

SERTEC

PURCHASING

GLOBAL TERMS AND CONDITIONS

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**PURCHASING GLOBAL TERMS
AND CONDITIONS
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PURCHASING GLOBAL TERMS AND CONDITIONS

SECTION 1.

WHAT IS COVERED

1.01 Goods and Services The Buyer's Global Terms and Conditions as amended from time to time apply to the purchase by the Buyer of production goods and services from the Supplier including: (a) production and aftermarket (or service) parts, components, assemblies and accessories; (b) raw materials; (c) tooling; and (d) design, engineering or other services.

1.02 What's Being Purchased Production Tool Order, Open Order, Prototype Purchase Order, Prototype Tool Order, Lump Sum Purchase Order (**Order**) describe the goods and services being purchased and specify the name and address of the **Buyer** and the **Supplier**. The goods and related accessories, spare parts and Documentation and other physical material set out in the relevant Order and to be supplied by the Supplier to the Buyer in accordance with the contract (both for series production and aftermarket) and services purchased are referred to as the **Goods** or, in the case of a Prototype Tool Order or Production Tool Order, the **Tooling**.

1.03 The Buyer means Sertec Holdings Ltd, company number **02957238** whose registered address is Wincaster House, Gorsey Lane, Coleshill, Birmingham, United Kingdom **B46 1JU** and its subsidiaries and affiliates from time to time (affiliates includes any Buyer entity which controls the Buyer, is controlled by the Buyer, or is under common control with the Buyer).

1.04 Supplier means the named party in the contract or relevant Order who has agreed to sell the Goods to the Buyer and whose details are set out in the contract and or relevant Order. The Global Terms and Conditions apply to all Suppliers to the Buyer for onwards supply to Automotive.

SECTION 2. **THE TERMS AND CONDITIONS THAT APPLY**

2.01 General The contract between the Buyer and the Supplier for the purchase and sale of the Goods or Tooling is the Order. The Order includes the Global Terms and Conditions, the Supplemental Terms and Conditions and the other applicable documents that are issued by the Buyer or signed by the Buyer and the Supplier (in the case of agreements), relating to the purchase and sale of the Goods.

2.02 Effective Date and Document Release Date The **Effective Date** is shown on the Purchase Order. It is the date on which the Order was issued and, once accepted, went into effect.

2.03 Renewal Date Renewal Term will apply to a Production Order on the anniversary of the effective date.

2.04 Updates The Buyer may make revisions to the General Order Documents from time to time. If there are revisions, the Buyer will inform the Supplier in writing, and it is assumed that the Supplier accepts the revisions unless the Supplier provides written notice of objection.

2.05 Compliance with Applicable Laws and policies In providing the Goods and/or Tooling and performing its other obligations under the Buyer's Global Terms and Conditions, any agreement and all Orders, the Supplier warrants that it shall, and shall procure that its employees, agents, consultants and authorised subcontractors shall, comply with:

- a) all Applicable Laws (Applicable Laws means all laws, statutes, enactments, bye-laws, regulations, orders, regulatory policies, guidance or industry codes, regulatory permits and licences, rules of court or directives or requirements of any regulator, which are in force from time to time and are applicable to the activities contemplated by these terms & conditions; including those that pertain to the provision of the Goods and performing its other obligations; and
- b) the Buyer's Supplier Responsible Procurement Policy, Supplier Quality Manual and all other Buyer and/or Buyer entity policies as may be amended from time to time, copies of which will be provided to the Supplier at the Supplier's written request. If the Supplier commits a breach of clause 2.05, the Buyer shall be entitled to terminate the agreement with the Supplier and any or all Orders (and the relevant Buyer entity shall be entitled to terminate any of the Orders with the

Supplier with immediate effect.

The Supplier shall monitor and keep the Buyer (and the Buyer entity in the case of any Order) informed in writing of any changes in the Applicable Laws which may impact the provision of the Goods and/or performing its other obligations, or the compliance of the Supplier with any of its other obligations under the agreement or Order, and shall provide the Buyer (and the relevant Buyer entity) with timely details of measures it proposes to take and changes it proposes to make to comply with any such changes. The Supplier shall be responsible for the costs of complying with its obligations under clause.

2.06 Supplier Terms and Conditions Save in respect of fraud no terms or conditions, agreements, representations or statements, other than those that apply to or are included in the Order as described in this Section 2 shall apply to the Order, including any contract terms that may have been submitted by the Supplier.

2.07 General Obligations The Supplier shall comply with all Government Requirements that may apply to the design, production, sale, or distribution of the Goods. A **Government Requirement** includes any law or requirement of a Government. The term Government includes the United Kingdom Vehicle and Operator Services Agency, the United States Environmental Protection Agency, the United States National Highway Traffic Safety Administration, and the Commission of the European Union.

Without prejudice, the Supplier shall ensure that it fully complies with all applicable component certification regulations and requirements in respect of the Goods.

2.08 Exceptions to Global Terms and Conditions

(a) **General Requirements** Any exception, deviation, amendment, modification or waiver of any provision of the Global Terms and Conditions or any General Order Document, whether made under an Earlier Agreement or otherwise, will be binding on the Buyer only if it has been: (1) made in a Written Notice; and (2) approved in writing by the Buyer.

(b) **Expansion of Rights to Intellectual Property in Earlier Agreements** In the event that an Earlier Agreement provides the Buyer with rights to the Supplier's Intellectual Property Rights that go beyond, or are in addition to, the Buyer's rights under the Global Terms and Conditions.

SECTION 3. WHEN THE CONTRACT IS FORMED

3.01 Buyer's Offer When the Buyer issues a Prototype Purchase Order, Production Purchase Order, Prototype Tool Order, Production Tool Order, or Lump Sum Purchase Order, it makes an offer to purchase the Goods or Tooling from the Supplier on the terms and conditions specified in Section 2.

3.02 Purchase Orders For an Open Order, the offer is made when the Buyer issues a Release. The offer applies for only the quantity specified in the Release. A Order will only be an Open Order if it clearly and expressly states so on the face of the Order on the terms and conditions specified in Section 2.

