

Textron Systems Electronic Systems UK Ltd. (TSES)

Terms and Conditions of Purchase

1. Interpretation

In these Conditions:

“Acceptance” means written acceptance of the Goods and/or Services by TSES in accordance with the Contract. Where Acceptance is not defined by the Contract, Acceptance shall be deemed to automatically occur 30 days after delivery of the Goods following inspection of them and/or performance of the Services unless the Goods and/or Services are rejected by TSES and notified to the Supplier;

“Certificate of Conformity” means a document or endorsement on a document (e.g. Advice Note etc.) certifying that the Goods and/or Services supplied comply in all respects with the Order and the Specification;

“Conditions” means the standard terms and conditions of purchase set out in this document and (unless the context otherwise requires) includes any special terms and conditions agreed in writing between TSES and the Supplier. Where Special Conditions are stated on the front of the Order, they shall apply equally with these Conditions except that where there is any inconsistency; the Special Conditions shall prevail;

“Contract” means these Conditions, any Special Conditions, the Specification and Statement of Work and the Order for the sale and purchase of the Goods and/or the supply and acquisition of the Services;

“Counterfeit Materiel” means any item which bears any mark indicating an untrue origin or compliance to a standard which the item does not meet, or which is supplied as new but which has been previously used.

“Delivery” means the delivery of the Goods in accordance with the INCOTERM specified in the Order;

“Delivery Address” means the address stated on the Order;

“Goods” means the goods, technology, services and technical data (including any instalment or part thereof) to be supplied by the Supplier to TSES in accordance with the Order;

“INCOTERMS” means the International Chamber of Commerce International Commercial TERMS published at the date of Order Acceptance;

“Order” means the purchase order placed by TSES with the Supplier for the supply of the Goods and/or Services;

“Packing Instructions” means the packing instructions specified in the Order;

“Price” means the price of the Goods and/or Services as determined in accordance with Condition 8;

“Prohibited Act” means an act described under section 1, 2, 6 or 7 of the Bribery Act 2010, which constitutes or potentially constitutes an offence under one or more of those sections.

“Services” means the services (if any) to be provided by the Supplier to TSES in accordance with the Order;

“Special Conditions” means the special conditions as stated on the front of the Order;

“Specification” means any plans, drawings, data or other information relating to the Goods or Services referenced in the Order;

“Supplier” means the supplier of the Goods and/or Services as defined on the Order;

“TSES” means the contracting Company for the Goods and/or Services as stated on the front of the Order; **“Tools”** means all equipment, tools, patterns, dies, molds, jigs, drawings, specifications and data supplied or funded by TSES or supplied to TSES in pursuant to the Order.

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1.1. Any reference in these Conditions to a statute or a provision of statute shall be construed as a reference to that statute or provision as amended, re-enacted or extended at the time of Order Acceptance.

1.2. The headings in these Conditions are for convenience only and shall not affect their interpretation.

2. Basis of Purchase

2.1. The Order constitutes an offer by TSES to purchase the Goods and/or acquire the Services subject to these Conditions.

2.2. These Conditions shall apply to the Contract to the exclusion of any other terms and conditions on which any quotation has been given to TSES including any terms or conditions which the Supplier purports to apply under or endorsed on, delivered with or contained in the Supplier's invoice, delivery notice or other document other than any Special Conditions.

2.3. Any Order placed by TSES shall be treated as confidential and the Supplier shall not make use of TSES' name or the name of any of TSES' customers for publicity purposes without the prior written consent of TSES.

2.4. No variation to the Order or these Conditions shall be binding unless agreed in writing by TSES.

3. Specifications

3.1. The quantity, quality and description of the Goods and the Services are specified in the Order and/or in any Specification supplied by TSES to the Supplier or agreed in writing by TSES.

4. Intellectual Property Rights

4.1. The Supplier shall not acquire, retain, or appropriate for its own use, any right, title, or interest in TSES' intellectual property (including without limitation any third party intellectual property provided to or disclosed to the Supplier by or on behalf of TSES). The Supplier shall not take any action that might impair in any way any right, title or interest in TSES' intellectual property.

