of its policy and practice. As such, sustainable procurement will consider: the environmental, social and economic consequences of design; non-renewable material use; manufacture and production methods; logistics, service delivery; use; operation; re-use; recycling options; disposal and the Supplier's capability to address these consequences throughout the supply chain.

29.2 The Purchaser shall embed the principles of sustainability within its procurement activities to ensure that, in all cases, a balanced consideration of social, ethical, environmental and economic impacts are undertaken throughout the procurement process resulting in only value for money products and services being selected, and upon reasonable notice the Supplier shall comply with the same.

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30. WAIVER

- 30.1 No exercise or failure to exercise or delay in exercising any right, power or remedy vested in either Party under or pursuant to the Contract shall constitute a waiver by the Party of that or any other right, power or remedy. No single or partial exercise of such right, power or remedy shall preclude or restrict the further exercise of that or any other right, power or remedy.

31. NOTICES

- 31.1 Any notice required to be given hereunder shall be deemed to have been properly given by a Party if sent by prepaid mail to the other Party at the other Party's representative and address specified in the Order. Notices under this Contract shall be in writing in the English language and shall be deemed validly given if delivered by hand, post (recorded delivery with proof of posting or in the case of a notice to be sent overseas by registered airmail) and marked for the attention of the person stated (or at such other address and/or marked for the attention of such other person as each Party may notify to the other Party from time to time in accordance with this Condition). Such notices shall be deemed to have been received, if delivered by hand, at the time of delivery, in the case of a notice sent by post as above, 72 (seventy two) hours after the date of posting, and in the case of e-mail when a receipt acknowledgement has been received by the sender.

32. THIRD PARTY RIGHTS

- 32.1 A person who is not a party to the Contract has no right under the Contracts (Rights of Third Parties) Act 1999 and any subsequent amendments thereto, to enforce any term of the Contract.

33. MODERN SLAVERY ACT

- 33.1 The Supplier undertakes not to purchase any Goods or Services or raw materials that have been sourced from manufacturers or service providers using forced labour in its operations or practices in accordance with the Modern Slavery Act 2015.
- 33.2 The Supplier shall:
- 33.2.1 comply with the Purchaser's anti-slavery policy in force;
 - 33.2.2 comply with all applicable laws, statutes and regulations relating to the anti-slavery, servitude, forced and compulsory labour and human trafficking, including but not limited to the Modern Slavery Act 2015;
 - 33.2.3 promptly report to the Purchaser any actual or suspected slavery, servitude, forced and compulsory labour or human trafficking in its supply chain which has a connection with the Contract and any breach, or potential breach, of the Purchaser's Anti-slavery Policy;
 - 33.2.4 Maintain a complete set of records to trace the supply chain of all Goods or Services provided to the Purchaser in connection with the Contract.
- 33.3 The Supplier shall ensure that any person associated with it that is performing Services or providing Goods in connection with the Contract does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on the Supplier in this Condition.

34. CONTINUITY OF SUPPLY

- 34.1 For the duration of these General Conditions and any extensions thereto, the Supplier undertakes to maintain a capability to accept future Orders from the Purchaser to provide further quantities of the Goods and Services supplied under these General Conditions
- 34.2 In the event that the Supplier decides to discontinue the manufacture or the capability to manufacture any of the Goods and Services supplied under these General Conditions, the Supplier shall give at least twelve (12) months written notice to the Purchaser of the Supplier's intention to do so. All Order(s) placed by the Purchaser prior to the date of receipt of notice under Condition 34.2 and relating to the Goods and Services to be discontinued shall be honoured and executed in full in accordance with their terms. Should the Purchaser require the Supplier to manufacture against additional new Orders for the Goods and or Services which the Supplier wishes to discontinue manufacture of, the Purchaser shall endeavour to place such Orders within six (6) months of the date of receipt of the Supplier's notice under this Condition, and the Supplier shall complete such Orders.

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34.3 In the event that the Supplier gives notice under Condition 34.2 hereto or otherwise gives notice of its intention to discontinue the manufacture or the capability to manufacture the parts previously supplied, the Supplier will fully support the Purchaser to secure a new source of supply in the following ways. The Supplier will, upon the Purchaser's request received by the Supplier within sixty (60) days of the notice of discontinuation, assist the Purchaser to obtain an alternative source of supply for the Goods and Services previously supplied by furnishing such technical information as necessary on fair and reasonable terms. The Supplier shall grant to any alternative Supplier a royalty free licence or licences under any of the Supplier's applicable patents and/or designs funded by the Purchaser, to manufacture the said Goods and Services for the demands of the Purchaser and deliver under the Contract. The Supplier shall use its best endeavours to secure from the alternative source the same conditions such as price, delivery, quality and lead times no less favourable to that covered in previous Contracts.

35. OBSOLESCENCE

35.1 The Supplier must notify the Purchaser in writing without delay of any actual or potential obsolescence issues affecting potential Contracts that it identifies from time to time, such notice to include complete and accurate details of: (a) the obsolescence issue identified; (b) its impact on the performance of the potential Contract; and (c) any actions that could be taken in mitigation (including the cost of such actions).

35.2 All relevant non-recurring and extra-recurring costs, if any, resulting from obsolescence issues during the performance by the Supplier of the Contract shall be fully borne by the Supplier.

36. CYBER SECURITY

36.1 The Supplier warrants and represents that the Supplier has implemented appropriate procedures in accordance with recognised international security standards with regard to protection of the Supplier's IT System. Such standards to be as a minimum Cyber Essentials or equivalent.

36.2 In the event that any Purchaser information is compromised or is subject to a data breach then the Supplier shall advise the Purchaser within seventy two (72) hours of occurrence.