3.03 Supplier Acceptance The contract is formed when the Supplier accepts the offer of the Buyer. This occurs upon the earlier of: (a) the Supplier beginning work or performance; or (b) the Supplier notifying the Buyer of its acceptance of the offer.

SECTION 4. DURATION OF THE OPEN ORDER

4.01 Renewal Term The Open Order will renew automatically on each subsequent anniversary of the original effective date for an additional 12 month period, unless a notice of non-renewal has been provided. This is the **Renewal Term**.

4.02 Non-renewal Either party may elect not to renew the Production Purchase Order by providing a Written Notice to the other party to that effect. The Supplier will do so sufficiently in advance in no event less than 6 months in advance unless (otherwise specified by the Buyer) of the scheduled expiration date to enable the Buyer to re- source the production of the Goods in a timely and orderly manner. In all cases, the Supplier will consult with the Buyer's production purchasing activity prior to giving its Written Notice to ensure that it will be timely, and the parties will confirm in writing their agreement to the Supplier's Written Notice period. If the Supplier elects not to renew, it will, if requested by the Buyer: (a) work diligently with the Buyer to identify an alternative source of supply that is acceptable to the Buyer; and (b) identify the Supplier's component-part and raw-material suppliers relating to the Goods.

SECTION 5. CHANGES

5.01 Changes To Buyer's Order The Buyer may make changes to its order for the Goods or Tooling at any time. These may include changes to the design, specifications, engineering level, materials, packaging, shipping date, or time or place of delivery. The Supplier will make all changes requested by the Buyer. The Supplier may not make any change on its own without first obtaining the Buyer's consent in a Written Notice.

5.02 Notice The Buyer will provide the Supplier with notice of any change through an amendment or revision to the outstanding Purchase Order, the issuance of a new Production Purchase Order, an RFQ or a Written Notice. If the amendment is accomplished by issuing a new Production Purchase Order, the Initial Term of the original Production Purchase Order will apply. If the Initial Term has already expired, the Renewal Term in effect at the time of amendment will continue.

5.03 Impact on Cost If the proposed change will materially affect cost or timing the Supplier will promptly notify the Buyer in a Written Notice and provide substantiation of its claim (to the reasonable satisfaction of the Buyer) using a SERTEC QAF. Where the Buyer has confirmed that it still wishes to proceed with the change the Buyer shall then implement an equitable price adjustment (up or down), a change in shipping or delivery terms, or other appropriate adjustment. The Buyer shall not be liable for any costs arising from or related to actions or changes which are made as a result of Supplier's own acts or omissions, including non-performance of its obligations.

SECTION 6. PAYMENT TERMS AND TAXES

6.01 Payment Terms The Buyer will pay the supplier for the goods or services within 60 days of the end of the month of the approved invoice.

6.02 Currency Payment will be made in the local currency of the country where the Goods will be manufactured. If a different currency applies, it will be shown on the Order or other Written Notice from the Buyer.

6.03 Delivery Documentation The Supplier will provide the Buyer with **Delivery Notices** and otherwise comply with the payment requirements. Failure to do so may delay payment to the Supplier.

6.04 Total Price and Taxes The total price for the Goods will include duty, if applicable, and tax. The Supplier will separately show on its invoice any duties, and any sales tax, use tax, value-added tax (VAT) or similar turnover taxes, levied on the Goods. The Supplier will provide whatever documents and information the Buyer may require to support taxes paid, tax reporting, or recovery of VAT. The Supplier will pay duty if the delivery term specified on the Order requires the Supplier to pay it.

SECTION 7. SETOFF

7.01 Supplier's Direct Accounts Without prejudice to any other right or remedy the Buyer retains the right to set off any amount owing from the Supplier to the Buyer against any amount payable by the Buyer to the Supplier.

SECTION 8. QUANTITY

8.01 Requirements The Supplier will provide the Buyer's requirements for the Goods or Tooling as shown on the Purchase Order. The Buyer will issue Releases to specify the requirements, delivery locations, times and dates for Purchase Orders.

8.02 Projections The Buyer may from time to time provide the Supplier with estimates, forecasts or projections of its future volume or quantity requirements for the Goods. These are **Volume Projections**. They are provided for informational purposes only. The Supplier and the Buyer may agree on a timeline over which Volume Projections will be provided. These volume predictions are not a commitment to purchase the quantities specified, expressed or implied.

SECTION 9. QUALITY ASSURANCE

9.01 Compliance with Buyer's Standards. The Supplier will comply with the quality assurance processes, inspections and standards (including in relation to prototype Goods) specified by the Buyer for suppliers providing goods or services similar in nature to the Goods. These standards include, IATF16949, ISO 9001 and any published customer specific requirements associated with these standards or processes (or any direct replacements or successors thereto).

9.02 Delivery No Inspection The Supplier will deliver only Goods that conform in all respects to the requirements.

- (a) Conform in all respects to the drawings, specifications, technical specification, safety and critical characteristics, samples and other descriptions and requirements relating to the Goods that have been furnished, specified or approved by the Buyer.
- (b) Initial parts to pass the Production Part Approval Process and maintained to that standard thereafter including service requirements and parts produced after the end of series production life of the product.
- (c) Be free from defects in manufacture to the extent furnished by the Supplier, its Related Companies or their subcontractors, even if the design has been approved by the Buyer. Supplier to demonstrate appropriate use of Statistical Process Control and Manufacturing Site Assessment.
- (d) Be suitable for their intended use by the Buyer, including the specified performance in the component, system, subsystem and customer location specified by the Buyer and the environment in which the Goods are or reasonably may be expected to perform.

The Buyer is not required to inspect the Goods prior to their use. The Supplier waives any right to require the Buyer to conduct an inspection. Standard practice is to inspect first off samples only.

9.03 Early Notification The Buyer or the Supplier, as appropriate, will inform the other about any nonconformity of the Goods as soon as reasonably practicable after it has been discovered and confirm the nonconformity in a Written Notice if requested by the other. The Buyer and the Supplier will cooperate fully with each other to identify the cause of the nonconformity and to develop a plan for the prompt remediation of it.

9.04 Notice If the Goods do not conform, the Buyer will inform the Supplier, orally or in writing, about the nonconformity as soon as reasonably practicable after the Buyer has discovered it. The Buyer will confirm the nonconformity in a Written Notice if requested by the Supplier to do so.

