



STANDARD TERMS AND CONDITIONS OF PURCHASE

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1. DEFINITIONS AND INTERPRETATION

1.1 In these Conditions and the Order (as defined below) the following expressions shall have the following meanings:-
"Surface Technology" or "STI." means Surface Technology International Limited which is a group company of STI Enterprises PLC, registered office is at Osborn Way, Hook, Hampshire, RG27 9HX
"Conditions" means the provisions set out herein.
"Force Majeure" means an event proved to be beyond the Purchaser's or the Supplier's reasonable control including without limitation an act of God, fire, flood, explosion, earthquake, any act of Government, war, insurrection or riot but excluding changes in date. "Intellectual Property" means information and data of all kinds, whether subject to statutory protection or not, including but not limited to inventions, drawings, designs, computer software, technical data packages, test results, manufacturing information, financial or commercial information, know how and trade secrets or other proprietary information.
"Intellectual Property Rights" means patents, patent applications, registered and unregistered designs, copyright, trade marks and other forms of statutory protection conferring rights in Intellectual Property, as well as rights existing or arising in law, equity or under the laws of other jurisdictions in relation to Intellectual Property, including trade secrets and unpublished know how and other rights of a like nature throughout the world. "Order" means the purchase order, which incorporates these Conditions by reference and any amendments thereto. "Order Acknowledgement Form" means the form of acknowledgement document issued with the Order. "Parties" means the Purchaser and the Supplier. "Purchaser" means Surface Technology International Limited or STI having a place of business at the address for correspondence shown on the Order. "Special Conditions" means those conditions headed as such on the Order. "Specification" means the Purchaser's written technical requirement or other agreed means of defining the technical requirements for the Supplies referred to by the Order. "Supplier" means the person on whom the Order is placed.
"Supplies" means all goods, materials, work or services, which are the subject of the Order.
1.2 To the extent that the Conditions may be inconsistent with the Special Conditions the latter shall take precedence.
1.3 Headings are for convenience only and shall not affect the interpretation of the Order or any documents incorporated in the Order.

2. ENTIRE AGREEMENT

The Order contains the complete and entire understanding between the Parties on the subject matter of the Order and supersedes all discussions, proposals, understandings or agreements (oral or written) relating to the subject matter of the Order, provided that nothing in this Condition shall exclude any liability for fraudulent misrepresentation.

3. ORDER

3.1 If the Parties have agreed the Conditions and the Special Conditions and any document referred to therein at the date of Order, the Order is the Purchaser's acceptance of the Supplier's offer and the remainder of this Condition shall not apply.
3.2 If the Parties have not agreed the Conditions and the Special Conditions and any document referred to therein at the date of the Order, the Order shall be the Purchaser's offer to the Supplier and the Supplier's acceptance, by either returning the Order Acknowledgement Form or by starting work on the Order, shall only be acceptance within the terms of the Order.
3.3. The Supplier shall accept the Purchaser's offer, as described in Condition 3.2, Within Three (3) working days of the date of the Order being sent, the order will be sent by Email, Facsimile, Post or Electronic Data interface (EDI)
3.4 The Purchaser does not intend to be bound by any additional terms proposed by the Supplier, whether stated on the Order Acknowledgement Form, communicated by the Supplier at the time of starting work in respect of the Order and/or written on any other document purporting to be an acceptance of the Purchaser's offer.
3.5 All Suppliers must be fully franchised for all products that they are quoting for or supplying to STI and all products should be purchased through franchised sources. Any exception to this must be clearly stated on quotation and agreed prior to order placement and authorised on the STI Purchase Order. The supplier's certificate of conformance must reference any products which have been supplied using a non franchised source
3.6 All surface mount components must be supplied in taped or reeled packaging unless otherwise authorised on the Purchase Order.
3.7 All products shall be supplied as per the part number stated on the Order without deviation; amendments for packaging suffix/prefix should be agreed with the Buyer before order confirmation is provided.
3.8 Certificate of conformance- All product must be provided with traceability back to the Original equipment manufacturer, this will include lot/batch code information.
3.9 Record retention- The Manufacturer/Distributor shall as a minimum retain all Quality records for a period of Ten (10) years after the final delivery associated with the purchase order. This will include all Test and measurement results and lot/batch code traceability. All data can be stored on disk/tape in CSV format or any other format that can be converted to CSV. STI should be provided with adequate notice of intention to dispose of such records thereafter in writing/email. The supplier maybe required to deliver such designated records to STI for custody and further controlled retention.

4. ADHERENCE TO THE ORDER

4.1 The Supplier shall provide the Supplies in all respects and in accordance with the Order.
4.2 The Order number and part number shall be quoted on all documents and packages sent by the Supplier to the Purchaser in respect of the Order.

