



PURCHASE ORDER TERMS & CONDITIONS

1. Definitions

- a) The "**Buyer**" – Instro Precision Limited.
- b) The "**Order**"- the purchase order to which these Terms and Conditions are attached, including these Terms and Conditions and all other attachments.
- c) The "**Parties**" - both Buyer and Seller collectively;
- d) The "**Party**" - either Buyer or Seller individually;
- e) The "**Seller**" - the person, firm or company to whom the Order is addressed, as set forth on the face of the Order;
- f) The "**Services**" – the services ordered hereunder from Seller, as described in the Order and in accordance with the SOW and Technical Specifications.
- g) The "**SOW**" – the statement of work referenced in the Order.
- h) The "**Supplies**" - the materials, documents and/or products purchased hereunder from Seller, as described in the Order and in accordance with the SOW and Technical Specifications.
- i) The "**Technical Specifications**" – the technical specifications referenced in the Order.
- j) The "**Terms and Conditions**" – these terms and conditions.



2. General

- a) The Order is placed, subject only to these Terms and Conditions, the SOW, Technical Specifications and other documents, to the extent the same are incorporated by specific reference in the Order. The reference to any proposal from Seller (if any), is only for the purpose of specifying basic information and then, only as such terms are consistent with the Terms and Conditions. Any of Seller's terms and conditions will not be binding. Without derogating from the generality of the aforesaid, any limitation of Seller's liability in the Seller's proposal or in any other place other than in these Terms and Conditions shall be null and void.
- b) If Seller wishes Buyer to accept a term of Seller, or accept a particular responsibility, or if Seller wishes to rely on a representation Buyer has made, Seller must therefore obtain Buyer's express agreement to that - that means express written agreement, signed by a director or other senior officer of the Buyer and referring expressly to these Terms and Conditions. Buyer's acceptance of contractual performance by Seller does not imply acceptance of any terms that are different from these Terms and Conditions. Seller must indemnify Buyer against any consequence of Seller seeking to rely on any contractual terms, or any statement, understanding or representation which is not contractually agreed as set out in this section.
- c) Buyer shall not be contractually bound until Buyer places a formal Order and then only to the extent of the issues specifically covered by that Order or in writing signed by a director of the Buyer.
- d) Seller's commencement of performance under the Order, or Seller's signed acknowledgement or acceptance of any payment for the Supplies, Services or any part thereof, constitute Seller's acceptance of the Order.
- e) If any of the terms of the Order conflict with or contradict each other those terms will over-ride each other in the following order of priority: (1) any express written agreement from the Buyer (2) the Order; (3) these Terms and Conditions.

3. Specification of Supplies and Services

- a) Supplies and Services are to be supplied complete in all respects in accordance with the Order and in compliance with the SOW and Technical Specifications.
- b) Any Order of Supplies shall unless otherwise stated the Order, be deemed to include also the supply of all relevant documentation and certification (including Certificates of Conformity) and of any commissioning of those Supplies, necessary to enable the Buyer to use them for their intended purposes. Any Order of Services unless otherwise stated in the Order, shall be deemed to include the complete performance of those Services including any employee instruction, manuals, explanations or certifications necessary to enable the Buyer to benefit from them for their intended purposes. In addition, any Order is deemed to include any legal rights necessary to use the Supplies and Services for their intended purposes. References in these Terms and Conditions to "Performance" are to complete performance of all Seller's obligations as described herein.



4. Facilities and Special Equipment

The Seller confirms that it now has, or can readily obtain, without assistance of the Buyer, all facilities, tools and special equipment necessary for the timely Performance of this Order. Special dies, tools, patterns and the like used in manufacture of the Supplies and provision of the Services herein ordered shall be furnished by and at the expense of the Seller.

5. Buyer Furnished Equipment

Buyer shall furnish to Seller the equipment and information as specifically set forth in the SOW (the "BFE").

Any materials and/or property furnished by the Buyer in connection with the Order, will be deemed loaned to the Seller for purposes of the Order only and title thereto shall at all times remain with the Buyer. Such materials and/or property will be at Seller's sole risk while they are, or are supposed to be, in Seller's possession or control. Seller is not to part with possession unless with Buyer's prior written consent. Seller agrees to fully compensate Buyer for such materials and/or property which are not returned to Buyer either as originally loaned (except for reasonable wear and tear due to the utilization of the same in accordance with the provisions of this Order and for the purpose of this Order only) or as an integrated part of Supplies ordered.

6. Packing, Marking and Shipping

Specific instruction as to packing, marking and shipping shall be as set forth on the face of the Order.

Seller will comply with any reasonable requirements Buyer may have as regards the packaging and packing of any Supplies, and as to information to be displayed on packaging or included on despatch documentation and bills of lading. Subject to that, Seller will ensure that all packaging, packing, labelling and documentation is such as to ensure full compliance with legal requirements throughout the scheduled delivery process.

7. Invoices and Shipping Documents

- a) Packing lists and invoices shall show Buyer's Order number and line item number, manufacturer's parts numbers and a short description of the Supplies. Each container or package must have its individual packing list showing the contents of the container. One copy of the packing list must be attached to the outside of the container in a re-sealable plastic envelope, and an additional copy should be placed inside the same containers. Two copies of invoice, (of which one should be signed original) and two copies of the packing list must be attached to airway bill or bill of lading to accompany shipment. One signed original copy and one copy of the invoice and one copy of the packing list should be sent via airmail and by e-mail directly to the Buyers Accounts Department and to the Buyer's Purchasing Department where applicable. Failure to comply with the above will delay identifying shipments at customs, thus delaying payment.