4.2. Each party shall remain the sole owner of all intellectual property rights developed or acquired before the Order date.

4.3. The Supplier hereby grants to TSES a non-exclusive, worldwide, royalty-free licence, to exploit any intellectual property rights needed for the use of the Goods by TSES and its customers and to sub-license the same, for use of the Goods by TSES and its customers.

4.4. The Supplier warrants that it has the right to grant such licence and indemnifies TSES against any third-party infringement of such intellectual property rights by TSES or its customers.

4.5. All rights in the intellectual property created by the Supplier in performance of its obligations under the Contract shall vest exclusively in TSES.

5. Inspection and Testing

5.1. TSES and/or its representatives shall be entitled to inspect and test the Goods during their manufacture, processing or storage at the premises of the Supplier or any third party prior to dispatch, and the Supplier shall

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provide TSES with all facilities reasonably required for inspection and testing. Such inspection and testing shall not constitute Acceptance by TSES and does not relieve the Supplier of any of its responsibility under the Contract, whether implied or expressly stated.

5.2. If because of inspection or testing TSES is not satisfied that the Goods will comply in all respects with the Contract, and so informs the Supplier at no additional cost to TSES the Supplier shall take such steps as are necessary to ensure compliance prior to dispatch.

6. Delivery

6.1. The Goods shall be delivered to, and the Services shall be performed at, the Delivery Address on the date or within the period stated in the Order, in each case during usual business hours for the Delivery Address.

6.2. Time is of the essence for the delivery of the Goods and the performance of the Services.

6.3. The Goods shall be marked pursuant to the requirements of the Order and any applicable regulations or requirements of the carrier, and properly packed and secured to reach their destination in an undamaged condition.

6.4. A packing note quoting the number of the Order, the item number on the Order and stating description and quantity of Goods must accompany each delivery or consignment of the Goods and must be displayed prominently.

6.5. If the Goods are to be delivered, or the Services are to be performed, by instalments, the Contract will be treated as a single contract and not severable. TSES shall not be required to accept part or short delivery.

6.6. The Supplier shall provide TSES with any instructions or other information required to enable TSES to accept delivery of the Goods and/or performance of the Services prior to or upon Delivery.

6.7. Save when the Order specifies that the packaging or packing material be returned to the Supplier and the Supplier has agreed to meet the costs of such return, TSES shall not be obliged to return to the Supplier any packaging or packing materials for the Goods.

7. Risk and Property

7.1. Risk in the Goods shall pass to TSES upon Delivery to the Delivery Address.

7.2. Title in the Goods shall pass to TSES upon Delivery, unless part or all payment for the Goods is made prior to Delivery, in which case title shall pass to TSES once payment is made.

8. Price

8.1. The Price shall be stated in the Order and shall be inclusive of all charges for packaging, packing, shipping, carriage, insurance and Delivery of the Goods to the Delivery Address and any duties, imposts or levies unless otherwise agreed in writing by TSES.

8.2. No increase in the Price may be made (whether because inflation, increased material, labour or transport costs, fluctuation in rates of exchange or otherwise) without TSES' prior written consent.

8.3. TSES shall be entitled to any discount for prompt payment, bulk purchase or volume of purchase customarily granted by the Supplier, whether shown on its own terms and conditions of sale.

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9. Terms of Payment

9.1. The Supplier shall submit invoices to the address stated on the Order after Delivery of the Goods or the performance of the Services.

9.2. Payment by TSES shall be 30 days from the end of the month (unless otherwise set out in the Order or agreed in writing by TSES) in which the invoice is received. No payments shall be made until and unless the Goods and/or Services have been accepted. Payment may be delayed if the Supplier fails to provide an invoice that includes the following information: Order number and the Order item number; Goods and/or Services to which it relates; Supplier's VAT number; Supplier's bank account number, sort code and invoice address; invoice number; date of the invoice; name of the relevant TSES company and its full address; Delivery Address; Price and the total amount due.