9.05 Supplier's Right to Cure The Supplier will be permitted to rework, replace or otherwise remedy a nonconformity in the Goods as long as: (a) the nonconformity has been discovered after delivery of the Goods but before the Buyer has started to use the Goods (including in any pre- assembly processing or fitment); (b) the Supplier can perform the remedial work at its location, or at the Buyer's site (subject to any restrictions notified by the Buyer), without disruption to the Buyer's operations; (c) the remedial work will not cause any delay in the Buyer's operations, including its production process, or cause the Buyer to incur any additional costs; and (d) the cure can be completed by the deadline established by the Buyer.

9.06 Buyer's Options If the Buyer determines in good faith, after consulting with the Supplier, that the remedial work cannot be done within the limits of Section 9.05, the Buyer is entitled to: (a) reject the nonconforming Goods, return them to the Supplier and, at the Buyer's option, request redelivery of conforming Goods; or (b) retain them and either repair them itself or request the Supplier do so, on or off-site. In any event, the Supplier will bear the risk and expense of the remedial action undertaken by the Buyer or the Supplier.

9.07 Supplier's Right To Nonconforming Goods The Supplier may request that the Buyer hold and make available to the Supplier, at the Supplier's expense, any nonconforming Goods, subject to the Buyer's options under Section 9.06.

9.08 Costs Incurred by the Buyer The Supplier is liable for all direct, incidental and consequential damages (including, but not limited to, overtime or premium freight costs, costs of sorting defect goods throughout the supply chain), losses, costs, and expenses incurred by the Buyer resulting from the failure of the Supplier to deliver conforming Goods or to comply with the shipping and delivery or other requirements of the Buyer, even if the Supplier has cured the failure under Section 9.05. These include costs associated with the Buyer's customer passed on to the Buyer.

9.09 No Acceptance or Waiver of Rights The Buyer's rights under this Section apply even if the nonconformity does not become apparent until after delivery of the Goods. The Supplier is not liable for damage to the Goods after delivery due to actions taken by the Buyer or third parties. Payment will not constitute acceptance of nonconforming Goods, nor will it limit or affect any of the Buyer's rights.

9.10 Supplier Warranty The Supplier warrants that during the applicable **Warranty Period** the Goods will conform in all respects. The Warranty Period is passed back from the Buyer's customer and will be specified on the Request for Quotation if in excess of 3 years from sale of the end product or in line with other customer requirements.

9.11 Recall or Other Service Action. If the Buyer's Customer initiates a **Field Service Action** to remedy a Supplier nonconformance the Buyer will promptly notify the Supplier. The Supplier is liable for all costs and expenses incurred as a result of their non-conforming material.

SECTION 10. SHIPPING, PACKAGING AND DELIVERY

10.01 Delivery The Supplier will comply with the Buyer's requirements for packing, marking, labeling, customs clearance processes, warehousing and shipping. The Supplier will ship only the quantity of the Goods specified by the Buyer in the Order or a Release. The Supplier will deliver to the Buyer's required timing not earlier or later.

10.02 Title and Risk of Loss Title and risk of loss will pass at the time and place of delivery in accordance with: (a) the delivery term on the Order for the Goods; and (b) Section 21 in the case of Tooling.

10.03 Delivery Terms Delivery is under in INCOTERM 2020 DDP Buyer's nominated location unless otherwise agreed and stated in the purchase order.

SECTION 11. PROTECTION OF SUPPLY

11.01 Notice to the Buyer The Supplier will provide the Buyer with Written Notice (a) at least 30 days in advance of the expiration of any labour contract or (b) concerning any potential labour dispute involving the Supplier that could affect the Buyer's operations or the supply of the Goods under the Production Purchase Order.

11.02 Plan to Avoid Disruption Upon the Buyer's request, the Supplier will provide the Buyer with its plan to avoid adversely affecting the Buyer's operations or to ensure that the Buyer's requirements for the Goods will be met without disruption for at least a 30-day period after the expiration of the labour contract or the commencement of a labour dispute affecting the Supplier. The Supplier will keep the Buyer informed of any changes to the plan, its implementation and the Supplier's efforts to resolve the labour dispute.

11.03 Business Continuity Plan Upon the Buyer's request, the Supplier will provide the Buyer with a copy of its up-to-date business continuity/disaster recovery plan, covering matters such as alternative production capability, back-up and recovery of IT systems and data related to the Goods and/or Tooling. The plan shall be tested regularly and appropriate amendments made in light of the results of such tests.

SECTION 12. THE BUYER'S INTELLECTUAL PROPERTY AND TOOLING

12.01 Buyer's Intellectual Property Rights The Buyer and its Related Companies may have valuable ***Intellectual Property Rights/Invention*** in Tooling, documents and information provided to the Supplier. The Supplier may use the Intellectual Property Rights of the Buyer and its Related Companies only in the production and supply of the Goods to the Buyer and its Related Companies.

"Intellectual Property" means rights to inventions, patents, copyright (including rights in software), database rights, registered and unregistered design rights, trade marks, rights in domain names, utility models, and all other intellectual property rights and rights of a similar or corresponding nature throughout the world, applications for registration of any of the same, confidential information and know how, in all cases whether registered or unregistered.

"Inventions" means inventions, innovations, discoveries, developments, improvements and ideas, whether or not patentable or capable of registration and whether or not recorded.

12.02 Buyer Specific Development Work If, whether in connection with an Earlier Agreement or otherwise, the Buyer has ownership of any Intellectual Property Rights in the Goods, the Buyer shall also own all Intellectual Property Rights in any modifications made to such Goods undertaken in connection with the Purchase Order.

12.03 Infringement In the case of a claim of infringement on any aspect of intellectual property or licensing the Supplier will investigate and support the Buyer in the defence of the claim. The Buyer will determine the Supplier's financial responsibility under this Section 12 after considering the relative involvement of the Buyer and the Supplier in the design.

12.04 Infringement of Buyer IP In the case of infringement of the Buyer intellectual property the Supplier will investigate and support the Buyer in prosecuting a claim.