- b) Invoices for the Supplies and Services may be sent to Buyer on, or after, completion of Performance. Seller shall invoice separately from despatch of the goods to Buyer. Each invoice must quote the number of the Order. No sum may be invoiced more than six months late.
- c) Seller shall include a Certificate of Origin (COO) as part of the shipping documents. In the absence of a COO and provided that an origin stamp appears on the invoice or packing list, or Seller specified origin information in Supplier letter of instruction (SLI), then such stamp or SLI shall be deemed as the Seller's irrevocable authorization to the international freight forwarder to provide the COO on behalf of the seller. In the event that the Seller is requested to complete the English customs verification of the COO it will cooperate by providing any requested verification data to the English customs.

8. Quality, Inspection and Testing

- a) The Buyer, its customers, the end user, and/or the relevant regulatory authorities shall be entitled to inspect and test the Supplies to be supplied, both during and after production, and the Services being provided, whether at the Seller's facilities or at the premises of any of its subcontractor(s). Seller shall provide the labour, information and the facilities required for proper testing of the Supplies and Services. The Seller undertakes to give Buyer's inspector sufficient advance written notice prior to performing Seller's acceptance tests and all inspections required. Such inspection shall in no way relieve the Seller of its responsibilities under the Order.
- b) All Supplies ordered are subject to Buyer's final incoming inspection and approval, after delivery to Buyer's facilities. The Buyer may refuse to accept any supplies and/or services which are not in accordance with the Technical Specifications, SOW and/or any other part of the Order. In such case the Buyer shall have the right to return the supplies and/or withhold payment for same. Notwithstanding the above, Buyer may request Seller to promptly replace, if necessary, by most expeditious manner, such supplies and/or services, to Supplies and Services conforming in all respects to the Order and applicable standards. All charges, including transportation expenses for such replacement, are to be borne by the Seller. Buyer will not be bound to return to Seller any packaging or packing material.
- c) Should the Seller elect not to have such supplies returned, the Buyer may dispose of them in any manner deemed suitable by the Buyer. Should the Seller fail to promptly replace the supplies and/or services incorrectly provided, with conforming Supplies and/or Services, or to make alternative arrangements mutually agreed upon in writing between the Buyer and the Seller within a reasonable time, the Buyer, at its option, may require the Seller to indemnify the Buyer for all losses or damages resulting therefrom, including without limitation, costs incurred by Buyer for the replacement or correction of such supplies and/or services. The foregoing is in addition to any other rights Buyer may have in contract, at law or equity. Seller shall not again tender rejected or corrected supplies unless Seller discloses the former tender and rejection or requirement of correction.
- d) It is expressly agreed that payment shall not constitute final acceptance.



- e) To protect Buyer's business Buyer may need, sometimes urgently, information as to precisely how Supplies and Services were performed, and as to all relevant activities of any suppliers or sub-contractors of Seller. Seller will meet any such reasonable request as soon as reasonably possible, and will keep records adequate for that purpose for at least two years after completion of Performance. Without limitation, these records must provide full traceability for all goods comprised in, or used in making, any contract goods which are in any respect safety-critical. They must also demonstrate compliance of the contract work with all legal or regulatory requirements and with all contractually binding quality and Performance standards.

Seller shall maintain an effective quality assurance system for control of material quality, assembly, testing, packaging and shipping, and routines for quality verification and corrective actions which is acceptable to the buyer and/or its customer. Unless otherwise stated in this Order, such quality assurance system shall be in accordance with the requirements of most updated ISO 9001-2008 standard and/or AS-9100 (as applicable).

- f) For special processes, Seller shall subcontract only vendors approved by Buyer and / or perform it internally subject to Buyer's approval. Seller shall keep all drawings and documents relevant to the Order for a period of 7 years from the last delivery.

9. Changes

- a) Buyer, at any time, by written and signed change order, may request changes in the Supplies and/or Services or their quantities or delivery dates or any other term or condition of the Order. If the cost or delivery time is increased or decreased as a result of such change order, an equitable adjustment in the Order price and/or delivery schedule will be made in the change order signed by Buyer. If a price and/or delivery adjustment is not included in the signed change order, no increase in price or delay in delivery will be allowed. Any claim by Seller for such adjustment or non-adjustment must be asserted by Seller in writing, within 2 working days from the date of the change order, following which the Parties shall enter into negotiation. Any claim for price adjustment shall be only to fairly and proportionately reflect any unavoidable increase in Seller's cost due to the requested change. Failing to make such claim as aforementioned, the change order will be deemed to have been accepted by Seller, and the Order will be deemed to have been varied with immediate effect to reflect the change with no price increase.
- b) The Order shall not be deemed or construed to be modified, amended, cancelled or waived, in whole or in part, except by a written change order hereto signed by the Buyer's authorised representative. Nothing contained in this section shall excuse Seller from proceeding with the change order.
- c) Any major change in Seller's production processes or any other process regarding the Supplies and/or Services, such as: change in production site location, design changes, replacement of major subcontractor, change in one or more production processes, change that affects the Supplies' FFF (fit, form or function), requires an advanced notification by Seller to Buyer, in writing and in the latter case- also Buyer's prior written approval.