5. QUALITY

5.1 The Supplier shall be subject to all reasonably applicable quality standards in addition to those specified on the face of the Order (which may include but shall not be limited to any of the following conditions):-
(a) The Supplier shall ensure that the Order is carried out in conformity with the quality requirements of its National Accreditation and also this Purchase order.
(b) The Supplies shall be manufactured, inspected and tested in accordance with schedules used for equipment as supplied to the British Government and the Supplier's own Government.
(c) The Supplies shall be subject to inspection by the Purchaser on receipt.
(d) The Supplies shall be accompanied by a Certificate of Conformity in accordance with its National Accreditation-
(e) The Supplies are subject to surveillance by the Supplier's National Quality Assurance Representative (NQAR) or National Quality Assurance Authority if applicable at time of order
(f) The Supplier shall ensure that the Order is carried out in conformity with the quality requirements of ISO 9000 and or EN AS9100 Quality Systems and STI Document P007-LWI-03 which is available upon request or at www.sti-limited.com
(g) Exceptional arrangements determined by the Purchaser's Quality Manager/Buyer or other sub contract requirements are as shown on the face of the Order.

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

- (a) allow the Purchaser and persons authorised by the Purchaser (which may include the Purchaser's customer) access to the Supplier's premises (and those of its subcontractors) as are being used to carry out work on the Supplies in order to inspect and audit the facilities, processes and procedures used in manufacturing the Supplies;
- (b) Provide adequate data to the Purchaser relating to progress of work on the Supplies and their quality; and

5.3 Unless specifically agreed otherwise, all Supplies shall be new and provided in Machine ready packaging adhering to all necessary ESD Requirements

5.4 The rights of the Purchaser in this Condition are in addition and without prejudice to any rights at law or granted elsewhere in these Conditions

5.5 The Company shall be entitled to inspect and test the Goods during Manufacture, processing or storage at the premises of the Supplier or any third party and the Supplier shall provide STI or its Customer with all facilities reasonably required for inspection and testing. Such inspection and testing shall not constitute acceptance by STI and does not relieve the Supplier of any responsibility under the contract whether implied or expressed.

5.6 if as a result of inspection or testing STI is not satisfied that the Goods or Services will comply in all respects of the contract and so informs the Supplier, the Supplier shall take such steps as are necessary to ensure compliance.

5.7 Foreign Object Damage-

5.7.1 The Supplier shall develop and maintain a foreign object Debris/Damage ("FOD") prevention program for manufacturing areas. The intention is to prevent introduction of foreign objects into any item delivered under the STI Purchase order. National Aerospace standard 412 (nas 412) is available as a guideline

5.7.2 The Supplier shall employ appropriate housekeeping practices to assure timely removal of residue/debris generated, if any, during manufacturing operations and/or normal daily tasks. The Supplier's FOD program shall be proportional to the sensitivity of the design of the product(s) to FOD, as well as, to the FOD generating potential of the manufacturing methods.

6. ADVICE AND RELEASE CERTIFICATES

6.1 On delivery of each consignment of the Supplies, the Supplier shall deliver to the Purchaser such documents (which shall include, without limitation, advice notes, certificates of conformity and civil approved certificates) as required by the Order. If the Supplier is not the original manufacturer of the Supplies, it shall provide with the delivery of each consignment of Supplies, copies of the original manufacturer's certificate of conformity where requested by the Purchaser or required as part of the specification detailed on the order. All Suppliers/Manufacturers shall notify STI of any import/export restrictions including and not limiting to ITAR, EAR, ECCN and UK export compliance- also refer to section 31

7. PRICE

7.1 Where prices have been agreed they shall be set out on the Order, fixed (non revisable) and exclusive of value added tax and any applicable EU/international customs duties, but inclusive of all other taxes, imports, and fees. If value added tax is payable it shall be separately identified on the invoice and shall be payable by the Purchaser subject to receipt of a valid VAT invoice. The delivery term presumed for Orders within the European Union (EU) is DDP (Incoterms 2010) and orders with suppliers outside of the EU is DAP (Incoterms 2010) unless otherwise agreed within the Order or via separate written agreement.

7.2 No additional charge shall be made for packaging, insurance or delivery unless otherwise agreed and set out in the Order and any such charge shall be separately identified on the invoice.

7.3 Where prices are not agreed at the date of the Order but commencement of performance of work on the Order by the Supplier is agreed by the Purchaser, an invoice shall not be submitted before the price has been agreed and incorporated in the Order in accordance with Condition 27.

8. PAYMENT

8.1 On or after delivery of the Supplies, the Supplier shall submit an invoice to the address of the Purchaser stated on the Order for those delivered Supplies.