12.05 Parts Branding Directive The Supplier will comply with the Buyer's Parts Branding Directive. This Directive limits the inclusion of the Supplier's brands on the Goods to the extent permitted by Government Requirements.

12.06 Buyer Ownership of Intellectual Property Rights in Tooling Any and all Intellectual Property Rights in Tooling shall vest solely in the Buyer and the Supplier shall undertake all such acts as required to transfer such Intellectual Property Rights to the Buyer.

12.07 Other Use of Buyer's Intellectual Property Rights The Supplier will first obtain the Buyer's written approval before it manufactures, sells or otherwise disposes to third parties any goods made by the Supplier, its Related Companies or one of their subcontractors using any Tooling, equipment or Intellectual Property Rights of the Buyer or its Related Companies.

12.08 Advertising All advertising and promotional materials related to the Buyer, or the Goods the Supplier sells to the Buyer must be approved in advance.

12.09 News Releases All news releases and other forms of publicity related to the Buyer, or the Goods the Supplier sells to the Buyer must be approved in advance.

SECTION 13. THE SUPPLIER'S TECHNICAL INFORMATION

13.01 Technical Information The Supplier will provide the Buyer and its Related Companies with Technical Information required by the Buyer to install, assemble and otherwise use the Goods. ***Technical Information*** includes engineering, package and installation drawings, specifications, testing protocols and results, documents, data and other information relating to the Goods and Tooling. Technical Information must comply with the computer-aided-design and drafting standards of the Buyer and its Related Companies Diagrams and Control Plans. The Supplier will provide the Buyer and its Related Companies with reasonable access, including delivery of reference copies as the Buyer may reasonably request (such as for the purpose of warranty analysis)

13.02 Substance and Materials Reporting and Compliance information provide to Government

(a) Upon the request of the Buyer or a Related Company of the Buyer, the Supplier will provide it with access to and copies of any data, materials or other information, including any formulas or analyses, that:

(1) Relates to the Goods, their composition, any component or part of the Goods, or any materials or substances used in the Goods or in connection with their production; and

(2) Is needed, as determined by the requestor, to enable compliance with any requirement of a Government (either mandated or voluntarily agreed upon by the Buyer or any of its Related Companies) relating to the hazardous, toxic or other content or nature of the Goods, or the ability to recycle the Goods or any component, part or materials in the Goods or in relation to conflict minerals.

(b) The Supplier will comply with the Buyer's requirements relating to the use (or prohibition on use) of certain materials and substances.

13.03 Licenses to Supplier Technology The Supplier will grant Licenses in all cases to the Buyer on a non-exclusive, worldwide basis, to make, have made, use, have used, sell and import manufactures, compositions, machines and processes covered by the Intellectual Property Rights of the Supplier.

SECTION 14. CONFIDENTIALITY

14.01 Confidential Information The Supplier shall keep in strict confidence all technical and commercial know how, specifications, inventions, processes or initiatives that are of a confidential nature.

Confidential information includes, but is **not limited to**:

(a) All financial, business and technical or other data related to how the Buyer's products are designed, manufactured, and sold.

(b) Information on product designs, systems, pricing, costing, & processing techniques and know how belonging to the Buyer, it's Suppliers or Customers that is shared with the Buyer by its Customers and Suppliers under Non Disclosure Agreements signed between the Buyer and those third parties.

(c) The Buyer's technical know how and unique applications of technology.

(d) The Buyer's, or any of its Customers future product plans or any details of those plans including timings of programmes and volume predictions.

(e) Buyer specific development work

(f) Any other information identified by the Buyer or any of its Related Companies (orally or in writing) as confidential.

14.02 Obligations and Standard of Care The Buyer and the Supplier will each use Reasonable Care to protect the confidentiality of Confidential Information of the Other Party.

14.03 Sharing with Related Companies and Consultants The Buyer and the Supplier may share Confidential Information of the Other Party with their: (a) Related Companies; and (b) consultants, contractors, experts and agents; provided, that the person or entity with whom or which the information is being shared has agreed in writing to be bound by confidentiality provisions as specified in the Buyer's Non Disclosure Agreement and need has been established.

14.04 Sharing with Other Third Parties Neither the Buyer nor the Supplier will share any Confidential Information of the Other Party with any third party, including any competitor of the other party, without the prior written agreement of the other party.

SECTION 15. INDEMNIFICATION OBLIGATIONS OF THE SUPPLIER

15.01 Supplier's Obligations The Supplier shall keep the Buyer indemnified in full against all direct, indirect or consequential liabilities (all three of which terms include, without limitation, loss of profit, loss of business, depletion of goodwill and like loss), death, loss, damages, personal injury, costs, property damage and expenses (including legal and other professional fees and expenses) awarded against or incurred or paid by the Buyer as a result of or in connection with:

(a) defective or alleged defective workmanship, quality or materials in respect of the supply of the Goods.

(b) Negligence or fault or alleged negligence or fault in connection with the Supplier Design or manufacture of the goods.

- (c) an infringement or alleged infringement of any intellectual property rights caused by the use, manufacture or supply of the Goods, including licenses.
- (d) any claim made against the Company in respect of any liability, loss, damage, injury, cost or expense sustained by the Company's employees or agents or by any customer or third party to the extent that such liability, loss, damage, injury, cost or expense was caused by, relates to or arises from the Goods as a consequence of a direct or indirect breach or negligent performance or failure or delay in performance of the terms of the Contract by the Supplier.
- (e) Infringement of the Buyer's intellectual property as described in section 12.

15.02 Work Performed on Premises If the Supplier performs any work on an Indemnified Person's premises or utilises the property of an Indemnified Person, whether on or off the Indemnified Person's premises, the Supplier will indemnify and hold the Indemnified Persons harmless from and against any liability, claims, demands or expenses (including actual fees of attorneys and other professionals) for damages to the property of or injuries (including death) to Indemnified Persons, their employees or any other person arising from or in connection with the Supplier's performance of work or use of the Indemnified Person's property, except for such liability, claim, or demand arising out of the sole negligence of an Indemnified Person

15.03 Tooling The Supplier will defend and indemnify the Buyer for all costs incurred (including actual fees for attorneys, consultants and experts) in connection with any Adverse Claim. An **Adverse Claim** is one that challenges the Buyer's sole right, title and interest in the Tooling, or right to possession of the Tooling, brought by any third party, including toolmakers, subcontractors, and lending institutions.