10. Delivery

- a) Any Supplies will be delivered to, and any services performed at, the address and on the date stated in the Order, or else under section 10) a), during usual business hours. If the Order refers to terms such as F.O.B. and C. & F. which bear defined meanings in the current edition of Incoterms, those defined meanings will apply unless expressly stated otherwise.

If no address is specified, then delivery will be at Buyer's usual or main UK premises.

- b) If Buyer specifies the date or delivery address after ordering, Buyer will give Seller reasonable notice of the details. Failing a date, supply will be within 28 days of the Order or earlier if permitted by Buyer in writing.
- c) If Seller's deliveries fail to meet the schedules specified herein and as a result Buyer requires and Seller makes express and/or air shipments, partial shipments, or both, then Seller agrees to assume all resulting excess shipping charges. Invoices covering Supplies shipped in advance of requested delivery schedules will not be paid until their normal maturity after the date specified for delivery.
- d) Buyer shall not be liable for delays or defaults due to causes beyond its reasonable control which were both unforeseeable and unavoidable, including without limitation acts of God, governmental actions, war or national emergency, acts of terrorism, cyber-attack, protests, riot, civil commotion, fire, explosion, flood, epidemic, lock-outs, strikes or other labour disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials ("**Force Majeure**"). In case an event of Force Majeure continues to remain in effect for more than three (3) months the Buyer shall be entitled to terminate the Order without liability.
- e) Without derogating from Buyer's rights under the Order and/or in accordance with the law, the Buyer may, at its sole discretion, cancel the Order in whole or in part, where there is a delay in delivery for any reason, and in such case Seller shall have no right to claims against the Buyer for cancellation or any other charges. Where Supplies are to be supplied in instalments, the Order is still to be treated as a single contract. If Seller fail to deliver or perform any instalment Buyer may treat the whole Order as repudiated.
- f) The Seller hereby acknowledges that the time of delivery/performance under the Order is of the essence and that the Supplies ordered may be combined with other supplies. Therefore the Seller hereby agrees to indemnify the Buyer for any losses and/or damages and/or expenses incurred by the Buyer, due to any delay by the Seller in supplying the Supplies. Delivery ahead of the schedules herein specified is subject to prior written approval by Buyer at its sole discretion.
- g) Without derogating from the aforesaid, in case of Seller's failure to meet its obligations within deadlines set forth under the Order, Buyer shall be entitled, in addition to any other right under contract or law, to apply liquidated damages in the amount of 1% of the overall Order price for those Supplies, for every week's delay. Buyer will be entitled to set-off the above liquidated damages from any payment due to the Seller. The Parties agree that the liquidated damages detailed above are based on an estimation made by



the Parties in good faith regarding the foreseeable damages to Buyer as a result of the Seller's failure to comply with its obligations according to the schedule of the Order.

- h) Title to the Supplies shall pass to Buyer, free of all liens, claims and encumbrances, upon delivery thereof in accordance with the provisions of the Order, unless Buyer has paid in whole or in part for the Supplies in advance, in which case it will pass to Buyer as soon as the Supplies have (or, if Supplies are being assembled for Buyer, each successive component of the Supplies has) been appropriated to the Order. Risk of loss to the Supplies shall first pass to the Buyer upon their delivery to Buyer, after which the risk of loss to the Supplies shall pass to whichever Party possessing them.
- i) If any Performance occurs on Buyer's premises this sub-section will apply. Seller will ensure that best industry standards are adopted for the health and safety both of Seller's personnel and of any other individuals affected by Seller's actions. Buyer may refuse or terminate access to any individual whom Buyer reasonably considers undesirable to have on its premises. Seller's personnel must, while on Buyer's premises, comply with Buyer's reasonable requirements as to security, health and safety routines, times and areas of access, and otherwise.

11. Warranties

- a) In addition to and without derogating from any other provision hereof, the seller hereby warrants that:
 - i) The Supplies and Services (as applicable) shall be of the best available design, of the best quality, material and workmanship, be without fault and conform in all respects with the Order and Technical Specifications;
 - ii) The Supplies and Services shall be free from defects in design, workmanship, material and/or performance;
 - iii) The Supplies and Service shall comply with all statutory requirements and regulations, and with all normally applicable quality standards, relating to their sale or supply;
All claims made by Seller about any Supplies and Services, and all apparently serious claims in Seller's advertising and promotional material, are correct and can be relied upon; and
 - iv) Any work under the Order will be performed by appropriately qualified and trained personnel.
- b) During a period of twenty four (24) months, and ten years for latent defects and/or design defect, to be calculated from the date of acceptance of the applicable Supplies and Services by the Buyer, any defective item/service will promptly, and in no event later than 90 days from Buyer's notification to Seller of a warranty claim, be repaired or replaced by Seller, without cost to Buyer, and the warranty terms renewed. Without derogating from the generality of the aforesaid, Seller shall be responsible for all related activities and expenses, including without limitation disassembly, delivery, installation, testing, and redelivery, at any relevant location. Upon Buyer's request, Seller shall promptly provide Buyer with a 'Return of Material Authorization' number (RMA). If Seller



fails to provide such RMA, it shall be deemed as Seller's default. This warranty is applicable without prejudice to other warranties available at law or contract.