8.2 The Purchaser shall pay the invoice sixty (60) days following the end of the month in which the invoice is delivered provided that:-

- (a) the invoice quotes correctly the amount of the payment, the correct Order number, the item number, the part and drawings numbers and a description of the Supplies (including without limitation, quantities and weights), the intrastat code relevant to any delivery made from within the European Union; and
- (b) The Supplies are delivered by the Supplier and accepted by the Purchaser in accordance with Conditions 9 and 11 respectively.

9. DELIVERY

9.1 Delivery shall be made in accordance with the instructions set out on the Order and time shall be of the essence in relation to the delivery dates set out on the order. All Supplies must be properly and securely packed in accordance with relevant health and safety and national shipping regulations as to reach their destination in an undamaged condition following ESD Guidelines where applicable. If the delivery is over 25kg it should be palletized or split into multiple boxes, STI encourages the use of recycled packaging; polystyrene packing chips are not to be used. As per section 5.3 ESD guidelines must be adhered to.

9.3 If there is any delay in delivery due to causes (other than Force Majeure) which are not attributable to the negligence of the Purchaser, the Purchaser may terminate the Order with immediate effect and the Supplier shall be liable for damages in accordance with Condition 13.2.

9.4 The Supplier shall not be liable for delays in delivery due to Force Majeure provided that the Supplier promptly notifies the Purchaser of any delay or anticipated delay as soon as it is known and resumes performance as soon as possible thereafter. However, if such delay exceeds fourteen (14) days the Purchaser shall be entitled to terminate the Order without incurring any liability whatsoever except in respect of that part of the Supplies already delivered and accepted by the Purchaser prior to such termination.

9.5 Should an event of Force Majeure occur, the Purchaser may wholly (or partly) suspend or postpone any of its obligations under the Order (without incurring any liability) by promptly notifying the Supplier in writing. Such suspension or postponement will continue until the circumstances of the Force Majeure have ceased or been overcome or the Purchaser notifies the Supplier in writing that it wishes to resume its obligations under the Order or until the Purchaser notifies the Supplier that it wishes to terminate the Order in accordance with Condition 9.4 above.

9.6 The Purchaser shall have the right to request the Supplier to delay delivery of any of the Supplies without revision of the price.

10. TITLE AND RISK

Title to and risk in/of the Supplies shall pass to the Purchaser on delivery to STI at our registered office or another address of STI's representative's direction as notified on the order or by email.

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11. ACCEPTANCE

11.1 Where acceptance tests are defined in the Order, acceptance of Supplies delivered shall be subject to completion of the acceptance tests to the satisfaction of the Purchaser. Where no acceptance tests are defined in the Order the Purchaser shall have the right to inspect the Supplies after delivery and acceptance shall take place if the Supplies are satisfactory to the Purchaser on inspection or, if no inspection is made, the Supplies shall be accepted after they have been taken into use by the Purchaser.

11.2 If the Purchaser is not satisfied that the Supplies are delivered in accordance with the Order the Purchaser may:-

- (a) Reject the Supplies delivered in whole or in part;
- (b) Give notice to the Supplier to replace or repair promptly the Supplies delivered at the Supplier's expense and risk;

12. WARRANTY

12.1 The Supplier warrants that:-

(a) The Supplies conform in all respects with the Specification; and

(b) The Supplies are free from defects (whether actual or latent) in design (where the Supplier or Manufacturer is the design authority), materials and workmanship

12.2 The warranty in Condition 12.1 shall, in respect of each item of the Supplies, continue for twelve (12) calendar months from the date of acceptance of such item of the Supplies, unless an extended warranty period is offered by the Supplier to the Purchaser and agreed by the Purchaser.

12.3 If there is a defect in the Supplies during the warranty period, the Supplier shall at its own expense and risk, but at the discretion of the Purchaser, without delay, either repair or replace the defective Supplies or refund the Purchaser the price of the defective Supplies.

12.4 The warranty at Condition 12.1 shall apply to the Supplies or any part of them replaced or repaired in accordance with these Conditions so that the warranty shall continue for twelve (12) calendar months from the date of acceptance by the Purchaser of such replaced or repaired item of the Supplies.

12.5 If a breach of warranty by the Supplier causes any of the Supplies not to be available for the Purchaser's use within the warranty period for the Supplies then the warranty period for the Supplies shall be extended by the period during which they were not available for use by the Purchaser.

12.6 The Supplier agrees that all warranties attaching to the Supplies shall be capable of being assigned to a customer of the Purchaser or other user by the Purchaser without prior written notice to the Supplier.

12.7 This Condition 12 shall apply in addition and without prejudice to any other rights and remedies available to the Purchaser.

12.8 Documentation shall be retained for minimum period of ten (10) years, refer to section 3.10

13. REMEDIES

13.1 Termination for Default

(a) If the Supplier is in breach of the Order or of any of these Conditions (including, without limitation, the warranty at Condition 12.1) the Purchaser may give the Supplier a written notice specifying the breach.