36.3 Where the Supplier sub-contracts work under the Contract the provisions of this Condition shall be flowed down to the sub-contractor.

36.4 The Purchaser shall have the right to periodically conduct reviews of the Supplier's Cyber Security practices in accordance with Condition 15.

37. JURISDICTION AND LAW

37.1 The validity, construction and interpretation of the Contract and all non-contractual obligations associated therewith shall be governed by the laws of England.

37.2 All disputes arising out of or in connection with the Contract shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules. It is recognised that when dealing with US Government Contracts either direct or through Prime Contractors that any disputes involving the U.S. Government shall be governed solely by U.S. Federal Law and heard only before proper contract boards and/or courts

37.3 The arbitration shall be conducted in English and the seat of the arbitration shall be London.

37.4 Unless the parties expressly agree in writing to the contrary, the parties undertake to keep confidential all awards in their arbitration, together with all materials in the proceedings created for the purpose of the arbitration and all other documents produced by another party in the proceedings not otherwise in the public domain - save and to the extent that disclosure may be required of a party by legal duty, to protect or pursue a legal right or to enforce or challenge an award in bona fide legal proceedings before a state court or other judicial authority.

37.5 This Condition 37 is governed by the laws of England.

37.6 For the avoidance of doubt nothing contained herein shall prevent either Party from seeking equitable or injunctive relief from any court of competent jurisdiction.

Additional Condition applicable to US Government acquisitions

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37.7 Except as may be expressly set forth in this Terms and Conditions document, with the Government Contracting Officer's express consent, the sub-contractor shall not acquire any direct claim or direct course of action against the U.S. Government

38. CUSTOMER FLOW DOWN

In the event that there is a requirement to flow down material provisions of the Purchaser's agreement with one of its customers, then the Purchaser and the Supplier shall agree to incorporate such material provisions in the Order as a Special Condition. The Supplier acknowledges that without the Purchaser's customers purchasing the ultimate end goods which incorporate the Goods and or Services, there will be limited or no requirement for purchases to be made by the Purchaser, and will therefore endeavour to incorporate all reasonably requested flow downs from customer arrangements.

39. PURCHASER FUNDED MATERIAL

39.1 Where the Purchaser issues material and/or equipment ('hereunder called material') free of charge to the Supplier or authorises the purchase of material for the purposes of the Contract such material shall be and remain the property of the Purchaser and shall be used in the execution of the Contract and for no other purpose whatsoever.

39.2 The Supplier shall keep all material separately identified and unless notice to the contrary is given to the Purchaser within 30 days of receipt it shall be deemed to have been received in good condition and in the quantities specified in the Contract or the Purchaser's despatch note. In addition the Supplier shall produce a Purchaser material status report on a monthly basis and make this available to the Purchaser. The report shall contain a brief description and the Purchaser's material code number, batch numbers, batch quantities, where provided by the Purchaser together with the quantity consumed in the period and quantity remaining.

39.3 The Supplier shall maintain all such material in good order and condition subject, in the case of tooling and patterns, to fair wear and tear and, in the case of electronic components, to normal degradation with time however the Supplier shall be solely responsible for any loss thereof or damage thereto from whatever cause until re-delivered to the Purchaser and shall insure for its full replacement value with a reputable insurer against loss or damage. Full value of the material is to be advised to the Supplier for insurance purposes, where the material has been supplied by the Purchaser.

39.4 Within thirty (30) days following the completion of the Contract the Supplier shall produce a final Purchaser material status report showing stock balance based on consumption of material under the Contract. The report shall give a brief description and/or Purchaser's material code number, batch numbers, batch quantities, where provided by the Purchaser and show quantity consumed and quantity remaining and indicate whether the material is new or rejected or in the process of manufacture. The Purchaser will initiate action for the disposal of any surplus material.

39.5 For shortfall of material because of Supplier performance the responsibility for procuring replacement material and any expense incurred is the liability of the Supplier. The shortfall shall be judged against the agreed requirement for material identified in the Contract.

39.6 All such material and all items incorporating such material shall remain the property of the Purchaser and neither the Supplier nor any sub-contractor shall have any lien on them for any sum due to the Supplier or sub-contractor.

39.7 The Purchaser shall, based on the contents of the material status report, physically count the material at the Supplier's premises. This will be a regular item to be discussed as part of the Regular Business Review (RBR), or as the business needs dictate.

40. **PROCESSING OF PERSONAL DATA**

- 40.1 The Parties acknowledge that personal data as defined by the Data Protection Act 2018 and the General Data Protection Regulations 2016/679 (hereinafter jointly "Privacy Regulations") (hereinafter "Data") provided to the other including without limitation during the negotiation stage, will be processed for administration-accountability purposes, to comply with legal obligations and for purposes related to proper execution of the Contract, as well as preserved in writing and/or on magnetic, electronic means.
- 40.2 Each Party expressly agrees that the other is required to process the Data as described in Article 40.1 for the purposes of performing the Contract and each Party undertakes at all times to comply with the Privacy Regulations in respect thereof.
- 40.3 In the event that in the performance of the Services the Supplier is required to access company data, the Supplier - as Processor - undertakes, at Supplier's own cost to fully comply with any directive made by the Controller, and shall at all times act in compliance with the obligations provided for in Privacy Regulations. The Supplier hereby agrees to indemnify and hold harmless the Purchaser from any breach of the Privacy Regulations by the Supplier or its sub-processors.
- 40.4 For the avoidance of doubt nothing contained herein shall be held to limit or waiver either Parties' rights or obligations under the Privacy Regulations.