

CHELTON LIMITED

TERMS AND CONDITIONS FOR THE PURCHASE OF WORKS

In these terms:

Chelton Limited (a company incorporated in England & Wales registration number 00896823, whose address is The Chelton Centre, Fourth Avenue, Marlow, Buckinghamshire SL7 1TF, England) shall be known as "Buyer";
and

Any supplier providing Goods or Services (as hereinafter defined) pursuant to purchase orders from the Buyer shall be known as ("Supplier").

Supplier and Buyer shall be known individually as "Party" and collectively as the "Parties".

1. Agreement

- 1.1 Supplier shall provide the Works to Buyer as agreed to from time to time by the Parties pursuant to Orders on the negotiated terms set out herein. Each Order shall include a reference to, and be subject to these terms and conditions to the exclusion of all other inconsistent terms and conditions and each Order incorporating these terms and conditions shall constitute an Agreement separate from all other Orders. In entering into this Agreement no Party may rely on any representation, warranty, collateral contract or other assurance (except those set out in this Agreement) made by or on behalf of the other Party on or before the date of this Agreement, and each of the Parties waives all rights and remedies which, but for this clause, might otherwise be available to it in respect of any such representation, warranty, collateral contract or other assurance, provided that nothing in this clause shall limit or exclude any liability for fraud.
- 1.2 Under this Agreement, Buyer's Affiliates may place Orders on Supplier. In such instances all rights and obligations of the Buyer under the Order shall pass to such Affiliate and for the purposes of that Order such Affiliate shall be deemed to be the Buyer for the purposes of this Agreement. Upon Supplier's acceptance of Orders from a Buyer's Affiliate, such Orders shall be governed exclusively by this Agreement.
- 1.3 This Agreement is being entered into for and on behalf of Buyer's Affiliates such that each of the Buyer's Affiliates may receive the Works under this Agreement and/or benefit from them and each obligation, assurance, warranty, indemnity, exclusion or limitation expressed to be given in favour of Buyer shall be deemed to be given to Buyer for itself and for each of its Affiliates.

2. Ordering Process

- 2.1 Supplier will procure all components necessary to fulfil Forecasts (if supplied) and Orders issued in accordance with this Agreement and ensure sufficient capacity is available to achieve the quantities and delivery dates specified in such Forecasts and Orders. Forecasts are for planning purposes only and do not create a commitment on the part of the Buyer.
 - 2.1.1 Buyer will issue, and Supplier will accept or reject in writing in accordance with clause 2.1.3 below, Orders for all Works covered by this Agreement. Each Order shall contain the following information:
 - 2.1.1.1 a description of the Works by part number;
 - 2.1.1.2 the quantity of the Works (with the exception of blanket Orders);
 - 2.1.1.3 the scheduled delivery date or delivery schedule;
 - 2.1.1.4 the location to which the Works are to be delivered and transportation instructions if other than defined by this Agreement;
 - 2.1.1.5 price, including unit and Order total prices; and
 - 2.1.1.6 any other special terms or requirements.
 - 2.1.2 Orders shall comply with the price and Forecast (or lead times agreed by the Parties in writing when there is no Forecast). Buyer shall allow for the Forecast (or lead-time when there is no Forecast) when setting the delivery date. Where Buyer fails to allow for the Forecast (or product lead times when there is no Forecast), then clause 2.1.4 shall apply.
 - 2.1.3 Order process is as follows:
 - 2.1.3.1 Each Order shall be issued by Buyer by registered postal mail or legally binding registered e-mail to Supplier. The Order will be deemed as received by Supplier on the day issued if by legally binding registered e-mail and two days after issue in the event of postal mail.
 - 2.1.3.2 The Order will be checked by Supplier.
 - 2.1.3.3 All Orders shall be confirmed or acknowledged in writing as accepted or rejected by Supplier within five (5) working days of receipt. If Supplier does not accept or reject the Order within the said five (5) day period, the Order shall be deemed accepted by Supplier. Should Supplier commence work under the Order, Supplier shall also be deemed to have accepted the Order by performance.
 - 2.1.3.4 If there is a conflict of terms the order of precedence shall be (in descending order):
 - 2.1.3.4.1 the typewritten provisions of an Order;
 - 2.1.3.4.2 this Agreement;
 - 2.1.3.4.3 any appendices, programme schedules or other written agreements attached to this Agreement as agreed by both Parties; and
 - 2.1.3.4.4 the specification.
 - 2.1.4 Supplier shall accept all Orders that are placed consistent with Buyer's Forecasts and otherwise in accordance with the lead-times as agreed by the Parties. In the event that Supplier is unable to meet the delivery date set forth in an Order because the demand under the Order exceeds the previously Forecasted demand or if within the Forecast but the delivery date is shorter than the lead-time, the Parties shall negotiate in good faith to resolve the matter. Supplier will accommodate Orders that are within 25% of the previously Forecasted demand.
 - 2.1.5 Supplier will supply the Works strictly in accordance with Buyer's requirements as detailed in the documentation specified in clause 2.1.3.4. Buyer may at any time request changes in writing relating to the Order, including changes in the drawings or specifications, method of shipment, quantities, packing or time or place of delivery. If such changes result in an increase in cost of, or time required for, performance of the Order an equitable adjustment will be made to the price, delivery schedule or both. Any such claim or adjustment must be approved by Buyer in writing before Supplier proceeds with such changes.
- 2.2 The Parties acknowledge that the pre-printed provisions appearing on the reverse of, or attached to, an Order form, an Order acknowledgment, or invoice shall be deemed deleted and of no effect whatsoever. Supplier shall ensure that no such pre-printed terms are on an Order acknowledgement sent to Buyer.