This condition 15 shall survive termination of the Contract.

SECTION 16. TERMINATION

16.01 Termination The Buyer shall have the right at any time and for any reason to terminate the Contract in whole or in part by giving the Supplier written notice whereupon all work on the Contract shall be discontinued. The Supplier may not terminate this option.

16.02 Termination with Cause The Buyer shall have the right at any time by giving notice in writing to the Supplier to terminate the Contract forthwith if:

- (a) the Supplier commits a material breach of any of the terms and conditions of the Contract; or
- (b) any distress, execution or other process is levied upon any of the assets of the Buyer; or
- (c) the Supplier has a bankruptcy order made against them or makes an arrangement or composition with their creditors, or otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, or (being a body corporate) convenes a meeting of creditors (whether formal or informal), or enters into liquidation (whether voluntary or compulsory) except a solvent voluntary liquidation for the purpose only of reconstruction or amalgamation, or has a receiver or manager, administrator or administrative receiver appointed of its undertaking or any part thereof, or documents are filed with the court for the appointment of an administrator of the Supplier or notice of intention to appoint an administrator is given by the Supplier or its directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986), or a resolution is passed or a petition presented to any court for the winding-up of the Supplier or for the granting of an administration order in respect of the Supplier, or any proceedings are commenced relating to the insolvency or possible insolvency of the Supplier; or
- (d) Supplier ceases or threatens to cease to carry on its business; or
- (e) the financial position of the Supplier deteriorates to such an extent that in the opinion of the Buyer the capability of the Supplier adequately to fulfil its obligations under the Contract has been placed in jeopardy.
- (f) the control of the Supplier changes. The Supplier will provide the buyer with written notice of change of control as soon as practically possible but no later than 10 days after the change of control becomes known.

16.03 Effective date of Terminating Termination will be effective on the date of the Buyer's written notice unless the Buyer's written notice of termination specifies another date.

16.04 Amounts Payable to the Supplier In the event of a termination under Section 16, the Buyer will pay the Supplier for:

- (a) Any unpaid Goods previously delivered and accepted that fully conform to the requirements of the Purchase Order; and
- (b) Any outstanding balance owed to the Supplier for Buyer-Owned Tooling that fully conforms to the requirements of the Production Tool Order
- (c) Undelivered finished Goods that: (1) fully conform to the requirements of the Purchase Order; (2) Comply with release schedules.

16.05 No Other Liability The Buyer has no liability to the Supplier or any Related Company of the Supplier for lost profits, unabsorbed overhead, capital investment, interest expense, product development and engineering costs, facilities and equipment rental or purchase or rearrangement costs, unamortised depreciation costs, penalties, or general or administrative charges, whether incurred directly or indirectly by the Supplier, any of its Related Companies, or their suppliers, except to the extent provided in Section 16.04.

16.06 Buyer Rights The termination of the Contract, however arising, shall be without prejudice to the rights and duties of the Buyer accrued prior to termination. The conditions which expressly or impliedly have effect after termination shall continue to be enforceable notwithstanding termination.

SECTION 17. SUPPLIER'S OBLIGATIONS ON EXPIRATION OR TERMINATION

17.01 Actions by Supplier Upon the expiration or termination of the Purchase Order, the Supplier will:

- (a) Take all actions necessary to protect any of the Buyer's property in the possession of the Supplier or its suppliers and subcontractors;
- (b) Cooperate with the Buyer to help avoid production disruptions while the production of the Goods is being resourced to another supplier;
- (c) At the Buyer's option, either: (i) transfer title and possession to the Buyer of the Goods, work-in-process and raw materials that the Buyer is obliged to, or has agreed to, acquire from the Supplier and return Tooling and other property of the Buyer; or (ii) in respect of Goods which the Buyer is obliged to, or has agreed to, acquire, shall: (a) transfer title of the Goods to Buyer, (b) mutilate such Goods so they are put beyond use, (c) scrap the resulting mutilated Goods, and (d) upon request of the Buyer, provide certification and evidence satisfactory to Buyer that all Goods were so mutilated and scrapped;
- (d) Terminate all orders and subcontracts related to work to be performed after the effective date of any expiration or termination; and

Cease all work under the Order unless directed otherwise by the Buyer

SECTION 18. CLAIMS

18.01 Process for Submitting Claims Any claim seeking a payment from the Buyer as the result of termination under section 16 must be submitted within 90 days after the effective date of termination. The claim must include sufficient supporting data to permit the Buyer's auditors to verify and substantiate the claim. The Buyer (and its designated agents) have the right to examine and audit all pertinent items related to the claim, including books, records, facilities, work-in-process, raw materials and inventory.

18.02 Payment Not a Waiver Any amount paid by the Buyer for the Goods will not be deemed to be a waiver of any breach by the Supplier, or any amount otherwise due to the Buyer under the Purchase Order. Waiver by the Buyer of any breach by the Supplier on one occasion, will not preclude the Buyer from terminating the Order for, or constitute a waiver of, any similar breach at another time.

SECTION 19. AUDIT RIGHTS AND FINANCIAL INFORMATION

19.01 Supplier Records and Facilities If requested by the Buyer, the Supplier will permit the Buyer (which, for purposes of this Section 19, includes its authorised representatives) to:

(a) Examine all pertinent documents, data and other information relating to the Goods, Tooling, the Supplier's obligations under the Purchase Order, any payment made to the Supplier or any claim made by the Supplier. Without prejudice to the foregoing, the Supplier shall provide the Buyer with copies of such documents, data and information upon the Buyer's request;

(b) View any facility or process relating to the Goods or the Purchase Order, including those relating to production quality; and

(c) Audit any facility or process to determine compliance with the requirements of the Purchase Order.

19.02 Subcontractor Records and Facilities If requested by the Buyer, the Supplier will use its best efforts to permit the Buyer to obtain from the subcontractors of, and vendors, to the Supplier the information and permission to conduct the reviews specified in Section 19, regardless of any other right the Buyer may have to that information or facilities.