- c) All warranties, conditions and other terms implied by statute or common law in favour of the Buyer will apply to any Supplies and Services in addition to the aforementioned. Any rights under this section 11) is additional to any rights and remedies available to Buyer under contract, law and/or equity.

12. Support and Obsolescence

- a) Seller agrees that for the term of this Order as well as for a period of fifteen (15) years after termination of the warranty period for the last item of Supplies (the "**Support Period**"), it shall retain under its control technical personnel who are expert in the design, manufacture and trouble-shooting of the Supplies. Such personnel shall be available to render technical assistance to Buyer upon request. Such technical assistance, which will be limited to assistance by telephone, fax or correspondence, shall be supplied to Buyer at no charge and shall be available during Seller's normal business hours.
- b) In the event that Buyer requires repair of the Supplies, or any part thereof, during the Support Period, Seller shall perform such repairs on reasonable terms to be agreed. Seller shall maintain the capability to perform such repairs throughout the Support Period.
- c) Seller undertakes during the Support Period, to supply Buyer with Spare Parts for the Supplies (including all components thereof) as Buyer may from time to time require, at prices which are fair and reasonable considering prevailing market prices at the time said items are ordered, and applying any discount normally granted by Seller in comparable circumstances. Seller further undertakes that the total prices for all Spare Parts which together comprise a complete Supply shall not exceed the then-current price to Buyer for production units of such complete Supply.
- d) In addition, during the Support Period, Seller shall provide Buyer with "last time" purchase advanced notice of at least 30 days, and purchase opportunity, in the event that item of the Supplies or spare parts is about to become obsolete. If such notice will not be provided by Seller to Buyer, then Seller is committed to continue to deliver to Buyer the Supplies or Spare Parts in full Fit, Form and Function, assuming all required design, qualification, certifications or any other tasks and their costs.
- e) During the Support Period, Seller shall give Buyer at least twelve (12) months prior written notice of any proposed discontinuance/withdrawal of the manufacture of any Supplies (whether manufactured by the Seller or otherwise) including, but not limited to maintenance and/or spare parts (the "**Supply Support Items**"). Upon such notification, the Buyer may, at its sole discretion, direct the Seller to:-
- i) If the Seller *is not* the manufacturer of the Supply item, procure for the Buyer or Buyer's designee at a fair and reasonable price and upon mutually acceptable terms and conditions an irrevocable perpetual, royalty-free and fully paid-up right and license to manufacture, repair, sell and support and non-exclusive license to manufacture the Supply Support Item, or
 - ii) make satisfactory arrangements with a third party to establish a continuing source of an item equivalent to the Supply Support Item, without in any way degrading the



- performance of the Supply Support Item or affecting the inter-operability or interchangeability of the major assemblies, sub-assemblies, or parts thereof, or
- iii) find suitable replacement, and if necessary, suggest engineering modifications to the Supply Support Item without in any way degrading the performance of the Supply Support Item or affecting the inter-operability or interchangeability of the major assemblies, sub-assemblies, or parts thereof; or
 - iv) If the Seller is the manufacturer of the Supply Support Item, it shall promptly furnish to Buyer, or to Buyer's designee all of the drawings, data, technical documentation (hereinafter collectively referred to as the "**Know-How**"), as well as the training and technical assistance required by Buyer or its designee to manufacture and repair the Supply Support Item. In such event, Seller hereby undertakes to grant Buyer and/or Buyer's designee an irrevocable, perpetual, royalty-free and fully paid-up right and license to manufacture, repair, sell and support the Supplies and spare parts utilizing the Know-How.
- f) Any items purchased by Buyer pursuant to this Clause shall be subject to all of the other applicable terms and conditions set forth in this Order.

13. Intellectual Property Indemnification

Seller hereby warrants that neither the sale nor supply of any Supplies, nor its proper use by Buyer and/or its customers for an intended purpose, will breach any property rights in or about that Supplies, including intellectual property rights, of any other person.

Seller agrees to save Buyer, its customers, the end user and their representatives, directors and employees (hereinafter the "**Indemnitees**") harmless against any loss, damage and/or liability (including any costs and/or expenses incidental thereto) incurred on account of any infringement of any patent or other proprietary rights with respect to any Supplies and/or Services provided under the Order, provided that in case of Supplies, such Supplies are not manufactured solely pursuant to a design furnished to Seller by Buyer. Seller also agrees that it will, at its own expense, defend the Indemnitees against any action, suit and/or claim in which infringement is alleged, provided Seller is duly notified as to such suit or claim, as soon as practicable. At Buyer's written request, such defence shall be fully coordinated with the Buyer. In case the Supplies, Services or any part thereof, are held to constitute an infringement or the use thereof is enjoined, Seller shall, at its own expense and at Buyer's choice, either (1) procure for Buyer the right to continue using the Supplies and Services or any part thereof, (2) replace same with non-infringing Supplies and Services or parts thereof, or (3) modify the Supplies and Services so that they become non-infringing, in each case, without derogating from the Supplies' and Services' conformance with the requirements of the Order.