3. General

- 3.1 Any notice to be given hereunder shall be in writing and sent to the relevant Party's General Manager and Company Secretary at its address contained above (or such other address as shall have been notified to the other Party in writing), and shall be delivered or sent:
 - 3.1.1 in the case of a notice between Parties whose respective addresses for service are in the same country, by registered or recorded delivery post or local equivalent postal service which provides written evidence of delivery; or
 - 3.1.2 in the case of a notice between Parties whose respective addresses for service are in different countries, by courier provided that such courier obtains a signature on behalf of the recipient by way of:
 - 3.1.2.1 acknowledgment of receipt and
 - 3.1.2.2 evidence of the date and time of receipt.
- 3.2 Such notice shall be deemed to have been given:
 - 3.2.1 in the case of a notice sent by post in accordance with clause 3.1.2, 48 hours after the date on which the registered or recorded delivery letter including such notice is posted; and
 - 3.2.2 in the case of a notice which is delivered by courier in accordance with clause 3.1.3, when it is delivered to the appropriate address, as evidenced by the signature referred to in clause 3.1.3.
- 3.3 Neither Party shall in any manner assume or create any obligation or responsibility, express or implied, on behalf of or in the name of the other Party, except as expressly permitted under the terms of this Agreement.
- 3.4 The relationship of Buyer and Supplier under this Agreement and the Order is intended to be that of independent contractors. Nothing contained in this Agreement or the Order shall be construed as creating a partnership, joint venture, agency, trust, or other legal association of any kind between the Parties. Except as specifically provided in this Agreement, neither Party shall act or represent or hold itself out as having authority to act as an agent or partner of the other Party or in any way to bind or commit the other Party to any obligations. Any such act shall create a separate liability in the Party so acting to any and all third Parties affected thereby. The rights, duties, obligations and liabilities of the Parties shall be several and not joint or collective, each Party being individually responsible only for its actions and the obligations as set forth in this Agreement and the Order.

