

Standard terms and conditions of purchase for goods

1. Basis of contract

These Terms and Conditions apply to the written order (“**Order**”) from the TT Electronics group entity (“**TT**”) to the supplier to whom the Order is addressed (“**Supplier**”).

1.1 The Order constitutes an offer by TT to purchase the Goods. The Order shall be deemed to be accepted on the earlier of:

- (a) the Supplier issuing a written acceptance of the Order; or
- (b) the Supplier doing any act consistent with fulfilling the Order;

at which point the Order shall be binding on the Supplier and TT.

1.2 The Order incorporating these Terms and Conditions applies to the exclusion of any other terms that the Supplier seeks to impose or incorporate. Including, without limitation, any terms the Supplier may supply with, or reference, in any quotation or order acknowledgement. The Order incorporating these Terms and Conditions being referred to as the “**Agreement**”.

1.3 A verbal order of any kind shall only be treated as an Order placing obligations on TT where it is followed up with a written purchase order / delivery schedule from TT.

2. The goods

2.1 The Supplier shall supply the goods specified in the Order (the “**Goods**”) to TT. The Supplier warrants that the Goods shall:

- (a) correspond with their description and any applicable specification (being any specification, drawings, technical standards and other documents) as set out in the Order or if no specification is set out in the Order, the latest specification provided by TT to the Supplier in respect of the Goods, or in the absence of such specification the latest specification provided by the Supplier to TT for the Goods;
- (b) be of satisfactory quality and: (i) fit for any purpose to which they may reasonably be put; and (ii) any specific purpose made known to the Supplier by TT expressly or by implication;
- (c) be free from defects in design, material and workmanship and remain so for 48 months after the date they are delivered to TT;
- (d) comply with all applicable legal, statutory and regulatory requirements, in force from time to time, including, without limitation, those relating to export control, the environment, anti-bribery, the manufacture, labelling, packaging, storage, handling and delivery of the Goods (including without limitation those in place at: (i) the country of manufacture; (ii) the country from which the Goods are supplied; (iii) the country to which the Goods are supplied; and (iv) any other countries agreed in advance by the Parties); and
- (e) comply with the terms of any applicable quality assurance agreement, and be supplied in accordance with any logistics agreement, issued by TT.

2.2 The Supplier shall ensure that at all times it has and maintains all the licences, permissions, authorisations, consents and permits that it needs to carry out its obligations under the Agreement.

- 2.3 TT shall have the right to inspect, with its advisors and customers, and test the Goods, at the Supplier's site, at any time before delivery and the Supplier shall provide all reasonable assistance to facilitate any such inspection.
- 2.4 If following such inspection or testing TT considers that the Goods do not conform or are unlikely to comply with the Supplier's undertakings at clause 2.1, TT shall inform the Supplier and the Supplier shall immediately take such remedial action, as is necessary to ensure compliance. TT shall have the right to conduct further inspections and tests after the Supplier has carried out its remedial actions. The Supplier shall bear all its costs, and TT's costs including TT's customer's costs, relating to inspection and remedial action.
- 2.5 Notwithstanding any such inspection or testing, the Supplier shall remain fully responsible for the Goods and any such inspection or testing shall not reduce or otherwise affect the Supplier's obligations under the Agreement.
- 2.6 If the Goods are subject to any export restrictions or other restrictions on their use, the Supplier shall notify TT of this as soon as reasonably possible and in any event within five (5) Working Days of receiving the Order (A "Working Day" shall be any day other than a day treated as a weekend or public holiday at the site to which the notice was addressed). TT may cancel any Orders, without penalty, due to any restrictions which it had not previously been advised of in writing.
- 2.7 TT may request an alteration to the specification of the Goods at any point. On such request the Supplier shall promptly and within five (5) Working Days notify TT whether or not such alteration will result in additional costs to the Supplier or delay in supply. The Supplier shall use all reasonable endeavours to mitigate any such costs rises / delays and shall provide all such information as may be requested by TT to ascertain the extent of such cost rises or any potential delays. Where the alteration:
- (a) does not result in any cost increase or delay the Supplier shall immediately make the alteration; or
 - (b) does result in additional costs or delays, the Supplier shall not implement the alteration unless it has first received TT's written agreement to the notified cost increase / delay.

If the alteration results in a reduction to the Supplier's costs or enables the Supplier to deliver the Goods earlier than the agreed delivery date, the Supplier shall notify TT of the same and shall reduce the price of the Goods by a percentage equal to the percentage by which the Supplier's costs are reduced, and with TT's consent bring forward the delivery date.