9.3. TSES reserves the right to reject an invoice that does not include the information set out in Condition 9.2.

9.4. TSES shall be entitled to offset against the Price any sums that are owed to TSES by the Supplier.

9.5. If TSES does not make a payment against a correctly submitted invoice within the period stated in Condition 9.2, the Supplier reserves the right to charge interest on such late payment at a rate no greater than 4% per annum above the Bank of England's base rate calculated daily commencing 14 days from the date on which payment was due provide that the Supplier has given 14 days' written notice to TSES that such payment is overdue.

10. Quality of Goods and Liability & Warranty

10.1. The Goods and/or Services shall be of satisfactory quality and fit for the purposes they are designed to fulfil and for any purpose held out by the Supplier or made known to the Supplier in writing; be free from defects in design, material and workmanship; be free from any Counterfeit Materiel; correspond with any relevant specification or sample; conform in all respects with the terms of the Order; comply with the latest applicable harmonized European Standards where such exist, or, where such harmonized standards do not exist, the latest applicable specification of the International Standards Organization or the British Standards Institute

10.2. Without prejudice to any other rights TSES may have whether implied by statute or otherwise, the Supplier shall, at TSES' option repair, replace or refund the cost of the Goods and or Services which are or become defective within a period of 18 months from the date of Delivery of the Goods and/ or Services to TSES, or, if the Goods are for resale by TSES, for a period of 12 months from the date of Delivery to TSES' customer, or within such longer period as may be specified by the Order.

10.3. The Supplier warrants to TSES that the Services shall be performed by appropriately qualified and trained personnel, with due skill, care and diligence and to such standard of quality as it is reasonable for TSES to expect in all the circumstances and will comply with all applicable regulations and other legal requirements concerning the performance of the Services.

10.4. These Conditions shall apply to any repaired or replacement Goods and/or Services supplied by the Supplier.

10.5. The rights and remedies set out in these Conditions are in addition to the rights and remedies available to TSES in respect of the statutory conditions relating to description, quality, fitness for purpose implied into these Conditions by statute (including without limitation the Sale of Goods Act 1979).

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11. Right to Reject

11.1. Without prejudice to any other remedy, if any Goods or Services are not supplied or performed in accordance with the Contract or do not comply with the Order, then TSES shall be entitled to reject any Goods delivered or Services provided and shall not be deemed to have accepted any Goods or Services until TSES has had a reasonable time (in any event not more than 30 days) to inspect them following Delivery of Goods or provision of Services or in the event of latent defect, not more than 30 days from when the latent defect becomes apparent. TSES shall notify the Supplier of his intention to reject delivered Goods or provided Services giving 7 days' notice for the Supplier to collect any rejected Goods. After the seventh day if the Supplier has failed to collect the Goods TSES shall at its discretion: return the Goods to the Supplier at the Supplier's cost and debit the Suppliers account with a £100.00 administration charge; require the Supplier, at the Supplier's expense, within 7 days either to repair the Goods or to supply replacement Goods or Services in accordance with the Contract; at TSES' sole option, and whether or not TSES has previously required the Supplier to repair the Goods or to supply any replacement Goods or Services, to treat the Contract as discharged by the Supplier's breach and require within 7 days the repayment of any part of the Price which has been paid by TSES in respect of such rejected Goods and/or Services; and if TSES so requires, to treat the Contract as discharged for any other Goods and/or Services comprised in the same Order as the rejected Goods and Services and in such case TSES shall be entitled to recover any additional expenses reasonably incurred by TSES in obtaining replacement Goods and/or Services.

11.2. The risk in any rejected Goods shall revert to the Supplier with effect from the date of TSES' rejection notice but the title therein shall only revert to the Supplier once the Supplier has complied with its obligations under Condition 11.1.

11.3. The Supplier shall not offer for sale or distribute to third parties any faulty or surplus Goods in its possession bearing the TSES name, trademark or likeness thereof.