(b) If the breach is not capable of remedy the Purchaser shall be entitled to terminate the Order immediately.

(c) If the breach is capable of remedy, the Supplier shall at its own expense rectify the breach within twenty eight (28) calendar days of the date of the notice. If the Supplier does not rectify the breach within twenty eight (28) calendar days (or such other period as may be agreed in writing) the Purchaser may give written notice to the Supplier immediately terminating the Order. The provisions of this Condition 13.1 shall at all times be subject to and without prejudice to the provisions of Condition 9.

13.2 Damages for Default

The Supplier shall be liable for all losses, liabilities, actions, claims, damages, injuries, costs and expenses (including legal costs and expenses) of whatever nature suffered by the Purchaser as a result of a breach by the Supplier of the Order or any of these Conditions.

13.3 Indemnity

The Supplier shall upon demand indemnify the Purchaser in full against all losses, liabilities, actions, claims, damages, compensation, obligations, injuries, costs and expenses (including legal costs and expenses) of whatever nature suffered by the Purchaser resulting from the negligence, breach of contract or breach of statutory duty caused by the acts or omissions of the Supplier, its employees, sub-contractors or agents in their performance of the Order or in connection with any defect in any item of the Supplies. This indemnity shall continue in force notwithstanding termination for whatever reason of the Order.

13.4 Termination for Insolvency

If either the Supplier or Purchaser becomes insolvent, has a receiver, liquidator, administrative receiver, administrator, trustee or other similar officer appointed over the whole or part of its assets, or an order is made or a resolution is passed for the winding up of such party (save for a solvent winding up as part of a bona fide reconstruction or amalgamation) or if an administration order is made in respect of such party or if it makes an arrangement or assignment for the benefit of its creditors or if an analogous event to any of the foregoing occurs in respect of such party anywhere in the world; the other party may without prejudice to its rights and remedies under the Order or these Conditions or any other remedies arising at law suspend the performance of, or terminate, the Order immediately (whether in whole or in part) without incurring any liability whatsoever except in respect of Supplies delivered before the date of any of the above mentioned events.

13.5 Change of Control

In the event the Supplier is acquired by or merged with any third party or undergoes a change of control, the Purchaser shall be entitled to suspend the performance of, or terminate, the Order immediately (whether in whole or in part) without incurring any liability whatsoever except in respect of Supplies delivered to the Purchaser before the occurrence of the events listed in this sub clause.

13.6 Cancellation

(a) The Order may be cancelled (in whole or in part) at any time by the Purchaser on written notice to the Supplier stating that the Order is cancelled.

(b) If such notice is given, the Supplier shall comply with any directions regarding the Supplies given by the Purchaser.

(c) The Purchaser and the Supplier shall agree a fair and reasonable price for all work reasonably done and materials reasonably purchased by the Supplier for the purpose of carrying out work on the Order up to the date of termination in satisfaction of all sums due to the Supplier by the Purchaser under this Order.

(d) In order to agree such price, the Supplier shall submit an account to the Purchaser within three (3) months from the date of cancellation in a form satisfactory to the Purchaser.

(e) The agreed price, together with any sums paid or due to the Supplier under the Order before the effective date of termination shall not exceed the total price of the Supplies under the Order and such payment shall be the Purchaser's sole liability in respect of the cancellation.

13.7 Any termination or cancellation of the Order by the Purchaser for whatever reason shall be without prejudice to any rights or remedies which may have accrued to the Purchaser prior to termination or cancellation and the Purchaser shall use its reasonable endeavours to mitigate its loss on any termination.



14. INTELLECTUAL PROPERTY RIGHTS

14.1 All Intellectual Property created as a result of the work undertaken by the Supplier or its sub-contractors for the purpose of the Order shall vest in and be the absolute property of Surface Technology International Limited (STI). And the Supplier shall do all necessary acts to vest such Intellectual Property in the name of Surface Technology International (STI). Or its nominee, such acts to include (without limitation) the execution of documents.

14.2 The Supplier warrants that having carried out all reasonable investigations, the Supplies and the intended use of the Supplies by the Purchaser will not infringe any Intellectual Property Rights of a third party existing or pending at the date of the Order.

14.3 The Supplier shall on demand indemnify the Purchaser against all losses, liabilities, actions, claims, damages, injuries, costs and expenses (including legal costs and expenses) of whatever nature which may be suffered by or on behalf of the Purchaser as a result of the infringement or alleged infringement of any third party Intellectual Property Rights arising in connection with the Supplies.

14.4 On request to the Supplier by the Purchaser, the Purchaser shall be given full control of any proceedings or negotiations in connection with any Intellectual Property Right claims and shall diligently pursue the same unless both parties agree otherwise. The Purchaser shall consult with the Supplier in relation to such actions.