14. Proprietary rights, rights in data and confidentiality

- a) Where Performance under the Order includes experimental, developmental, or research effort or non-recurring including tooling's and such work is paid for in whole or in part by Buyer, Seller agrees to disclose to Buyer all confidential processes and/or know-how and/or trade secrets and/or any invention, discovery, proprietary information and or any tooling resulting therefrom. All patents, copyright, trade secrets, trademarks, or other intellectual property resulting therefrom shall be the sole property of the Buyer and at Buyer's request, Seller shall assign to Buyer each invention and proprietary rights resulting therefrom, including without limitation any patent or patent application, without additional charge. Seller shall provide support for Buyer's prosecution of such patent application. Buyer shall have the full right to use such property in any manner without any claim on the part of the Seller and/or any third party and without any duty to account to the Seller or any third party for such use.
- b) In the event the Order includes supply of Supplies and/or Services that requires a license by the Seller, the manufacturer and/or by any third party for the usage of the Supplies and/or Services and/or their transfer to any third party, the Seller hereby declares that it irrevocably grants such license to the Buyer (and Buyer may grant sub-licenses thereto) on the following terms: assignable; royalty-free; covering usage for any likely intended purpose; free of any obligation and without restriction, notwithstanding any standard license which may accompany the Supplies and/or Services.
- c) Each of Seller and Buyer agrees that all information disclosed to it (the "**Receiving Party**") by the other Party (the "**Disclosing Party**") which is non-public, proprietary or confidential information, including without limitation information contained in drawings, specifications, or other documents, software or other items, is considered proprietary to the Disclosing Party (hereinafter the "**Proprietary Information**"). Without derogating from the generality of the aforesaid, Buyer's Proprietary Information shall also be deemed to include the identity of the Buyer's customers or the end user and the Parties' cooperation hereunder, the Buyer's systems, BFE, and any work and supplies ordered hereunder.

Subject to the aforesaid, the Proprietary information shall not include information which the Receiving Party can prove by evidence in writing to be in the public domain, other than through the fault or negligence of the Receiving Party, or which is known to the Receiving Party at the time of its disclosure by the Disclosing Party without obligation of confidence, or is rightfully obtained without restriction by the Receiving Party from a third party. The Receiving Party undertakes that unless the Disclosing Party otherwise approves in writing, the Proprietary Information shall not be reverse engineered or decompiled and shall not be utilized in whole or in part by the Receiving Party, except for the fulfilment of the Order and/or the Buyer's engagement with its customer. By way of illustration only, Seller may not use such Proprietary Information to help Buyer's competitors, poach Buyer's staff or disparage Buyer's reputation. The Receiving Party shall not disclose the Proprietary Information to any third party (except that Buyer shall be entitled to disclose Seller's Proprietary Information to its customers if required), and shall take all reasonable precautions to prevent the disclosure of the Proprietary



Information to third parties. Receipt by the Receiving Party hereunder of Disclosing Party's Proprietary Information shall not be deemed as a grant of any right or license to the Receiving Party with respect to such information.

Upon the completion and/or termination of the Order, the Receiving Party shall immediately cease to make any use of the Disclosing Party's Proprietary Information and return to the Disclosing Party the Proprietary Information and all copies thereof, or pursuant to Disclosing Party's request, destroy such proprietary Information, and provide Disclosing Party a written certificate of destruction.

- d) Notwithstanding the aforesaid, any information which is proprietary to Seller and which is disclosed in the products or documents furnished to Buyer hereunder shall be deemed to have been disclosed as a part of the consideration for the Order and Buyer shall have full right to its use as Buyer so deems.
- e) Seller shall comply with all applicable security procedures and regulations, and access to any information which may contain classified information shall be restricted accordingly.
- f) Any advertising of the Order or any news release relating thereto or otherwise relating to Buyer, its customers or the end user (including the Supplies and Services supplied hereunder, pictures, descriptions and/or samples thereof) by Seller is prohibited, except with Buyer's prior written approval at its sole discretion.
- g) The provisions of this section 14) shall survive the completion and/or termination of the Order.

15. Stop Work Order

- a) Buyer may, from time to time by written order, (the "Stop Work Order"), suspend all or part of the work to be performed under the Order for an accumulated period not to exceed one hundred and twenty (120) days. Seller shall take all reasonable steps to minimize the recurring of costs allocable to the work covered by the Stop Work Order.
- b) Within such period of any stop work, Buyer shall: (i) cancel the Stop Work Order; (ii) terminate the Order in accordance with the "termination" article; or (iii) extend the Stop Work Order period.
- c) Seller shall resume work whenever a Stop Work Order is cancelled. Buyer and Seller shall negotiate an equitable adjustment in the price or schedule or both if: (i) the Order is not terminated; (ii) the suspension results in a change in Seller's cost of performance or ability to meet the order delivery schedule; and (iii) Seller submits a claim for adjustment within fifteen (15) days after the Stop Work Order is cancelled.

16. Termination

- a) Buyer reserves the right to terminate the Order, or any part hereof, and to cancel all or any part of the undelivered portion of the Order if Seller does not provide the Supplies and/or Services as provided in the Order or if Seller otherwise breaches any of the terms hereof, including without limitation Seller's warranties. Prior to such termination, and at Buyer's sole discretion, Buyer may decide to provide Seller an opportunity at Seller's expense and at the conditions to be determined by Buyer, to remedy any breach.