12. Indemnity

12.1. The Supplier shall indemnify TSES against all liability, loss, damage, costs and expenses (including legal expenses on an indemnity basis) awarded against or incurred or paid by TSES as a result of or in connection with any: breach of any warranty given by the Supplier in relation to the Goods or the Services; claim that the Goods infringe, or their importation, use or resale, infringes, the patent, copyright, design right, trade mark or other intellectual property rights of any other person, except to the extent that the claim arises from compliance with any Specification supplied by TSES; liability under the Consumer Protection Act 1987 in respect of the Goods; act or omission of the Supplier or its employees, agents or sub-contractors in supplying, delivering and installing the Goods; act or omission of any other Supplier's personnel in connection with the performance of the Services.

13. Insurance

13.1. Without limiting the Supplier's liability under this Contract, the Supplier shall obtain and maintain for the duration of this Contract at a minimum the following insurance cover: third party (including public liability); product liability; and statutory required insurance, each to a sufficient level to cover the risks associated with this Contract and in any event to a level in accordance with good industry practice.

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- 13.2. Upon the reasonable request of TSES, the Supplier shall provide copies of relevant insurance certificates.
- 13.3. The Supplier shall immediately inform TSES of anything that might affect the insurance cover under this Clause.

14. Compliance with Laws and Regulations and other Requirements

14.1. The Supplier warrants, undertakes and represents that: it will establish, maintain and demonstrate to the reasonable satisfaction of TSES a system and organization compliant with the requirements of ISO 9001 and ISO 14001; all Goods supplied to TSES which come within the scope of the Waste Electrical and Electronic Equipment Regulations or the Restriction of the Use of Certain Hazardous Substances in Electrical Equipment Regulations and are fully compliant with such Regulations; it will comply with all current Health and Safety Regulations during the term of this Contract; it will identify to TSES any Goods that are controlled by the Montreal Protocol; and that it will comply with all relevant statutes, statutory rules, orders, directives, regulations and British and EU standards in force at the time of delivery.

14.2. TSES operates an Environmental Management System in support of its ISO 14001 accreditation, ensuring that products are designed using Design for the Environment (DfE) principles. The Supplier warrants, undertakes and represents that it shall: provide evidence of compliance to an auditable process that ensures minimal impact of the scope of supply of the Goods on the environment; grant TSES (and its representatives and/or any customer of regulatory authority having jurisdiction) full access to audit the Supplier's environmental process and invite TSES to attend all significant DfE meetings related to the supply of Goods or Services; comply with statutory obligations under the REACH Regulations, which includes the timely provision of information (including maintained Safety Data Sheets) on substances within the remit of that legislation, that are supplied to, or are embodied within, any Goods; and identify and notify TSES of risks that may jeopardize the Supplier's continuing supply of any Goods or Services such as no or limited availability of critical constituents.

14.3. The Supplier warrants that in entering the Agreement it has not committed any Prohibited Act.

14.4. If the Supplier or any subcontractor (or anyone employed by or acting on behalf of any of them) or any of its or their agents or shareholders commits any Prohibited Act, then TSES may terminate the Agreement by giving notice to the Supplier.

14.5. TSES shall be entitled to terminate this Contract if the Supplier or its employees commit fraud in relation to this or any other contract with TSES (or where TSES has reasonable grounds to believe this to be the case) by giving notice to the Supplier.

14.6. The Supplier shall comply with the Information Security Requirements forming Annex A to these Conditions. Any failure to do so shall constitute a material default and TSES shall have the right to terminate this Contract.

14.7. If TSES terminates the Contract in accordance with Conditions 14.4 to 14.6 TSES may:

- 14.7.1. recover from the Supplier the amount of any loss suffered by TSES resulting from the termination, including the cost reasonably incurred by TSES of making other arrangements for the supply of the Goods or Services and any additional expenditure incurred by TSES throughout the remainder of the Contract term; or
- 14.7.2. recover in full from the Supplier any other loss sustained by TSES in consequence of any breach of this Condition.