15. HEALTH AND SAFETY & CODE OF PRACTISE

15.1 The Supplier shall familiarise itself with and ensure that its sub-contractors and agents shall familiarise themselves with and comply with the Purchaser's procedures relating to discipline, fire, health and safety when on the sites of the Purchaser and such other procedures applicable to such other sites as the Order requires.

15.2 The Supplier shall as soon as possible (and no later than on delivery) provide the Purchaser with all instructions drawn up by the Supplier or its subcontractors from time to time relating to the use and disposal of the Supplies and in particular draw attention to any dangers, hazards or restrictions associated with the Supplies.

15.3 The Supplier shall at all times use its best endeavours to trade in accordance with this code of practice and terms and conditions.

15.4 The Supplier will under no circumstances whatsoever knowingly engage in and/or employ child labour and, in particular it shall not employ young persons under the age of 18 at night or in hazardous conditions ("Child" in this context means any person(s) less than 15 years of age and young persons refers to workers over the age of 15, but under the age of 18)

15.5 The supplier shall ensure that the working hours and working conditions of its employees comply with national laws and trading standards and shall use its best endeavours to monitor and ensure its Suppliers comply with this code of practice.

16. INSURANCE

16.1 The Supplier shall be liable to the Purchaser for all losses, liabilities, actions, claims, costs and expenses (including legal costs and expenses) of whatever nature suffered by the Purchaser resulting from the negligence, breach of contract or breach of statutory duty caused by the acts or omissions of the Supplier, its Employees, sub contractors or agents.

16.2 If the Supplier's employees, agents or sub-contractors are present on the sites of the Purchaser or such other sites as the Order requires, the Supplier shall effect legal liability insurance of not less than Ten million pounds (£10,000,000) per event or series of events in respect of loss of or damage to property of the Purchaser or death or injury to persons resulting from performance of the Order.

16.3 The Supplier shall effect and maintain General Third Party Products Liability insurance in respect of any Supplies that are to be incorporated into the Purchaser's products for onward sale. Such Product Liability Insurance must be commensurate with the exposure potential of the Supplies when incorporated into the Purchaser's onward sale product and shall be not less than the minimum figure advised by the Purchaser from time to time.

16.4 On request by the Purchaser, the Supplier shall provide the Purchaser with a certificate of insurance or such other evidence reasonably satisfactory to the Purchaser that the above insurances are in full force and effect in respect of the Supplier's obligations under the Order.

17. CONFIDENTIALITY, SECURITY AND PUBLICITY

17.1 Any information disclosed by either the Purchaser or the Supplier to the other (which is marked as confidential at the time of disclosure or which (if oral or visually disclosed) is described as confidential at the time of disclosure under the Order and is confirmed as such by the disclosing party to the receiving party within 30 days of such disclosure) ("Confidential Information") shall at all times be treated by the receiving party under the Order as confidential and (save as is necessary for use by the Purchaser and any end customer of the Purchaser) shall not be disclosed to any third party without the disclosing party's prior written consent and shall only be disclosed to the receiving party's own employees on a need to know basis. The obligations of confidentiality shall not apply in respect of information which:-

(a) Is in the receiving party's unrestricted possession at the date of disclosure under this Order;
(b) Is in or enters into the public domain without breach of these Conditions by the receiving party; or

(c) The receiving party can prove to have been developed by it independently of the Intellectual Property disclosed under the Order.

17.2 The Supplier shall not disclose the Order or the subject matter of the Order, the Purchaser's name, the name of the Purchaser's customer, the name of any project or programme, or any other Intellectual Property or information acquired through its dealings with the Purchaser for any reason whatsoever including for publicity or marketing purposes without the prior written consent of the Purchaser.

17.3 Any information given to the Supplier by the Purchaser shall remain the absolute property of the Purchaser and shall be returned to the Purchaser or (at the Purchaser's option) be destroyed by the Supplier on termination or cancellation of the Order.

17.4 In the conduct of the Supplier's dealings with the Purchaser and subject to Condition 21.4, neither the Purchaser nor the Supplier shall remove from the other's premises any items including (without limitation) drawings, specifications, documents, or data belonging to the other without the other's prior written consent.

17.5 The Purchaser's sites to which the Supplier may have access during its performance of the Order may be subject to national security requirements. It is a condition of the Order that in all the Supplier's dealings with the Purchaser the provisions of the Official Secrets Act 1911 to 1989 and any amendment thereto shall apply and the Supplier shall procure that any of its employees, agents, or sub-contractors (to whom information shall only be given in support of the preparation or furtherance of the Order) are made aware of this provision, are notified of the security classification of any information and accept that they are subject to the security procedures notified on the Order or in operation at the Purchaser's sites.