- 2.8 Supplier certifies and represents that it has not made or solicited and will not make or solicit kickbacks in violation of FAR 52.203-7 (Anti-Kickback Procedures (Oct 2010)) or the Anti-Kickback Act of 1986 (41 USC 51-58), both of which are incorporated herein by this specific reference. Without limiting the foregoing, Supplier agrees that neither Supplier nor any of its employees or agents will take any action (or fail to take any required action) that would constitute a violation of any applicable laws, rules or regulations, including but not limited to the United States Export Administration Act, the International Traffic in Arms Regulations, the United States Foreign Corrupt Practices Act, the United Kingdom Bribery Act 2010, and the anti-boycott provisions of the United States Internal Revenue Code, in each case, in effect as of the date of this sales order and as amended from time to time. Supplier shall immediately notify TT if Supplier is, or becomes, listed on any Denied Parties list or if Supplier's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. Government entity or agency. Failure to comply with this paragraph may be construed as a breach by Supplier sufficient to justify immediate termination by TT, which remedy shall not be exclusive but shall be in addition to any other remedies available at law or equity. Where TT places any Order pursuant to a US Government Contract, TT's 'Additional Purchasing Terms applicable to purchases made by TT Electronics pursuant to a U.S. Government Contract' shall apply.

3. Price and payment

- 3.1 The prices for the Goods shall be the price stated on the applicable Order. If no price is stated the price shall be the price agreed by the Parties in any pricing agreement, or if no agreement is in place, the price last agreed by TT from the Supplier's quote.
- 3.2 The price of the Goods is exclusive of amounts in respect of value added tax or any sales tax (Sales Tax), but includes the costs of packaging, insurance and carriage of the Goods (including customs duties). No extra charges shall be effective unless agreed in writing and signed by TT.

- 3.3 TT shall, on receipt of a valid Sales Tax invoice from the Supplier, pay to the Supplier such additional amounts in respect of Sales Tax as are chargeable on the supply of the Goods.
- 3.4 The Supplier may invoice TT for the Goods on or at any time after the completion of delivery.
- 3.5 TT shall pay correctly rendered invoices within 60 days of receipt of the invoice. Payment shall be made to the bank account nominated in writing by the Supplier.
- 3.6 TT may at any time, without limiting any of its other rights or remedies, set off any liability of the Supplier to TT against any liability of TT to the Supplier.

4. Delivery

- 4.1 The Supplier shall deliver the Goods on the date specified in the Order ("**Delivery Date**"). If no such date is specified, within any agreed lead times, if no lead time has been agreed within 28 days of the date of the Order.
- 4.2 The Supplier shall deliver the Goods:
- (a) to TT's premises specified on the Order, or such other location as is set out in the Order, or as instructed by TT prior to delivery ("Delivery Location");
 - (b) during TT's normal business hours, or as instructed by TT; and
 - (c) Delivered Duty Paid (DDP) pursuant to the then current set of incoterms, unless otherwise agreed and stipulated on the face of the Order.
- 4.3 Delivery of the Goods shall be completed on the completion of unloading the Goods at the Delivery Location and time shall be of the essence for all deliveries. The Supplier shall immediately inform TT of any expected delay in the delivery of any Goods.
- 4.4 The Supplier shall ensure that:
- (a) the Goods are properly packed and secured in such manner as to enable them to reach their destination in good condition;
 - (b) each delivery of the Goods is accompanied by a delivery note which shows the date of the Order, the Order number (if any), the type and quantity of the Goods (including the code number of the Goods, where applicable), special storage instructions (if any) and, if the Goods are agreed to be delivered by instalments, the outstanding balance of Goods remaining to be delivered.
- 4.5 The Supplier shall promptly notify TT in writing if any materials or goods required by each Order are deemed hazardous under the laws, rules or regulations of any applicable governmental or regulatory authority.
- 4.6 Deliveries shall contain the correct quantities of Goods. Without prejudice to this obligation if the Supplier:
- (a) delivers less Goods than the quantity ordered, TT may reject the Goods; or
 - (b) delivers more Goods than the quantity ordered, TT may at its discretion reject the Goods or the excess Goods,
- and any rejected Goods shall be returnable at the Supplier's risk and expense. If the Supplier delivers more or less than the quantity of Goods ordered, and TT accepts the delivery, a pro rata adjustment shall be made to the invoice for the Goods. Additional costs incurred by TT for under delivery can be recovered from the supplier (including, without limitation, costs associated with small batch size and labour inefficiency).
- 4.7 The Supplier shall not deliver the Goods in instalments without TT's prior written consent. Where it is agreed that the Goods are to be delivered by instalments, they shall be invoiced and paid for separately. However, failure by the Supplier to deliver any one instalment on time or at all or any defect in an instalment shall entitle TT to the remedies set out in clause 5.
- 4.8 TT shall have the right to reschedule, vary or cancel any Orders at any point, provided that where such Order is rescheduled, varied or cancelled on less than thirty (30) days' notice, TT shall be liable for all reasonably incurred costs