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15. Spares Support

15.1. Spare parts and identical replacements for the Goods shall be made available to TSES by the Supplier at fair and reasonable prices for a period of 5 years from the date of the Order. At least 12 months' prior written notice shall be given to TSES to any of the Goods or spare parts thereof being made obsolete and the Supplier shall use all reasonable endeavors to facilitate a "last time buy" of any such item(s) by TSES.

16. Manufacturing changes

16.1. The Supplier shall advise TSES in writing as soon as practicable of all proposed changes in the Specification or method of construction of the Goods or provision of the Services supplied including but not limited to changes in form, fitness for purpose, function, service life, reliability, maintainability, interchangeability or safety. In the event of TSES accepting the change in its absolute discretion, written approval shall be sent to the Supplier.

17. Confidentiality/Publicity

17.1. The Supplier shall use information provided by or on behalf of TSES under or in connection with this Contract solely for the purpose of performing its obligations under this Contract.

17.2. During the term of this Contract and for a period of 5 years following the expiry of termination of this Contract, the Supplier shall not disclose any information provided by or on behalf of TSES or developed by the Supplier in the performance of the Order to any third party or any other person who does not need to know such information for the purposes of performing the Supplier's obligations under this Contract.

17.3. Following completion of the performance of this Contract or immediately in the case of termination of this Contract, the Supplier shall destroy or return to TSES all documents and materials (and any copies) containing, reflecting, incorporating or based on any information provided by or on behalf of TSES under or in connection with this Contract, erase all such material from its computer and communications systems and devices, and certify in writing to TSES that it has done so. This clause 17 shall survive termination of this Contract.

17.4. Save as required by law, the Supplier shall not make public the existence or the terms of this Contract without the prior written consent of TSES.

18. Termination

18.1. TSES shall be entitled to terminate this Contract in respect of all or part only of the Goods and/or the Services by giving notice to the Supplier at any time prior to delivery or performance, in which event TSES' sole liability shall be to pay to the Supplier a fair and reasonable price for all Goods delivered or in a deliverable state or Services provided on or before the date when such notice is given but in no event, shall such payment exceed the value of the Order.

18.2. TSES shall be entitled to terminate this Contract without incurring any liability to the Supplier by giving written notice to the Supplier at any time if: the Supplier makes any voluntary arrangement with its creditors (within the meaning of the Insolvency Act 1986) or (being a company) becomes subject to an administration order or goes into liquidation (otherwise than for the purpose of amalgamation or construction); any material change occurs in the management, ownership or control of the Supplier; an encumbrancer takes possession, or a receiver is appointed of any of the property or assets of the Supplier; the Supplier ceases, or threatens to cease, to carry on business; the

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Supplier commits a material breach of its obligations; the Supplier commits a series of persistent minor breaches which taken together amount to a material breach; or TSES reasonably considers that any of the events mentioned above is about to occur in relation to the Supplier and notifies the Supplier accordingly.

18.3. Pursuant to Condition 11.1 or in the event of material breach by the Supplier, TSES reserves the right to obtain substitute Goods and/or Services from a third-party supplier, or have the rejected Goods and/or Services repaired or resupplied by a third party, and the Supplier shall reimburse TSES for the costs it incurs in doing so.

18.4. In the event of termination, and in addition to complying with its obligations under clause 17.3, the Supplier shall promptly return to TSES all equipment, materials, documents and property and any copies thereof, supplied by or on behalf of TSES in connection with the Contract.

19. Member of TSES Group

19.1. TSES is a member of the Textron, Inc. group of companies and accordingly TSES may perform any of its obligations or exercise any of its rights hereunder by itself or through any other members of its group.

20. Assignment and Sub-contracting

20.1. The Order is personal to the Supplier and the Supplier shall not, without the prior written consent of TSES, assign or transfer or purport to assign or transfer to any other person any of its rights or obligations under this Contract.