In addition to the aforesaid Buyer shall have the right to terminate the Order or any part



thereof, and cancel all or any part of the undelivered portion, in the event of the occurrence of any of the following: (i) insolvency of Seller, and/or (ii) filing of an involuntary petition to have Seller declared bankrupt, (provided it is not cancelled within thirty days from date of such filing), and/ or (iii) upon the granting of a winding-up or similar order in respect of the Seller, or if a temporary or permanent liquidator or receiver is appointed in respect of the Seller, or if a temporary or permanent attachment order is granted on all Seller's assets, or a substantial portion thereof, (provided such order or appointment is not cancelled within 30 days of the grant of such order or the date of such appointment), and/or (iv) the execution by Seller of any assignment for the benefit of its creditors and/or (v) if the Seller passes a resolution for its voluntary winding-up, and/or (vi) Seller stops or threatens to stop carrying on business, and/or (vii) Seller suffers any process equivalent to any of these, in any jurisdiction, and/or (viii) Buyer reasonably believes that any of the events mentioned above is about to occur and notifies Seller accordingly.

Buyer shall have no obligation to Seller in respect to the cancelled portion of the Order. Buyer's liability shall be limited to payment for the delivered and accepted portion of the Order which is usable by Buyer at the rate specified on the face hereof (reflecting quantity prices as though the Order had gone to full completion). Seller shall refund Buyer any and all amounts paid by it on account of the remaining portion of the Ordered which is not delivered and accepted by Buyer and shall indemnify Buyer for any damages caused to it due to the termination. If as a result of default of performance by the Seller, the Order is terminated in whole or in part and it is necessary to procure any of the specified Supplies and/or Services elsewhere, then Seller shall be liable for any re-procurement charges which exceed the amount which would have been due to the Seller if it had satisfactorily completed the Order. These remedies shall be cumulative and additional to any other remedies available to Buyer in law or in equity.

- b) Buyer may, for its convenience, terminate work under the Order, in whole or in part, at any time, by giving notice to Seller in writing. Seller will thereupon immediately stop work on the Order, on the terminated portion thereof, and notify any subcontractors to do likewise. Seller shall be entitled to reimbursement for its actual direct, reasonable and proven costs incurred up to and including the date of termination, provided that such costs are justified considering the relative point in time of the order execution and that title to completed and partially completed supplies including any material required are transferred to Buyer. Such costs to be determined in accordance with recognized accounting principles. Seller shall also be entitled to a reasonable profit on the work done prior to such termination at a rate not exceeding the rate used in establishing the original purchase price. The total of such claim shall not exceed the Order price for the pro-rata portion of the Order which is cancelled, reduced by amounts previously paid to Seller hereunder.

Termination claims shall be subject to inspection and audit by the Buyer in the event of cancellation under this clause.

- c) Any rights under this section 11)16) is additional to any other rights and remedies available to Buyer under contract, law and/or equity.



17. Prices and Payment Terms

- a) In consideration of Seller's completion of all of its obligations and the supply of all Supplies and Services hereunder, Buyer shall pay Seller the amount set forth on the face of the Order, according to the Milestones specified therein. Seller shall not be entitled to any additional payment in connection with the Order unless specifically agreed to in writing hereunder or via changes process as set forth in Article 9) hereof.
- b) All prices will be as stated in the Order and, unless otherwise stated, will be:
 - i) Firm, fixed and final, not subject to any change or escalation;
 - ii) Exclusive of any applicable VAT (which will be payable by Buyer subject to receipt of a valid VAT invoice); and
 - iii) Inclusive of all charges for packaging, packing, shipping, carriage, insurance and delivery, commissioning or performance of Supplies to or at the delivery address, and of any taxes, duties, fees and levies other than VAT.
- c) Buyer will be entitled to any discount for prompt payment, bulk purchase or the like normally granted by Seller in comparable circumstances.
- d) Payments shall be made in pounds sterling, within 30 days commencing on the first date of the following month after the later of (i) Buyer's receipt of Seller's tax invoice; and (ii) Seller's completion of the applicable milestone as confirmed in writing by the Project Manager of the Buyer.

18. Indemnity and Insurance

- a) Indemnity

Seller shall, upon their first request, indemnify and hold harmless Buyer, its customers, the end user and each of their officers, employees, agents and invitees, from and against all claims, judgments, liabilities, losses, injuries and damages of every and/or any nature, including without limitation, in respect of injuries or death to persons or damages to property (including costs and expenses incidental thereto), caused by (i) the acts or omissions to act by the Seller, its subcontractor(s) and/or any of their officers, employees, agents, invitees or vendors, directly or indirectly arising in connection with this Order and/or (ii) the Supplies or Services provided hereunder and/or (iii) the violation by Seller, its subcontractor(s) and/or their respective officers, employees, agents, invitees or vendors of any applicable laws, acts or regulations, and/or (iv) the breach of any of the representations and/or warranties provided by the Seller.
- b) Insurance
 - i) Without derogating from the Seller's liability by law and/or under this Order, and prior to executing any activity under this Order, Seller shall, at its own expense, provide and maintain as a minimum, during the entire performance of this Order and for any additional period during which the Seller is held liable, with carriers acceptable to Buyer, adequate levels of insurance policies against all risks usually insured against by sellers and/or suppliers carrying on the same or a similar business as the Seller, which shall include: Employer's Liability with limits of no less than £ 10,000,000 per occurrence and in the aggregate, General Public Liability with limits of no less than



£ 5,000,000 per occurrence and in the aggregate, Product Liability with limits of no less than £ 10,000,000 per occurrence and in the aggregate, Aviation Products Liability Insurance and/or Aviation Liability Insurance (if applicable) each for a combined limit of not less than £ 100,000,000 occurrence and in the aggregate, Errors & Omissions Insurance (if applicable) with limits of no less than £ 5,000,000 per occurrence and in the aggregate, Marine insurance (if applicable) for a limit not less than the full value of Supplies, as well as any other insurance suitable to the Seller's activities and/or required by law or regulation. Without derogating from the above, Seller shall comply with the applicable Workers Compensation legislation of the jurisdiction(s) in which the work under the Order is performed.