19.03 Records Retention The Supplier will keep all relevant documents, data and other written information for at least 2 years following: (a) in the case of the Goods, the later of the last delivery of the Goods or the date of the final payment to the Supplier under the Purchase Order; and (b) in the case of **Tooling**, the later of the date of completion of the Production Part Approval Process (PPAP), the date of submission of the Part Submission Warrant (PSW), or the date of final payment. The Buyer may make copies of these materials.

SECTION 20. PRODUCTION END OF LIFE – SERVICE REQUIREMENTS.

20.01 Discontinuance of Supply If requested by the Buyer, the Buyer and the Supplier will negotiate, in good faith, for the supply of the Service Parts beyond the series production of the parts. The Supplier shall either:

(a) Continue production from the Supplier with delivery in small batch quantities

(b) Provide an all time buy of predicted service quantities

(c) Supply an alternative product that is agreed on by all parties.

(d) Support the Buyer in resourcing to another party.

20.02 Supply Continuity The supplier shall work with the buyer in good faith to agree on a solution at least 6 months prior to end of production and commit to support the Buyer to achieve one of the solutions in section 20.01. Whilst the solution is being agreed upon the Supplier will continue to supply **Service Requirements** for a period of up to 6 months after the end of series production.

SECTION 21. TOOLING AND OTHER PROPERTY OF THE BUYER

21.01 General Application This Section 21 governs Tooling, Returnable Containers and Other Property owned by the Buyer (defined for the purposes of this Section 21 to include its Related Companies (which, for the purposes of this Section 21, shall include the Buyer's nominated Service Parts agents, representatives and service providers)). The term **Tooling** means all prototype and production tools, dies, fixtures, jigs, gauges, molds, patterns and related software purchased by the Buyer under Production Tool Orders (defined for the purposes of this Section 21 to include Prototype Tool Orders). Tooling includes all accessions, appurtenances, modifications, repairs, refurbishments, and replacements to the Tooling and any related drawings. **Returnable Containers** consist of returnable racks, bins, and other containers that are owned by the Buyer. **Other Bailed Property** consists of equipment, materials or other items owned by the Buyer that are placed in the possession or control of the Supplier for its use in connection with the Goods. The provisions in this Section 21 that apply to Tooling will apply equally to Returnable Containers and Other Bailed Property. It is the Buyer's standard policy to pay for Tooling as a lump sum and not to amortise the cost of such Tooling into the piece price

for the Goods, unless expressly agreed otherwise in writing.

21.02 Tool Order If the Buyer issues a Production or Prototype Tool Order in connection with the Production or Prototype Purchase Order, the Supplier will design and fabricate, rework, or acquire, and in all cases install Tooling that fully conforms to the specifications and other requirements of the Tool Order. The Tooling may not contain or be marked in any manner with the name of any person or entity other than the Buyer or the Buyer's end Customer.

21.03 Tooling Capacity The Tooling must be capable of producing the Volume Projections for the Goods during the life of the part as well as satisfying the requirements for Service Parts.

21.04 Completion and Payment The Supplier, at its own expense, will manufacture the requisite number of sample Goods using the Tooling in order to successfully complete the Buyer's Production Part Approval Process (PPAP) and submit the Part Submission Warrant (PSW). The Tooling will be completed when the necessary samples have been submitted and approved by the Buyer. The Supplier has no claim for payment and may not issue an invoice in respect of such payment until: (a) the Tooling is completed; and (b) the Part Submission Warrant, (c) Schedule of Tooling, (d) a colour photograph of the finished Tooling, (e) proof of Buyer marking unless otherwise agreed in writing.

21.05 Other Information The Supplier may also be asked to provide (a) a supply chain map, (b) a manufacturing process map, (c) a capital equipment map (describing the capital equipment required to make the Goods), (d) a sustainability road map and any other necessary documentation.

21.06 Schedule of Tooling Following the completion of the Tooling (and when requested by the Buyer from time to time) the Supplier shall submit a **Schedule of Tooling** to the Buyer which shall either be in the Buyer's then current standard format or shall, as a minimum, contain: (a) the technical specification of the Tooling, including the dimensions of the Tooling and the material specification of the Tooling; (b) the design specification of the Tooling, including all drawings of the Tooling; (c) the part numbers manufactured using such Tooling; (d) the applicable Production Tool Order(s); and (e) the location of each item of Tooling.

21.07 Status Reports The Buyer, at any time, may ask the Supplier to provide status reports on the construction or acquisition of the Tooling. Each status report will identify the Tooling, identify any subcontractors working on the Tooling, state the percentage of completion of the Tooling, and state the percentage of sunk costs already expended.

21.08 Notice of Potential Delay in Completion If, at any time, the Supplier believes that the Tooling might not be completed by the completion date specified on the Production Tool Order, the Supplier will notify the Buyer by Written Notice as soon as practicable. Sending this notice will not relieve the Supplier of either its obligation to complete the Tooling on the completion date or its liability for any additional costs incurred by the Supplier or the Buyer as a result of any delay, unless the Buyer agrees otherwise in a Written Notice.

21.09 Supplier Warranty The Supplier warranty for Tooling is the same as for the Goods under Section 9.11.

21.10 Possession and Control Tooling is in the possession or control of the Supplier as a bailment from the Buyer. The Supplier acknowledges that it is a bailee-at-will of the Tooling.

(a) **Toolmakers** If all or part of the fabrication, modification, repair or refurbishment of the Tooling will be subcontracted to a third-party toolmaker, the Supplier will: (a) inform the Buyer in advance in a Written Notice of the identity of the toolmaker and the location of the Tooling; (b) inform the toolmaker in writing that it is a bailee-at-will, through the Supplier, of Tooling owned by the Buyer; and (c) be solely responsible for payments to the toolmaker.

(b) **Subcontractors** If the Supplier intends to subcontract all or part of the manufacture of the Goods to a third-party subcontractor and to locate Tooling on the subcontractor's premises, the Supplier will: (a) inform the Buyer in advance in a Written Notice of the identity of the subcontractor and the location of the Tooling; (b) obtain the written permission of the Buyer in advance of the Supplier's doing so; (c) inform the subcontractor in writing that it is a bailee-at-will, through the Supplier, of Tooling owned by the Buyer; and (d) be solely responsible for payments to the subcontractor.