17.6 The Supplier acknowledges that Condition 17 applies from the date of the Order and shall continue to apply after completion or early termination of the Order. The Supplier shall procure that any of its employees, agents or sub-contractors that may have a need to visit the Purchaser's sites or have access to any Intellectual Property, arising out of the Supplier's dealings with the Purchaser, have notice that the above mentioned provisions apply equally to them.

17.7 The receiving party shall be entitled to make disclosure of the Disclosing Party's confidential Information required by court order or government or regulatory requirement subject to notifying the disclosing party as soon as possible of such requirement.



18. TOOLING

If the Supplier has created tooling, moulds, test equipment, circuit boards or other technology specifically in relation to the Supplies, the Purchaser shall have the option to purchase such technology (and/or any intellectual property rights therein at the Purchaser's further option) from the Supplier. If the Purchaser does decide to purchase such technology, the Supplier shall co-operate with the Purchaser to ensure that any such rights vest in the Purchaser where requested by the Purchaser.

19. SUB-CONTRACTS AND ASSIGNMENT

19.1 No work on the Order may be sub-contracted by the Supplier without the prior written consent of the Purchaser (which shall not be unreasonably withheld).
19.2 The Order may not be assigned in whole or in part by the Supplier without the prior written consent of the Purchaser (which shall not be unreasonably withheld).
19.3 The Purchaser's interests in this Order may be assigned without the consent of the Supplier.

20. PROPERTY ISSUED BY THE PURCHASER

20.1 The Supplier shall not acquire any legal or beneficial interest in any property supplied to it by or on behalf of the Purchaser (whether on free issue or loan) for performance of work on the Order.
20.2 Any such property possessed or controlled by the Supplier, shall be held at the Supplier's risk, stored and booked separately from other property, maintained at the Supplier's expense in good and serviceable condition, clearly marked as "Surface Technology International Limited property" and only be used by the Supplier for the performance of the Order.
20.3 At the request of the Purchaser (which may be made at any time) or on completion of the Order, such property issued to the Supplier shall, unless incorporated into the Supplies, be returned promptly to the Purchaser.
20.4 Upon reasonable written notice being given to the Supplier, the Purchaser shall have the right to enter the Supplier's premises to recover any of its property.

21. COMPLIANCE WITH LAW

21.1 The Supplier shall comply with all statutory and other requirements applicable to its business in performing work under the Order, including, but not limited to, compliance with all labeling requirements as set out from time to time by the United Kingdom and United States of America authorities, and provision by the Supplier of the appropriate certificates of conformity to the Purchaser.
21.2 The Supplier warrants that it has obtained all necessary export approvals for the provision of the Supplies to the Purchaser.
21.3 A person who is not a Party to this Order has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Order but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

22. INDUCEMENTS & BRIBERY ACT 2010

The Company is committed to the highest standards of ethical conduct and integrity in its business activities in the UK and overseas. This policy outlines the Company's position on preventing and prohibiting bribery, in accordance with the Bribery Act 2010. The Company will not tolerate any form of bribery by, or of, its employees, agents or consultants or any person or body acting on its behalf. Senior management is committed to implementing effective measures to prevent, monitor and eliminate bribery
The Supplier shall neither:-
(a) induce an employee of the Purchaser to make any concession to the Supplier, issue the Order or alter any of the requirements of the Order in return for any gift, money or other inducement; nor
(b) Pay money or give any other benefit to any third party (either directly or indirectly) in connection with the negotiation and/or issue of the Order; nor
(c) Encourage an employee of the Purchaser to commit any act of dishonesty against the Purchaser which may benefit the employee or be a detriment to the Purchaser, or both

23. NOTICES

23.1 All notices and communications to and from the Supplier/Manufacturer shall be in writing and in the English language and shall be deemed served:-
(a) If sent by fax and copied by letter, on the date of despatch; and
(b) If sent by first class post, forty eight (48) hours from the date of despatch.
(c) If sent by email
23.2 Any notice or other communication sent to the Supplier shall be sufficient if sent to the address notified to the Purchaser for that purpose or, if not notified, the Supplier's address on the Order.
23.3 Any notice or other communication sent to the Purchaser shall be sent to the address given for the Purchaser on the Order for the attention of the person shown on the Order.

24. CONTINUITY OF SUPPLY AND OPERATIONAL CHANGES

The Supplier shall not unreasonably refuse to provide Supplies under this Order. Prior to any action to discontinue the provision of any Supplies under this Order, the Supplier shall provide Purchaser with a "Last Time Buy Notice" at least twelve (12) months prior to any such action. In addition, at such time, the Supplier shall offer to the Purchaser the opportunity to acquire drawings and (in accordance with Condition 19) any Supplies' unique tooling. This provision survives the delivery of items under this Order. It is a requirement of Surface Technology International Limited and Our End Customers to be informed of any operational Changes which may have an effect on the quality of the delivered product or service. This may include plant relocation, personnel change, process change and or suspension on a quality system

25. WAIVER

No exercise or failure to exercise, or delay in exercising any right, power or remedy vested in any Party under or pursuant to this Order shall constitute a waiver by that Party of that or any other right, power or remedy.