- 3.5 The Contracts (Rights of Third Parties) Act 1999 shall apply to this Agreement, save that Buyer may make amendments to this Agreement without seeking the consent of any of the Buyer's Affiliates.
- 3.6 If any provision of this Agreement or an Order is found invalid or unenforceable, the remaining provisions will be given effect as if the invalid or unenforceable provision were not a part of this Agreement or the Order (as the case may be).
- 3.7 Neither this Agreement nor an Order may be varied or amended except in writing and signed by a duly authorised officer of each Party.
- 3.8 The headings contained in this Agreement and an Order are for reference only and shall not be used in its construction or interpretation. The provisions of this Agreement and the Order shall be construed and interpreted fairly and in good faith to both Parties without regard to which Party drafted the same.
- 3.9 References to any gender includes any other gender and the plural shall include the singular and bodies corporate shall include unincorporated bodies and (in each case) vice versa.
- 3.10 Reference to any statute, enactment, ordinance, order, regulation or other similar instrument shall be construed to include a reference to the statute, enactment, ordinance, order, regulation or instrument as from time to time amended, extended, re-enacted or consolidated and all statutory instruments, orders, regulations or instruments made pursuant to it.
- 3.11 No failure or delay by either Party to exercise any right, power or remedy under this Agreement will operate as a waiver of it nor will any partial exercise preclude any further exercise of the same, or of some other right, power or remedy.
- 3.12 The Supplier shall not make any press release or public announcements relating to this Agreement or its subject matter, including, but not limited to, external promotional or marketing material, without the specific prior written consent of the other, which consent shall not be unreasonably withheld or delayed.
- 3.13 During the term of this Agreement and for one year after termination or expiration of this Agreement, Supplier shall not either directly or indirectly employ, or solicit to employ, or cause to be solicited for employment, persons employed by Buyer at the relevant time, without Buyer's prior written consent. As to employees who left the employ of Buyer prior to termination of this Agreement, Supplier shall not, directly or indirectly, employ or otherwise contract such former employee of Buyer until one year after the former employee's termination or separation from Buyer, except with Buyer's written consent which consent shall not be unreasonably withheld or delayed.
- 3.14 Supplier undertakes to inform Buyer immediately of any changes in ownership or control of Supplier and of any change in its organization or method of doing business that might affect the performance of Supplier's duties under this Agreement or an Order.
- 3.15 This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.
- 3.16 The applicable terms in clauses 1, 3, 4, 5, 8, 9, 10, 11, 12.2, 14, 15, 16, 18, 19.7, 20, 21, 23, 24, 26, 27.2 and 28 shall survive termination or expiration of this Agreement.
- 3.17 Supplier shall at all times comply with all laws and regulations applicable to the provision of the Works to Buyer and any other laws pertaining to compliance with this Agreement and the Order and obtain all permits, registrations and approvals of governmental authorities and/or standard setting agencies that are necessary or advisable (in the judgment of Buyer or Supplier) in respect of the Works.
- 3.18 Each Party hereby represents that it has the corporate power and authority necessary to execute this Agreement.
4. Law
The formation, existence, construction, performance, validity, interpretation and all aspects whatsoever of the Agreement or an Order or of any term of the Agreement or an Order including any non-contractual obligations arising out of or in connection with the Agreement or an Order will be governed by English law.
5. Disputes
The intent of the Parties is to identify and resolve disputes promptly. Each Party shall perform as follows:
- 5.1 to notify the other Party of any dispute in reasonable detail as soon as possible after any dispute arises;
- 5.2 to negotiate in good faith to seek to resolve the dispute; and
- 5.3 if a dispute is not resolved within thirty days of it arising, either Party shall be entitled to submit the dispute for final and binding resolution to and the Parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales for the determination of any disputes arising out of or in connection with this Agreement or an Order (including (without limitation) any dispute regarding the existence, validity or termination of this Agreement or an Order and/or this clause and any dispute regarding non-contractual obligations arising out of or in connection with this Agreement or an Order). For such purposes, each Party irrevocably waives any objection to the jurisdiction of those courts, and each Party irrevocably agrees that a judgment or order of those courts in connection with this Agreement or an Order is conclusive and binding upon it.