20.2. The Supplier shall not without TSES' prior written consent sub-contract any of its obligations under this Contract or any part of them to any other person. The Supplier shall remain liable for the fulfilment of its obligations under this Contract notwithstanding any sub-contracting of such obligations.

21. Notices

21.1. Any notice required or permitted to be given under this Contract shall be in writing, addressed to that other party at its registered office or principal place of business or such other address as may at the relevant time have been notified and shall be deemed to have been properly served at the time when in the ordinary course of transmission, it would reach its destination.

22. Waiver

22.1. No waiver by TSES of any breach of this Contract by the Supplier shall be considered as a waiver of any subsequent breach of the same or any other provision.

23. Severability

23.1. If any provision of this Contract is held by any competent authority to be invalid or unenforceable in whole or in part, the remainder of the provision shall remain in force.

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24. Free Issue Materials

24.1. When materials or items are issued on a free issue basis by TSES to the Supplier, the Supplier undertakes to return them to TSES in accordance with the date for return specified by TSES at the time of supply (or if no such date is specified on demand) in the same condition and state of repair as they were in when supplied to the Supplier (fair wear and tear excepted). All free issue materials or items shall remain TSES' property and all work done thereon shall immediately vest in TSES.

24.2. All scrap arising from free issue materials or items shall be disposed of in accordance with TSES' instructions and the proceeds of sales of any such scrap shall be credited to TSES.

25. Jigs and Tools

25.1. Any jigs, dies, molds or other equipment, the full cost of which has been borne directly or indirectly by TSES, shall be the property of TSES and must only be used for the Contract. In cases where part of the cost has been borne by TSES or where such equipment has been made to TSES' special requirements then TSES shall have the right to purchase such equipment on fair and reasonable terms.

25.2. The Supplier shall, on completion of the Contract or upon termination of the same, return to TSES all jigs, tools, dies, molds and other equipment in the Supplier's possession, custody or control and which is the property of TSES.

25.3. The Supplier shall be responsible for the safe custody of and at its own expense insure all jigs, tools, dies, molds, free issue materials, designs, drawings, plans and other equipment used in the performance of this Contract and work done on such items whilst in the Supplier's possession, custody or control and the Supplier shall indemnify TSES against all losses and costs which TSES incurs where the Supplier fails to fulfil this obligation.

26. Export Controls

26.1. The Supplier warrants that all export classification information provided by the Supplier to TSES in respect of the Goods and Services are complete, true and accurate and that performance of the Supplier's obligations under this Contract and the use of the Goods or Services by TSES or its customers will not contravene any applicable import or export control regulations.

26.2. The Supplier shall, at the latest, provide a duly completed and executed Commodity Export Classification Certificate (CECC) in the form provided by TSES within 30 days of the date of this Order. The CECC shall identify all Goods to be supplied pursuant to the Order that are subject to any export controls in force within any country. Failure to provide such duly completed CECC within the timescale indicated shall be commitment of a material breach of the Supplier's obligations pursuant to Condition 18.2.

26.3. Should the supply of the Goods by the Supplier and/or any subsequent re-transfer of the Goods by TSES, as notified to the Supplier at the time of the Order placement, require the granting of a licence or other import or export authorization by the applicable regulatory authorities, the Supplier shall be responsible for obtaining such licenses or other authorizations prior to delivery of the Goods and failure to obtain all necessary licenses or authorizations shall constitute a material breach of this Contract by the Supplier.

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26.4. The Supplier shall ensure that all and any necessary import and export licenses are maintained at all times. Should such licence or other authorization be withdrawn, expire without being renewed or be no longer valid due to any act or omission on the Supplier's part, this shall constitute a material breach of this Contract by the Supplier.

26.5. The Supplier shall ensure that the following information clearly appears on all delivery documentation: the export licenses obtained in respect of the Goods; any other relevant information relating to such licenses; and any Export Control regulations applicable to the Goods, and the restrictions to be applied.