26. SEVERANCE

Should any provision of this Order be deemed invalid, illegal or void, then that provision shall be deemed severed from the Order which shall continue in force notwithstanding such severance. The Parties shall nevertheless negotiate in good faith in order to agree the terms of a mutually acceptable and satisfactory alternative provision in place of the severed provision.



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27. AMENDMENTS

Amendments to the Order shall only be effective when an Order amendment is issued by the Purchaser or other STI Representative

28. OFFSET

Surface Technology International Limited or STI Group of Companies reserves the rights to pass any offset spend of Purchase Orders placed to its customers.

29. REGULATIONS & THE PROVISIONS OF IMPORT/EXPORT REGULATIONS (INCLUDING ITAR, EAR AND UK IMPORT/EXPORT COMPLIANCE)

29.1 All Suppliers/Manufacturers shall notify Surface Technology International Limited (STI) on All Quotations and Orders before delivery or at time of quotation of all or any parts of the goods and/or services to STI if all or any part of the Goods and/or services including technical documentation, is subject to any Export Control Regulations (including but not limited to) United States Export Control Regulations i.e. International Traffic in Arms Regulations (ITAR) and Export Administration Regulations (EAR) and UK Import/Export rules and regulations. Default of notification by the Supplier to STI on or before such deliveries/quotations to STI shall be deemed to be an express declaration by the Supplier or Manufacturer that all or any part of the Goods and/or services including technical documentation are not subject to the any Export Regulations and the supplies may be exported or re-exported by the Purchaser and the Supplier confirms that no restriction exists in respect of US Department of Commerce Export Administration Regulations or any other US or non-US Government Regulations preventing such export or re-export by the Purchaser

29.2 The Supplier/Manufacturer shall solely be responsible in full for securing and maintaining US Government approval for all hardware export licenses, end user certificates and technical assistance agreements as required fulfilling the obligations of this purchase order in accordance with US Government international traffic in Arms (ITAR) regulations. Any items which are supplied and are subject to US ITAR Export controls must be indicated on your export paperwork and clearly marked on the appropriate packaging, delivery notes and Certificate of conformance. The Supplier/Manufacturer is responsible for obtaining and maintaining all and any export licenses necessary for the timely performance of its obligations under this agreement. The Supplier shall keep STI informed on a regular basis of its progress in obtaining all such licenses and/or any other authorisations necessary to comply with Export Regulations. In the event that any item of supplies is restricted by Export Control Laws or Regulations during the period of this agreement or at any time during the lifetime of the supplies, the Supplier shall be responsible for the immediate notification thereof to STI in Writing for the attention of the Purchasing Manager/Export Compliance Team. The Supplier/Manufacturer shall immediately notify STI if they become or are included on any Denied Parties List or its export privileges are denied, suspended, or revoked, whether in whole or in any part by any relevant government authority.

29.3 The Supplier shall provide STI with copies of all Export Licenses obtained in respect of the supplies and without prejudice to any of its obligations to this clause, the Supplier shall provide STI with all information as reasonably required by STI or its Customer in order to assess the export and re-export restrictions affecting the supplies.

The Supplier shall ensure that it will cite on all delivery documentation or Quotations any Export control regulations applicable (including ITAR & EAR and any other restrictions including UK Import/Export restrictions) to the supplies, specifying the regulations concerned and the restrictions to be applied. The Supplier warrants that it maintains an effective Export Control compliance programme and that all information provided to STI is true and accurate. If the Supplier is not compliant with any part of this clause, the Supplier shall notify STI immediately by written notice.

29.4 The Supplier shall state the ITAR License Number, ECCN/EAR and any Harmonized Tariff code (number if applicable) against each part on All Quotations and Delivery notes

30. CONFLICT MINERALS

"Conflict Minerals" refers to minerals or other derivatives mined in the eastern provinces of the Democratic Republic of the Congo (DRC) and in the adjoining countries where revenues may be directly financing armed groups engaged in civil war resulting in serious and environmental abuses.

In July 2010, the United States enacted the Dodd-Frank Financial Reform Bill and Consumer Protection Act 1502(b) (the Conflict Minerals Law), which requires all US stock listed companies and their suppliers to disclose information concerning chain of custody and usage of conflict minerals (Tin, Tantalum, Tungsten, and Gold, also known as 3TG).

STI is committed to responsible procurement practices and has no intention, directly or indirectly, of abetting the human rights violations identified in the Democratic Republic of Congo (the "DRC") and adjoining countries.

STI is committed to working with its Customers and supply chain to supply products that meet the Customer's specifications and requirements in accordance with the terms and conditions of purchase with regards to traceability and sourcing requirements and restrictions.