6. Import/Export
Supplier shall promptly notify Buyer of any export restrictions that may apply to the Works supplied under the Order, which shall include but not be limited to:
- 6.1 the United States, including without limitation the International Traffic in Arms Regulations (ITAR) (22 C.F.R. Parts 120-130), the U.S. Export Administration Regulations (15 C.F.R. Parts 730-774), and the economic and trade sanctions administered by the U.S. Department of Treasury Office of Foreign Assets Control;
- 6.2 the United Kingdom and all member states of the European Union, including without limitation Council Regulation (EC) No. 1334/2000; and
- 6.3 all other countries
(collectively, "Export/Import Law"). Supplier, at its own expense, represents and warrants to comply with all Export/Import Law. Supplier shall obtain, at its sole expense, any export licenses or other official authorizations and to carry out any customs or similar requirements for the export of any Works covered by the Order. Supplier specifically shall obtain all required authorizations from the U.S. Government before transferring or otherwise disclosing technical data or technology (as those terms are defined in 22 C.F.R. § 120.10 and 15 C.F.R. § 722, respectively), to any Foreign Person (as defined in 22 C.F.R. § 120.16). Where Export/Import Law applies to technical data related to the Order, Supplier shall provide written notification to Buyer before assigning or granting access to a Foreign Person to such technical data. Supplier agrees to bear sole responsibility for all regulatory record keeping associated with the use of licenses and license exceptions/exemptions. Buyer may deem Supplier's failure to comply with the requirements of this clause a material breach of the Order that shall subject Supplier to the termination provisions of clause 19.
7. Federal Acquisition Regulation ("FAR")/Defense Federal Acquisition Regulation Supplement ("DFARS")/Defence Contract Conditions ("DEFCONs")
The FAR/DFARS/DEFCON clauses listed or referred to in the Order are incorporated in the Order by reference with the same force and effect as if they were included in full text. Unless otherwise expressly noted herein, where necessary to make the DEFCON, FAR and DFARS clauses applicable to the Order and to protect Buyer's interest, the words "Government," "Authority," "DOD," "MOD", "Representative" and "Contracting Officer" each shall mean "Buyer" or (when appropriate) "Buyer and the Authority/Representative/Contracting Officer," the words "Contractor" or "Offeror" shall mean "Supplier," and the words "Contract" and "Schedule" shall refer to this "Agreement" or the applicable Order. The definitions outlined herein are intended to create legal relationships between Buyer and Supplier identical to, but not dependent on, the relationship the FAR and DFARS intend to establish between the "Government" and a "Contractor." It is not the intent of Buyer that any such substitution shall result in the disclosure of a Party's proprietary and /or confidential cost and pricing data.
8. The Works
- 8.1 Supplier represents and warrants that it shall provide the Works to Buyer precisely in accordance with this Agreement and the Orders. Supplier further represents and warrants that:
- 8.1.1 it shall use all best skill and care in such provision and shall perform its obligations in accordance with the Order;
- 8.1.2 title to the Works ordered under the Order shall transfer free from any security interest or other lien or encumbrance;
- 8.1.3 it has the rights to grant the licence rights set out in this Agreement and in the Order;
- 8.1.4 that the Works are of good quality, material and workmanship in accordance with best industry practice;
- 8.1.5 the Works are and will be fit for their intended purpose and use including any purpose and use made known to Supplier by Buyer ;
- 8.1.6 the Works are free from defects in design, materials and workmanship and hazards to health;
- 8.1.7 the Works are new and not used, refurbished, repaired or reconditioned and not of an age that deteriorates or impairs their usefulness, safety or operation;
- 8.1.8 the Works do not infringe the rights of any third party;
- 8.1.9 it has developed processes and/or procedures that are adequate to assure that none of the Works, or part or component thereof, or material contained in such Works, shall be counterfeit; and
- 8.1.10 no Works, or part or component thereof, or any material supplied hereunder shall be counterfeit.
- 8.2 Supplier shall deliver the Works CIP Incoterms 2010 to the delivery address stated on the Order unless otherwise specified in the Order. Upon delivery of the Works by Supplier to Buyer, Buyer (or Supplier at the request of Buyer) may perform an Acceptance Test upon such Works. The Works shall be deemed to have been accepted when notified by Buyer in writing.