for parts, materials and storage arising from such rescheduling, variation or cancellation as evidenced by the Supplier in writing and which could not be mitigated by the Supplier.

5. Remedies

5.1 If the Goods are not delivered on the Delivery Date, or do not comply with the undertakings set out in clause 2.1, then, without limiting any of its other rights or remedies, TT shall have the right to any one or more of the following remedies, whether or not it has accepted the Goods:

- (a) to terminate the Agreement in whole or in part without liability to the Supplier;
- (b) to reject the Goods (in whole or in part) and return them to the Supplier at the Supplier's risk and expense;
- (c) to require the Supplier to repair or replace the rejected Goods, or to provide a full refund of the price of the rejected Goods (if paid);
- (d) to refuse to accept any subsequent delivery of the Goods which the Supplier attempts to make;
- (e) to recover from the Supplier any costs incurred by TT in obtaining substitute goods from a third party; and
- (f) to claim damages for any other costs, loss or expenses incurred by TT which are in any way attributable to the Supplier's failure to carry out its obligations under the Agreement, and the Supplier shall indemnify TT in respect of the same.

5.2 These terms shall apply to any repaired or replacement Goods supplied by the Supplier.

6. Title and risk

6.1 Risk in the Goods shall pass to TT on completion of delivery, title shall pass on payment for the Goods, save that TT shall be permitted to incorporate and sell the Goods in the ordinary course of its business. In respect of any capital items used in the manufacturing process for the Goods, which TT is paying for in instalments, title for such items shall pass to TT once TT has paid instalments equal to, or greater than, fifty per cent (50%) of the total payable for the item (without prejudice to TT's obligation to pay the remaining instalments).

7. TT materials

7.1 The Supplier acknowledges that all materials, equipment, tools and replacement tools; and drawings, specifications, and data supplied by TT to the Supplier or paid for by TT ("**TT Materials**") and all rights in TT Materials are and shall remain the exclusive property of TT (including, without limitation, all TT Materials, as maintained and including all additions or variations thereto and copies thereof or items containing copies thereof). The Supplier shall keep TT Materials in its possession, in safe custody at its own risk, maintain them in good condition until returned to TT, at TT's request and at no additional cost to TT. Supplier shall not transfer to any third party, dispose or use the TT Materials other than in accordance with TT's written instructions or authorisation, nor use them for any purpose other than supplying Goods to TT. TT or its agents may at any point enter the Supplier's premises, or any premises to which the TT Materials have been transferred, to retake possession of some or all of the TT Materials and the Supplier shall provide all requested assistance to facilitate the same.

7.2 TT shall own all intellectual property rights (including, without limitation, patents, copyright, design rights and knowhow) in any products or designs created to meet TT's Orders ("**Arising Intellectual Property**"). The Supplier shall promptly identify all Arising Intellectual Property Rights to TT and shall on request sign all documentation or undertake all acts as may be required to evidence the assignment of such Arising Intellectual Property to TT. Arising Intellectual Property shall be treated as TT's Confidential Information for the purposes of this Agreement.

8. End of life

8.1 The Supplier shall provide TT with at least one (1) year's notice, if it intends to, or becomes aware of circumstances which may cause it to, cease the production of any Goods supplied to TT in the preceding ten (10) years. Within such one (1) year notice period the Supplier shall meet all Orders for Goods and shall provide all reasonable co-operation requested by TT, and all information requested by TT, to enable TT to procure or establish an alternate source of supply for such Goods. At TT's request the Supplier shall also: (i) offer to sell to TT any tooling or equipment specifically purchased or modified for the supply of such Goods, at the price paid by the Supplier for such tooling or equipment less a reasonable deduction for any degradation and / or depreciation to the tooling or equipment; and (ii) offer to licence to TT on a worldwide, non-exclusive basis, with the right to grant sub-licences, all technical information and intellectual property rights required to manufacture, sell and use the Goods. The licence terms shall be such commercially reasonable terms as would be agreed by a willing licensee and licensor.