21.11 No Rights or Liens The Supplier has no property or other rights in the Tooling. The Supplier may not duplicate the Tooling without the prior written consent of the Buyer. The Supplier has no power to transfer any rights or grant a security interest in the Tooling to a third party. The Supplier waives: (a) any lien that it might have or otherwise be able to assert against the Tooling for work done on the Tooling

or otherwise, and (b) any objection to the Buyer's repossession and removal of the Tooling for any or no reason, including bankruptcy or insolvency proceedings.

21.12 Presumption of Buyer Ownership In any dispute involving ownership of the Tooling, there is a rebuttable presumption that the Buyer or the Buyer's Customer is the sole owner of the Tooling and all Intellectual Property Rights contained therein. If requested by the Buyer, the Supplier will assign to the Buyer any present or future claim the Supplier may have against any third party (including toolmakers) concerning the Tooling.

21.13 Tool Order Purchase Price Unless a Production Tool Order is expressly stated on the face of it to be issued on a fixed-price basis, the price of the Tooling will not exceed the lower of: (a) the maximum amount reimbursable specified on the Production Tool Order; (b) the Supplier's actual costs of acquiring the Tooling from a toolmaker without Supplier's mark-up; or (c) the Supplier's actual costs of fabrication of the Tooling.

21.14 Payments for Tooling Held in Trust Payments made by the Buyer for the Tooling are expressly intended by the Buyer to be held in express trust for the benefit of any toolmaker used by the Supplier to produce the Tooling. The Supplier will hold these payments as trustee in express trust for the toolmaker. The Supplier acknowledges that the toolmaker is an intended third-party beneficiary of the terms of this Section 20.13 and that it has the right to enforce these terms directly against the Supplier. The Buyer has no obligation to the Supplier or toolmaker under this Section 20.13 other than payment to the Supplier under the Production Tool Order.

21.15 Restrictions on the Use of Tooling The Supplier has the obligation to use the Tooling solely in the production of the Goods. The Supplier will not use the Tooling for any purpose other than as provided under the Global Terms and Conditions, including the production, manufacture, sale or design of after-market parts, unless specifically authorised in a Written Notice by the Buyer or as may be required to comply with a Government Requirement.

21.16 Supplier Obligations The Supplier will at its expense:

(a) Maintain the Tooling, including its repair or replacement, in the condition necessary to produce the Goods in accordance with the terms of the Production Purchase Order and be responsible for all wear and tear, excluding normal wear and tear for Returnable Containers and Other Bailed Property. The Supplier shall ensure that it follows the Buyer's then current process for approval of engineering changes in relation to any repaired or replacement Tooling, including having such Tooling re-validated via the Buyer's PPAP/PSW process;

(b) Properly house the Tooling, Returnable Containers and Other Bailed Property and insure them against loss or damage, even if it occurs despite Supplier's exercise of due care;

(c) Prominently mark the Tooling as the property of the Buyer and with the part number; and

(d) Refrain from commingling the Tooling, Returnable Containers, and Other Bailed Property with property owned by the Supplier or a third party.

21.17 Relocation of Tooling The Supplier must obtain the Buyer's prior consent in a Written Notice before moving the Tooling to another location of the Supplier or a third party. Prior consent will not, however, be required in the following situations: (a) the Supplier, its toolmakers and subcontractors may relocate the Tooling in an emergency, and the Supplier will promptly notify the Buyer in a Written Notice of the new location, and (b) the Supplier, its toolmakers and subcontractors may also relocate the Tooling without prior notice for not more than 2 business days for the sole purpose of cleaning and performing routine maintenance unless the Buyer has previously notified the Supplier it may not do so.

21.18 Return of Tooling If the Buyer requests, the Supplier will return the Tooling, Returnable Containers, or Other Bailed Property to the Buyer at the Supplier's plant or other location specified by the Buyer. The Supplier is responsible for labour and other costs of dismantling, dismantling, and staging the Tooling for removal. The Supplier will cooperate with the Buyer in removing the Tooling from the location of the Supplier or subcontractor.

21.19 Disposal of Tooling The Supplier may send a Written Notice requesting the Buyer to either accept the return of the Tooling or permit its disposal in accordance with terms to be negotiated in good faith. Under no circumstances shall the Supplier dispose of any Tooling without the Buyer's prior consent in writing (such consent shall not be unreasonably withheld).

21.20 Technical Information Relating to Tooling In the event the Supplier fails to comply with any of the requirements of the Purchase Order, and the Buyer determines that it is necessary to either take possession of the Tooling or have it relocated, the Supplier will provide the Buyer or its Related Companies with any Technical Information for the Tooling requested by the Buyer or any of its Related

Companies that is required for the relocation, installation, assembly, maintenance, or use of the Tooling. Any such Technical Information that is also Supplier Confidential Information will be handled in accordance with Section 14.

SECTION 22. EXCUSABLE DELAY

22.01 Excusable Events Neither the Buyer nor the Supplier will be liable for a delay or failure to perform directly due to an Excusable Event. An **Excusable Event** is a cause or event beyond the reasonable control of a party that is not attributable to its fault or negligence. Excusable Events may include fire, flood, earthquake, and other extreme natural events, acts of God, riots, civil disorders, labour problems of the Supplier's own personnel (including strikes, lockouts, and slowdowns regardless of their lawfulness), pandemic, epidemic, and war or acts of terrorism whether or not declared as such by a Government. In every case, other than those relating to labour problems, the failure to perform must be beyond the reasonable control, and not attributable to the fault or negligence, of the party claiming the Excusable Event. Excusable Events do not include the failure to comply with applicable law or to take actions reasonably necessary to schedule performance in anticipation of any customs, export-import, or other Government Requirement of which public notice has been given.

22.02 Notice of Excusable Event The party claiming an Excusable Event will provide the other party with Written Notice of its occurrence and its termination as soon as practicable and shall undertake all reasonable steps, at its own cost, to mitigate the effects of the Excusable Event.