See the Conflict Minerals policy statement at www.sti-limited.com

31. FRAUDULENT/COUNTERFEIT ELECTRONIC PARTS

An appropriate process must be described to prevent fraudulent/counterfeit electronic parts being supplied to STI. The preferred controlling process is adherence to AS5553 [latest issue] Fraudulent/Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition

"SUSPECT COUNTERFEIT GOODS" means material, component, part, assembly, sub-assembly, product and any other item forming part of the GOODS (together referred to as "ITEMS" and separately as "ITEM") in which there is an indication by visual inspection, testing, or other information that it may have been misrepresented by the SUPPLIER or manufacturer and may meet the definition of COUNTERFEIT GOODS below;

"COUNTERFEIT GOODS" means SUSPECT COUNTERFEIT GOODS that is a copy or substitute made without legal right or authority or one whose material, performance, IDENTITY (as defined below) or characteristics are misrepresented by a supplier in the SUPPLIER's supply chain: and

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

The SUPPLIER warrants that COUNTERFEIT GOODS shall not be supplied to the PURCHASER or installed in the PURCHASER'S products by the SUPPLIER.

The SUPPLIER warrants that only new, unused and authentic ITEMS shall form part of the GOODS and shall be supplied to the PURCHASER.

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The SUPPLIER may only purchase ITEMS directly from Original Component Manufacturers (OCMs), OCM authorised distributors , or authorised aftermarket manufacturers. Use of ITEMS that were not provided by these sources is not authorised unless first approved in writing by the PURCHASER. The SUPPLIER must present a documented risk analysis in support of its request for the PURCHASER's approval (e.g. OCM documentation that authenticates supply chain traceability of the parts to the OCM).

If COUNTERFEIT GOODS or SUSPECT COUNTERFEIT GOODS are furnished under the CONTRACT such GOODS shall be impounded. The SUPPLIER shall promptly replace such GOODS with GOODS acceptable to the PURCHASER and the SUPPLIER shall be liable for all costs relating to impoundment, removal and replacement. The PURCHASER may notify and turn COUNTERFEIT GOODS over to Government authorities for investigation and the PURCHASER reserves the right to withhold payment pending the results of the investigation.

32. REACH REGULATIONS

REACH is the European Community Regulation on chemicals and their safe use. It deals with the Registration, Evaluation, Authorisation and Restriction of Chemical substances. The new law entered into force on 1 June 2007.

The aim of REACH is to improve the protection of human health and the environment through the better and earlier identification of the intrinsic properties of chemical substances. The benefits of the REACH system will come gradually, as more and more substances are phased into REACH. The European Chemicals Agency (ECHA) controls the current candidate list of SVHC's (Substances of Very High Concern) and this is updated twice yearly.

Within the scope of these regulations, STI are considered to be a 'Downstream User'. However, we have an obligation by the regulations to notify our customers of any SVHCs within articles supplied by us. Regulation Article 33 'Duty to communicate information on substances in articles.'

33. MODERN SLAVERY ACT

Modern Slavery Act 2015. Modern Slavery is a crime and a violation of fundamental human rights, STI operates a zero tolerance policy to all forms of slavery, forced labour, and human trafficking. This applies to our own business, and anywhere in our supply chain. Please refer to the STI Modern Slavery Act 2015 Statement on our web site.

Our supply chain will be subject to initial and ongoing assessments to check their compliance to this act. If STI become aware of a supplier not in compliance with this act, they will be removed from our approved vendor list.

34. LAW AND JURISDICTION

34.1 The Order and these Conditions shall be governed by English law.

34.2 For the benefit of the Purchaser, the Supplier agrees that any disputes under the Order and these Conditions will be dealt with by the English courts. If in the course of performance of the Order a dispute arises between the Supplier and the Purchaser, the Supplier shall continue to perform the Order unless otherwise requested by the Purchaser.

34.3 Nothing in this Condition limits the Purchaser's rights to take legal action under this Order and these Conditions:

- (a) In any court in another country; or
- (b) In more than one country at the same time.

34.4 The Supplier agrees that:

- (a) It will not object to the courts of England being used for any disputes regarding the Order and these Conditions;
- (b) A judgment or order of a court of England regarding the Order is final and binding and can be enforced elsewhere in the world, subject to applicable laws.

34.5 The Supplier irrevocably and unconditionally:

- (a) agrees that if the Purchaser takes legal action against it or its assets, the Supplier will not claim immunity against the legal action or the carrying into effect of any judgement in that legal action, whether against the Supplier or its assets;
- (b) Gives up any right of immunity which it or its assets have now or may have in the future; and
- (c) Consents to any remedy or judgement which may be given during the course of any legal action that the Purchaser may take against the Supplier

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