26.6. In the event of any change in the restrictions affecting the use or re-transfer of the Goods becoming known to the Supplier at any time after Order placement, the Supplier shall notify TSES immediately in writing, providing TSES with all information reasonably required to assess the new use and re-export restrictions affecting the Goods. If the change results from an amendment of the applicable regulations after Order placement, where such amendment was not reasonably foreseeable, this shall be treated as an act of force majeure. If the change occurred before Order placement or was reasonably foreseeable by the Supplier, the Supplier shall indemnify and hold TSES harmless from all claims and all direct, indirect and consequential losses (including loss of profits, loss of business, depletion of goodwill and similar losses) costs, proceedings, damages and expenses (including legal and other professional fees and expenses) awarded against or incurred by TSES because of or in connection with such change.

26.7. Except as otherwise approved in writing by the applicable licensing authorities and TSES, the Supplier undertakes not to re-transfer to, nor allow access to any third party other than those specifically approved in writing by TSES, under any conditions whatsoever, the commodities, equipment, knowhow, documentation and information, furnished by TSES (the "Controlled Items"), in connection with the Contract, subject to applicable export regulations and identified as such to the Supplier by TSES.

26.8. The Supplier shall implement and procure the implementation in its premises and in its subcontractors' premises of the required security measures, so as to avoid permitting access, to any unauthorized person(s), by any means, to Controlled Items furnished by TSES, in connection with the Contract.

26.9. The Supplier shall keep and procure that its subcontractors keep the Controlled Items furnished by TSES in connection with the Contract, secure from loss, theft and unauthorized access. The Supplier undertakes also to keep a record of the use of such Controlled Items and to maintain such records for a minimum of 5 years from the expiration of the Contract and to make such records available to TSES on demand.

26.10. The Supplier shall immediately inform TSES of any Controlled Items being lost, stolen or accessed without authorization. Any Controlled Items rejected, destroyed or scrapped shall be sent back by the Supplier to TSES.

27. Governing Law

27.1. The Contract shall be governed, construed and take effect in accordance with the laws of England and Wales, and shall be subject to the exclusive jurisdiction of the English courts.

28. Disputes

28.1 Prior to commencing any legal action relating to a dispute, the party raising the issue must first provide written notice, as provided for in Section 21 herein before, of the dispute to the other party. At this

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time the senior management of the companies shall engage in discussions to attempt to resolve the dispute without the need for proceedings. If these efforts do not result in the settlement of the issue(s) to the party's satisfaction in a thirty (30) day period running from the date the notice was provided, then the parties are free to pursue a resolution in any venue available under the Laws of England & Wales.

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29. Special Contract and Quality Assurance Conditions

29.1. This Contract in whole or in part, may be required for the furtherance of a Government Contract, and under such circumstances the Order may be subject to DEFCONS which will be incorporated by being listed in the Special Conditions.

29.2. All requirements of this Contract may be subject to Government Quality Assurance. The Supplier shall be notified of any Government Quality Assurance activity to be performed.

29.3. The Supplier shall provide or procure access to the Supplier's premises and the premises of its subcontractors by authorized representatives of TSES, and/or the UK Government at all reasonable times. TSES shall have the right to audit the Supplier in relation to the Goods and Services supplied pursuant to this Contract to monitor the supplier's compliance with any of the obligations set out in this Contract. In support of this, the Supplier shall provide the any information reasonably requested by TSES or requested by the UK Government within the scope of the audit rights set out in this clause.

29.4. The Supplier warrants that the Goods and or Services are subject to quality control and certification by the Supplier. No deviation from the Specification will be accepted unless prior approval of TSES has been obtained (which may be given or withheld in the absolute discretion of TSES). A Certificate of Conformity is required in relation to delivery of Goods, signed by an authorized member of the Supplier's company with responsibility for assessing the quality of the materials supplied.

29.5. The requirements for the Certificates of Conformity and Advice Notes shall be stated on the Order. The Certificate of Conformity shall include the requirements of the Supplier's national approvals relevant to the Goods or Services provided.