- ii) Evidence of such insurance policies shall be provided to the Buyer upon its request.
- iii) Seller shall insure the Supplies and all parts thereof against loss or damage for their full replacement value.
- iv) The Seller represents and warrants that it shall not have any claims, demands and/or actions against the Buyer and/or anyone on its behalf concerning damage to its property or other property used for the performance of the Services and/or provision of Supplies.
- v) All liability policies shall name Buyer as additional insured, and shall provide that Buyer will receive thirty (30) days' prior written notice from the insurer if any coverage is suspended, voided, cancelled or reduced in limit. Seller's furnishing of certificates of insurance or purchase of insurance shall not release Seller of its obligations or liabilities under this Order. All policies of insurance procured by Seller must be written as primary policies, not contributing with or in excess of coverage that Buyer may carry. Seller agrees that Seller, Seller's insurer(s) and anyone claiming by, through, under or on Seller's behalf shall have no claim, right of action or right of subrogation against Buyer and Buyer's customer.

19. Assignment

Seller shall not be entitled to assign its rights and obligations under the Order without Buyer's prior written consent, not to be unreasonably withheld. Buyer is entitled to freely assign all or any part of rights under the Order to any parent, subsidiary or associated company. In case of subcontracting by the Seller of certain works hereunder, Seller shall remain fully liable towards Buyer for any such works.

20. Taxes

Buyer shall not be liable under or in connection with this Order for any governmental, municipal or other taxes, duties, levies and/or compulsory payments, other than specifically agreed in the Order.

21. Bank guarantee

For the due and faithful Performance of Seller's obligations under the Order, and without prejudice to the rights and remedies of Buyer, the Buyer reserves the right to insist the Seller shall provide Buyer with a standby irrevocable and confirmed bank guarantee (the



"Performance Guarantee") as per the form acceptable to Buyer, from a bank acceptable to Buyer, in an amount to be agreed. In the event Seller defaults or fails to perform the Order in accordance with its terms, Buyer shall be entitled to exercise the Performance Guarantee by issue of a written notice to the issuing bank. The Performance Guarantee shall be valid until one (1) month after the last delivery.

22. Export /import permit

Seller shall be responsible to obtain any and all export and/or import permits/licenses, and any other licenses, permits and/or approvals, to the extent required, under applicable law for the supply of the Supplies and Services and for meeting its obligations under the Order. Buyer shall at Seller's request provide reasonable assistance.

Seller shall notify Buyer in advance, and in any event no later than 7 days from signature of the Order, what governance applies on the Supplies and in case any form of statement, including but not limited to: an end use/end user statement and/or a request for the transfer of information is required, Seller shall obtain a written approval from Buyer for providing the required statement and/or the transfer of information.

Seller shall document an orderly registration of the restricted items and upon delivery to Buyer shall provide Buyer with the relevant permits and/or licenses.

23. Disputes

All disputes between the Parties hereto which cannot be settled by agreement between the Parties shall be exclusively and finally settled by litigation in the courts of London, England, to whose jurisdiction the Parties hereby consent.

24. Governing Law

The exclusive law governing the Order shall be the law of England and Wales without reference to its conflict of laws principles.

25. Supplier Code of Conduct

- a) Buyer's commitment to fair and ethical conduct
 - i) Buyer is committed to conducting its business fairly, impartially, ethically and in a proper manner, including in making its procurement decisions.
 - ii) Buyer's code of business conduct and ethics (the "Code") is published on Buyer's website at: www.instro.com. Among other provisions of the Code, Buyer requires its employees to timely disclose any situations where family members, close personal friends, or former buyer employees could bias, or appear to bias, Buyer's business decisions, including those relating to procurement.
 - iii) The Code also provides that Buyer's employees may accept only nominal value gifts, entertainment or other items from suppliers or potential suppliers, as set forth in our anti-bribery compliance policy.
- b) Seller's conduct

Seller should refer to this Code's principles when ethical and compliance issues arise.



Each of the principles in this Code is fundamental to how Buyer does business.

By entering into any subcontract or purchase order with the Buyer, Seller is committing to conduct its activities in a manner consistent with this Code. Accordingly, all of Seller's business activities relating to work with the Buyer must be performed in a manner that is fair, ethical and compliant with this Code and applicable laws and regulations.

While the Code contains standards to be followed, no one document can cover all situations. If, for whatever reasons, following the Code would conflict with a legal requirement, Seller must comply with the law.

i) Seller will conduct all of its business activities relating to Buyer in a manner that is fair, ethical and fully compliant with applicable laws and regulations, including, but not limited to, those relating to:

- intellectual property and data security requirements;
- marketing materials and interactions with the media;
- fair employment and human rights;
- government procurement;
- anti-bribery;
- competition and antitrust;
- trade and export controls;
- health and safety;
- prohibition on counterfeit parts;
- sustainability and environmental compliance;
- conflict minerals compliance;
- reporting concerns without retaliation;
- recordkeeping and right to audit;

Seller is expected to comply with the above listed Code requirements. Which are detailed as published on Buyer's website at: www.instro.com

ii) Seller is expected to self-monitor its compliance with the above-mentioned standards of conduct and to promptly notify Buyer in the event of any non-compliance or suspicion of non-compliance that could affect Seller's activities with Buyer.