9. Indemnity

9.1 The Supplier shall keep TT, its affiliates and customers, indemnified against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses) suffered or incurred as a result of or in connection with:

- (a) any claim made for actual or alleged infringement of a third party's intellectual property rights arising out of or in connection with the supply or use of the Goods;
- (b) any claim made by a third party for death, personal injury or damage to property arising out of or in connection with defects in Goods; and

9.2 any breach, negligent performance or failure or delay in performance of this, Agreement by the Supplier, its employees, agents or subcontractors.

10. Insurance

10.1 As at the date of acceptance of the Order and for a period of six (6) years thereafter, the Supplier shall maintain in force, with a reputable insurance company, insurance to cover the liabilities that may arise under or in connection with the Agreement, including, without limitation, professional indemnity insurance, product liability and recall insurance and public liability insurance, and shall, on TT's request, provide TT with a copy of both the insurance certificate giving details of cover and the receipt for the current year's premium in respect of each insurance.

11. Quality

11.1 The Supplier shall comply with the terms of any quality agreement agreed between the Parties, and without prejudice to any additional requirements set out in any such quality agreement, shall put in place and maintain an appropriate quality control system and procedures, and will provide TT with a copy of such procedures upon request. The Supplier shall additionally provide access to its facilities and those of its subcontractors at all reasonable times, upon request from TT, for TT, its representatives and customers to access the facilities to confirm compliance with the terms of this Agreement. The Supplier shall provide all such information as may reasonably be required to assist with such assessment.

12. Confidentiality

12.1 Pursuant to the Agreement each Party (the "**Disclosing Party**") may disclose or make available to the other Party (the "**Receiving Party**") confidential and/or proprietary information related to its products, technology, research plans,

business affairs and/or finances related to the provision of the Goods under this Agreement (the “**Confidential Information**”). All Confidential Information is and shall remain the property of the Disclosing Party.

- 12.2 Neither Party shall be obliged to maintain in confidence Confidential Information which:
- (a) was lawfully known by the Receiving Party, free from any restriction, prior to being received from the Disclosing Party;
 - (b) is subsequently disclosed to the Receiving Party without restriction by a third party who, to the best of the Receiving Party’s knowledge, has the right to disclose the Confidential Information to the Receiving Party without restriction;
 - (c) is or, without the fault of the Receiving Party, becomes publicly known; or
 - (d) is developed by the Receiving Party without reference to the Disclosing Party’s Confidential Information.
- 12.3 Each Party undertakes that except as expressly permitted pursuant to this Agreement it shall not, and shall ensure that its affiliates do not, disclose or permit to be disclosed to any third party, or use or permit the use for any purpose other than in performance of its obligations under this Agreement, any of the other Party’s Confidential Information, save where such disclosure is required by law, in which case the Receiving Party shall (i) promptly, to the extent permitted by law, notify the Disclosing Party; (ii) provide to the Disclosing Party all reasonable assistance to obtain confidentiality undertakings; and (iii) only disclose the minimum amount of Confidential Information required to comply. The provisions of this clause shall survive for a period of four years from the date on which the Confidential Information was first disclosed.
- 12.4 All Confidential Information received by either Party under this Agreement shall remain the property of the Disclosing Party. Upon written demand from the Disclosing Party, the Receiving Party will return the Confidential Information and any copies of it to the Disclosing Party, or at the Disclosing Party’s request, destroy all such Confidential Information and provide the Disclosing Party with written confirmation of such destruction. In either event the Receiving Party shall expunge or destroy all Confidential Information from any computer, word processor or other device containing Confidential Information and destroy all notes, analyses, memoranda containing any part of the Confidential Information, save that the Receiving Party shall not be required to destroy, delete or modify any backup tapes or other media pursuant to automated archival processes in the ordinary course of business. The Receiving Party shall additionally be permitted to retain one copy of the Confidential Information in the possession of its legal department to ensure compliance with the terms of this Agreement and applicable law. Copies of any Confidential Information archived or retained pursuant to this clause shall only be used, including at any point following the termination of this Agreement, for the purposes of ensuring compliance with the terms of this Agreement or applicable law.
- 12.5 Where the Parties have entered into a non-disclosure agreement or other confidentiality agreement (“**Confidentiality Agreement**”), the provisions of the Confidentiality Agreement shall take precedence over the confidentiality terms of this Agreement to the extent they provide greater protection for a Party’s Confidential Information.