29.6. The Order may be to subject to other quality assurance requirements as specified on the Order.

29.7. The Supplier shall perform the required due diligence to ensure that only responsibly (non-conflict) sourced materials / minerals are supplied to TSES under this Contract. For the purposes of this clause 28.7 minerals shall include without limitation

29.7.1. tantalum (columbite-tantalite also known as coltan and its derivatives);

29.7.2. tin (cassiterite and its derivatives);

29.7.3. tungsten (wolframite and its derivatives);

29.7.4. gold and

29.7.5. Rare Earth Metals: a set of 17 chemical elements in the periodic table that were defined by the International Union of Pure and Applied Chemistry (IUPAC) <http://www.iupac.org/>.

29.8. The Supplier shall have policies and procedures in place to ensure that they produce legitimate goods and that they source their materials through legitimate channels and shall provide those policies and procedures to TSES for audit purposes on demand.

29.9. The Supplier shall perform all necessary due diligence to ensure that it and its suppliers comply with the requirements of the Modern Slavery Act 2015 and to ensure that their supply chains are free of Human Trafficking and shall provide written evidence to TSES that they have done so including a summary of the steps taken. TSES shall be entitled to audit the due diligence procedures to confirm the steps that have taken to comply with the Modern Slavery Act 2015.

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ANNEX A

Information Security Requirements

1. The Supplier shall produce quarterly an Information Security Organization Report for TSES commencing no less than 3 months from the date of this Contract.
2. The Information Security Organization Report shall identify the roles, responsibilities and individuals responsible for information security to ensure that information passed to the Supplier is secure.
3. The Supplier shall use its best endeavors to ensure that its subcontractors, used for the purposes of fulfilling its obligations under this Contract, adhere to no less stringent information security obligations than those set out in this Contract.
4. The Supplier shall:
 - a. co-operate with TSES in all matters relating to information security;
 - b. use all reasonable skill and care in the performance of information security matters;
 - c. observe and ensure that all employees, consultants, agents and subcontractors which it engages in relation fulfilling its obligations under this Contract shall observe these Information Security Requirements and any other security requirements that apply.
5. The Supplier shall notify TSES in writing:
 - a. if the Supplier reasonably believes it has breached its information security obligations to TSES;
 - b. as soon as it becomes aware of or reasonably suspects that a supplier, engaged for the purpose of fulfilling its obligations under this Contract, has failed to meet its relevant information security obligations.
6. In the event of non-compliance with the information security obligations, the Supplier shall immediately inform TSES of the non-compliance providing as much detail as is possible and shall rectify the non-compliance within 7 days. In the event that the non-compliance is not rectified within 7 days of the Supplier's initial notification, the non-compliance shall constitute a material breach of this Contract.
7. The Supplier shall ensure that:
 - a. sensitive information is handled at all times in an appropriate manner taking into account government or industry requirements pertaining to such; and
 - b. removable media is handled at all time in an appropriate manner.
8. The Supplier shall vet all employees, consultants, agents and subcontractors which it engages in relation fulfilling its obligations under this Contract, to verify their identities' and to ensure that each hold any appropriate security clearance.
9. For the duration of the Contract, the Supplier shall continue to monitor and vet employees, consultants, agents and subcontractors which it engages in relation fulfilling its obligations under this Contract, pursuant to TSES' requirement as notified to the Supplier from time to time.
10. The Supplier shall ensure that all employees, consultants, agents and subcontractors which it engages in relation fulfilling its obligations under this Contract, are appropriately educated, skilled and trained to comply with the Suppliers' information security obligations.
11. The Supplier shall operate an anonymous whistle blowing process in which all employees, consultants, agents and subcontractors can report violations of security policies and procedures and the Supplier shall diligently and in a timely manner investigate and rectify such violations ("Violations"). Within 2 days of any Violation in relation to this Contract, the Supplier shall inform TSES of such and keep TSES informed of its rectification. The provisions of paragraphs 4 and 6 above shall apply to any such Violation.