22.03 Work-In-Process In the event of an Excusable Event, the Buyer, at its option, may acquire possession of all finished Goods, work-in-process, and raw materials produced or acquired for the work under the Purchase Order.

22.04 Right to Substitute and Reduce Quantity The Buyer reserves the right to acquire the Goods elsewhere for the duration of the Excusable Event and for a reasonable time afterwards to minimize production disruptions until the Supplier's facilities are producing the Goods in the quantities required by the Order or Releases and to reduce accordingly any quantity of Goods ordered under an outstanding Release.

22.05 Right to Terminate Without prejudice to any other right of termination of the Buyer under the Global Terms and Conditions, the Buyer may terminate a Purchase Order, in whole or in part, upon written Notice to the Supplier if an Excusable Event has occurred resulting in a failure or delay to perform that has lasted for more than 3 consecutive months after the date the Written Notice from the party claiming an Excusable Event is effective (as described in Section 16).

23. BUYER'S LIABILITY

23.01 Notwithstanding any other provision of these terms & conditions, the liability of the Buyer's shall not be limited in any way in respect of death or personal injury caused by negligence; fraud or fraudulent misrepresentation or for any liability that cannot be excluded or limited or that is mandated by Applicable Law.

23.02 Subject to 23.1 Buyers maximum liability for all claims under these terms and conditions or the supply of goods howsoever arising (whether by contract, tort or otherwise, including negligence) or any obligation to indemnify shall not exceed the lower of the price paid or payable for Goods and or Services purchased within the last twelve (12) months prior to the notification by the Supplier of the Buyer's breach or alleged breach ,or £100,000 £ GBP in the annual aggregate for all claims between the parties.

23.3 This clause 23 survives termination or expiration of these terms and conditions and/or Purchase Order/ Order.

SECTION 24. ASSIGNMENTS

24.01 Assignment by the Buyer The Buyer may assign any benefit or duty under the Order upon Written Notice to the Supplier unless the Buyer wishes to assign any such benefit or duty to a direct competitor of the Supplier in which case the Buyer must obtain the Supplier's prior written consent (such consent to be unreasonably withheld or delayed) to such an assignment.

24.02 Assignment by the Supplier The Supplier may not assign or delegate any of its obligations without

obtaining the Buyer's prior written consent. The Supplier will continue to be liable to the Buyer for the performance of all of its obligations following any assignment or delegation, including one for which the Supplier has not obtained the consent of the Buyer. Any consent to an assignment does not include consent to any further assignment by the party to which the Supplier has made the assignment.

SECTION 24. WRITTEN NOTICES

25.01 Use of Written Notice A **Written Notice** is used by the Buyer to provide a required notice or instructions to the Supplier, or to authorise an exception, deviation or waiver of a pre-existing obligation or requirement under the Purchase Order. A Written Notice is also used by the Supplier to provide any notice to the Buyer that is required to be in writing. In the case of the Buyer, any Written Notice is valid only if signed by a representative of the Buyer's purchasing activity. A Written Notice may be signed manually or electronically.

25.02 How Provided A Written Notice may be provided by: (a) first class mail; (b) courier service; or (c) standard e-mail; A Written Notice using method (a) or (b) is effective as of the date of delivery, and using method (c), is effective as of the date of transmission.

SECTION 26. NO THIRD-PARTY RIGHTS

26.01 No Third-Party Rights Except as expressly provided in the Global Terms and Conditions, no term, condition or right in or arising under any of the documents or relating to the purchase of the Goods gives or creates any third-party beneficiary rights or any other rights whether in law or equity to any person or entity other than the Buyer, the Supplier and their Related Companies.

SECTION 27. MISCELLANEOUS MATTERS/ DOCUMENTS USED

27.01 Convenience Only The Table of Contents, Index of Defined or Referenced Terms, headings and captions are provided for convenience only and do not create or affect any substantive rights. Examples are provided for illustrative purposes only.

27.02 Construction No provision may be construed against the Buyer as the drafting party. The term "including" means "including without limitation". The term "days" means calendar days. The term "document" means a document in paper or electronic form.

27.03 Controlling Language The English version of the Global Terms and Conditions will apply in the event of any disagreement over any translation.

27.04 Governing Law; Jurisdiction; Venue.

Each Order shall be governed by English law without regard to any applicable conflict of laws provisions. The United Nations Convention on the International Sale of Goods is expressly excluded. The parties irrevocably agree that the courts of England shall have exclusive jurisdiction to settle any dispute or claim arising out of, or in connection with these Global Terms and Conditions, the subject matter or formation (including non-contractual disputes or claims).

27.05 Documents used Provisions in this Section describe the most common types of documents that may apply to the purchase of the Goods. The documents are listed in the approximate timing sequence in which they may be entered into with the Supplier.

A **Non Disclosure Agreement** is an agreement that governs the handling of confidential information and Intellectual Property which must be entered into by anyone handling the Buyer's confidential information.

A **Nomination Letter** is an agreement that may be entered into before a Production Purchase Order is issued. It lets the Supplier know that it has been chosen to supply the Goods, subject to these Global Terms and Conditions.

A **Request For Quote (RFQ)/ Request for Information (RFI)** asks the Supplier to provide a quotation for the supply of the Goods. Any quotation must be based on these Global Terms and Conditions. Typically will include a technical specification, delivery details, quality specifications, delivery terms, timing and project requirements.

A **Fixed Purchase Order** is used to purchase a specified amount of Goods. It describes the Goods and specifies the price, quantity, delivery and other key terms.

An **Open Order** is used to purchase goods or services, on an ongoing basis. It provides a framework of agreed terms, like the price, that will apply when the Buyer issues a Release. Types of Open Orders Sertec issues out are for Raw Material, Bought out Parts and Outside Process.

A **Tool Order** is used to purchase Tooling required to produce prototype or ongoing production Goods.

The **Global Terms and Conditions** are the primary contract terms and conditions that apply to the purchase of the Goods. They also include special provisions for the purchase of Tooling, Service Parts and Component Parts.

A **Release** (also known as a **Schedule**) instructs the Supplier to deliver a specified quantity of the Goods to a particular location by a specified date and time.

*****END OF DOCUMENT*****