13. Termination

- 13.1 Either Party may terminate this Agreement immediately if the other Party:
- (a) commits a material breach of this Agreement and, if such a breach is remediable, fails to remedy that breach within 30 days of that Party being notified in writing of the breach by, or on behalf of, the non-defaulting Party; or
 - (b) is subject to an Insolvency Event (Insolvency Event means: failing to pay debts as they fall due; entering liquidation or administration or commencing negotiations with any creditors to reschedule its debts, or undergoing any analogous occurrence in any jurisdiction; or threatening to do any of these things in any jurisdiction).
- 13.2 TT shall have the right to terminate this Agreement on a change of Control of the Supplier. For the purposes of this clause “Control” means ownership or control, directly or indirectly, of more than 50% of the voting shares or any other comparable equity or ownership interests of the other corporation or entity, or if it possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the corporation or other entity.
- 13.3 The fulfilment or for any reason, termination, of this Agreement shall not affect any rights or obligations of the Parties arising out of this Agreement which have accrued prior to the date of termination, including, without limitation in

respect of TT Materials and TT Confidential Information under clauses 7 and 12 and the right to recover damages against the other Party for any breach of this Agreement.

14. Notices

- 14.1 Any notice required to be given under this Agreement shall be in writing and shall be delivered personally, by courier or sent by pre-paid recorded delivery post, to each Party required to receive the notice at its address as set in this Agreement or as otherwise specified by the relevant Party by notice in writing to the other Party.
- 14.2 Any notice shall be deemed to have been duly received:
- (a) if delivered personally or by courier, when left at the address and for the contact referred to in this clause on a Working Day; or
- 14.3 if sent by pre-paid recorded delivery post, at 9.00 am on the second Working Day after posting.

15. Miscellaneous

- 15.1 **Independent Contractors.** The Parties hereto are independent contractors and nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture, employment, franchise, agency or fiduciary relationship between the Parties and neither Party shall have the right to bind the other or hold itself out as having such right.
- 15.2 **Assignment.** The Supplier shall not assign or sub-contract any of its rights or obligations pursuant to this Agreement without the prior written consent of TT.
- 15.3 **Non-Exclusive.** Nothing in this Agreement shall be construed as appointing the Supplier on an exclusive basis and TT shall be under no obligation to place any orders with the Supplier.
- 15.4 **Entire Agreement.** This Agreement constitutes the entire understanding and agreement of the Parties with respect to the subject matter hereof and cancels and supersedes all prior agreements, whether verbal or written, between the Parties with respect to the subject matter hereof. Each Party acknowledges that, in entering into this Agreement, it has not relied on, and, to the extent permitted by law, 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 this Agreement. This clause shall not be interpreted as excluding any liability for fraud. No modification of any provision of this Agreement shall be effective unless made in writing and signed by a duly authorized officer of all of the Parties.
- 15.5 **Severability.** If any term of this Agreement is declared invalid or unenforceable by a court or other body of competent jurisdiction, such terms shall be divisible and deleted. To the extent it is declared invalid or unenforceable, the remaining terms of this Agreement shall continue in full force and effect. Any invalid or unenforceable provision shall be replaced to the extent possible with a new provision which will allow the Parties to this Agreement to achieve the same intended result.
- 15.6 **Further Assurance.** The Supplier shall do, or procure the doing of, all acts and things, and execute, or procure the execution of, all documents, and provide all information, as may reasonably be required to give full effect to this Agreement and to enable TT to confirm the Supplier's compliance with the terms of this Agreement.
- 15.7 **Precedence.** The terms of the Order shall take precedence over these Terms and Conditions and the terms of these Terms and Conditions shall take precedence over any quality assurance agreements or logistics agreements issued by TT pursuant to the Order.
- 15.8 **No Waiver.** No delay or failure of any Party in exercising or enforcing any of its rights or remedies under this Agreement shall operate as a waiver of those rights.

15.9 **Governing Law.** This Agreement is deemed to be made under and shall be construed solely in accordance with, the internal, substantive laws of the State of North Carolina, without regard to conflicts of law principles. The parties irrevocably submit to the non-exclusive jurisdiction of the courts of the State of North Carolina. Pending the resolution of any dispute, Supplier shall diligently performance its obligations under this Agreement. The United Nations Convention on Contracts for the International Sale of Goods is excluded and shall not apply