26. Prohibited Software

- a) This clause only applies to Supplies that includes the delivery of software.
- b) As used herein, "Prohibited License" means the General Public License ("GPL") or Lesser/Library GPL, the Artistic License (e.g., PERL), the Mozilla Public license, the Netscape Public License, the Sun Community Source License, the Sun Industry Standards License, or variations thereof, including without limitation licenses referred to as "GPL-Compatible, Free Software License."
- c) "Prohibited Software" means software that incorporates or embeds software in, or uses software in connection with, as part of, bundled with, or alongside any (1) open source or "free" software, library or documentation, or (2) software licensed under or subjects the software to a prohibited license, or (3) software provided under a license that requires the delivered software to be licensed for the purpose of making derivative supplies or be redistributable at no charge, or obligates Buyer to make available in any way or



accessible to any third party the delivered software, in any format, or any portion thereof, any products and/or object code and/or source code formats incorporating the delivered software.

- d) Unless Seller has obtained Buyer prior written consent, which Buyer may withhold in its sole discretion, Seller shall not use in connection with the Order, or deliver to Buyer, any Prohibited Software. Seller agrees to defend, indemnify, and hold harmless Buyer, its customers and suppliers from and against any claims, damages, losses, costs, and expenses, including reasonable attorney fees, relating to use in connection with the Order or the delivery of Prohibited Software.

27. Counterfeit Materiel Prevention

Seller represents and warrants by acceptance of the Order and certifies with each shipment of Supplies that only new and authentic materials will be used and they contain no Counterfeit Materiel. Seller shall only purchase authentic materials/components directly from the OEM's/OCM's or through the OEM's/OCM's authorized or franchised distribution chain. Seller further represents and warrants that it has (or will have) and will make available to Buyer, at Buyer's request, all acquisition/procurement documentation from the OEM/OCM or their authorized or franchised distribution chain that authenticates traceability of each part, component, module or assembly of Seller's products or goods back to the applicable OEM/OCM. For purposes of this paragraph, "Counterfeit Materiel" shall mean a part, component, module, or assembly or supplies whose origin, material, source of manufacture, performance, or characteristics are misrepresented. The term "Counterfeit Materiel" includes, but is not limited to, (a) parts that have been (re)marked to disguise them or falsely represent the identity of the manufacturer, (b) defective parts and/or surplus material scrapped by the original manufacturer, (c) previously used materiel pulled, repaired or otherwise reclaimed and provided as "new" or (d) materiel that have reached a design life limit.

Seller will establish and maintain a counterfeit materiel prevention and control plan, using as a guideline aerospace standards SAE AS5553 and AS6174. The purpose of the plan shall be to prevent the delivery of counterfeit materiel and control of materiel identified as counterfeit.

If Counterfeit Materiel are furnished under the Order, Buyer shall have the right to act in accordance with AS6174 and AS5553 including, impounding and destroying the materiel. Seller shall be liable for all costs related to the materiel impounding, destroying, removal and replacement. Buyer reserves the right to withhold payments for said materiel. Buyer also reserves the right to report and to turn over such counterfeit materiel to the relevant authorities.

28. Miscellaneous

- e) Seller shall procure that none of its associates behaves in a way which, had the behaviour been Seller's, would have breached the Order. Buyer holds the Order on trust for itself and all of its associates, and the Order is made for the benefit of all of them so that Seller will be liable for damage caused to Buyer's associates as well as Buyer itself.



- Buyer's respective associates for this purpose are any parent company or ultimate controlling shareholder and any company owned by either.
- f) Failure of Buyer to enforce its rights under the Order shall not constitute a waiver of such rights or of any other rights under the Order or otherwise. Buyer's rights and remedies specified herein shall be cumulative and in addition to any other rights and remedies available in law or equity.
 - g) The invalidity, in whole or in part, of any provision hereof shall not invalidate or otherwise affect the validity of any other provision.
 - h) Seller represents and warrants that the Order shall be performed by it as an independent contractor and that no employer-employee relationship shall exist in connection therewith.
 - i) Seller shall include these Terms and Conditions, to the extent relevant, in its subcontracts, subject to the provisions of Article 14) hereof.
 - j) Unless otherwise agreed to in the Order, all documentation, labels, drawings, letters, and communications of any kind will be presented in the English language.
 - k) Buyer shall be entitled to the right to set-off against any amounts payable under the Order.
 - l) Seller's declaration –acceptance of the Order shall deem there is no end-use limitations with respect to the Supplies and Services.

29. Offset

Buyer shall be entitled to all offset credits resulting out of this Order. Seller shall support Buyer by providing documentation and information as requested by Buyer or the relevant authorities, to support and approve claims for offset credits for the Buyer.

30. Notices

Any written notice under the Order will be deemed to have been sufficiently served if posted by pre-paid official postal service, or if sent by fax then on receipt of successful answerback, or if sent by e-mail (but in this case only on evidence of successful transmission and only if the parties have regularly communicated on contract matters by that email route), to the address/number of the relevant Party as indicated in the Order, and to the attention of the contact person indicated in the Order.