- 8.3 Supplier shall undertake each Acceptance Test and shall give Buyer and its nominated representatives the opportunity (by giving not less than 10 Business Days' notice in writing) to attend and observe each Acceptance Test in respect of the Works.
- 8.4 No charge shall be made for attendance at any Acceptance Test. Where applicable, Buyer shall notify Supplier in writing as soon as reasonably practicable after the Works pass the Acceptance Tests.
- 8.5 Without prejudice to Buyer's right to terminate pursuant to clause 19.3.1, if the Works fail to pass any Acceptance Tests or repeat Acceptance Tests, Supplier shall notify Buyer that the Acceptance Tests have not been passed and Buyer may:
- 8.5.1 require Supplier to conduct, and Supplier shall immediately conduct, free of charge all such reasonable alterations or Modifications to the Works including but not limited to any that the Buyer shall in the circumstances judge necessary to enable repeat Acceptance Tests to be passed and Supplier shall subject the Works to repeat Acceptance Tests as soon as possible and in any event no later than 15 days after receipt of such notice from Buyer; or
 - 8.5.2 require Supplier to take the actions specified in clause 8.5.1 again; or
 - 8.5.3 accept the Works proposed to be used by Supplier "as is" subject to a reduction in the charges which accurately reflects both the reduced functionality and performance of, and any reduced costs of developing, the Works.
- 8.6 The provision of any certificate or evidence (including but not limited to evidence of passing of Acceptance Tests) by Supplier or Buyer or the giving of any approval or consent by Buyer under or in connection with this Agreement shall not be taken as relieving Supplier from any liability arising out of, or in any way connected with, the performance or non-performance of Supplier's obligations (other than the obligation to provide such certificate or evidence, if applicable), pursuant to this Agreement.
- 8.7 Supplier shall immediately upon discovery of the same promptly report to Buyer the extent of any damage or misuse of computer systems, hardware, Buyer Data, Buyer's Property and sites to which Supplier has direct or remote access and any effect that it may or will have on the performance of Supplier's obligations under this Agreement.
- 8.8 Supplier:
- 8.8.1 agrees that title to the Works shall pass to the Buyer on delivery unless otherwise agreed in writing; and
 - 8.8.2 grants a worldwide, royalty free, perpetual, irrevocable, non-transferable licence to use, distribute and onward develop the software and any utilisation rights of the Works to Buyer and its Affiliates) upon delivery or payment, whichever is the earlier. Supplier shall bear the risk of loss and damage to the Works until they are delivered (and off loaded) in conformity to the Order at Buyer's destination specified in the Order. This shall not affect or waive any of Supplier's warranties or other obligations under this Agreement or the applicable Order for, or in relation to, the Works.
- 8.9 When delivering Works that contains software to Buyer, Supplier shall deliver all of the following:
- 8.9.1 the object code for the software;
 - 8.9.2 the source code for the software;
 - 8.9.3 all Developments and Documentation relating to the software;
 - 8.9.4 copies of all applications and tools used in the creation or development of the software;
 - 8.9.5 any password and encryption details necessary to access the software or its source code; and
 - 8.9.6 full details of the software, including full name and version details, design information including module names and functionality, the type of media on which the software is provided, details of any commands required to install and make a backup copy of the software, any compression used in packaging the software, and details of operating systems on which the software runs.
- 8.10 Supplier may not deliver the Works by separate instalments unless agreed in writing by Buyer.
- 8.11 Time for the performance of all obligations of Supplier under this Agreement and Orders is of the essence and Supplier shall complete its obligations in accordance with any delivery date, implementation or project plan agreed between the Parties. If Supplier becomes aware of any matters which may affect the performance of Supplier's obligations under this Agreement, or if it has reason to anticipate the occurrence of such matters, Supplier shall promptly notify Buyer of the matter and the anticipated duration of their impact. The Parties will discuss in good faith a resolution of the matter.
- 8.12 If any services, functions or responsibilities not specifically described in this Agreement are required for the proper performance of Supplier's obligations or use of the Works by Buyer, they shall be deemed to be implied by and included within the scope of Supplier's obligations to the same extent and in the same manner as if specifically described in this Agreement.
- 8.13 Where Supplier has defaulted in its compliance with any of its obligations under this Agreement or an Order, Buyer may issue a Corrective Action Notice to Supplier requiring remedy of such defaulted obligations which may include instructions for Supplier to take such actions as Buyer believes in good faith may remedy such defaulted obligations. Supplier and Buyer agree and declare that a Corrective Action Notice shall not restrict Buyer in or prevent Buyer from serving a termination notice under clause 19 or from issuing a subsequent or other Corrective Action Notice (whether or not by reference to a default or remedial action specified or referred to in any other Corrective Action Notice, or pursuant to which any other Corrective Action Notice was issued, or otherwise).
- 8.14 Supplier shall ensure that each remedial action stipulated in each Corrective Action Notice or agreed pursuant to each Corrective Action Notice has been completed by the deadline specified by Buyer for completion of the remedial action in the Corrective Action Notice or if no deadline is specified within a reasonable time. Performance by Supplier of its obligations under this clause shall be without prejudice to any other rights or claims that the Buyer's Group may have under this Agreement.

9. Developments

- 9.1 The Parties agree that all Intellectual Property Rights in Buyer Data are exclusively vested in Buyer and Buyer's Group and that no member of Supplier's Group shall gain any rights to any Buyer Data or any computer programs (or modifications relating thereto) proprietary to any member of the Buyer's Group nor, except to the extent expressly licensed for use by Supplier in this Agreement, have any right to use or make any modification to any such items.
- 9.2 Supplier shall, and shall procure that its Affiliates shall, observe and perform all requirements and terms as requested by and notified to Supplier by or on behalf of the proprietors of any third party software specified in the Order ("Third Party Software") and shall not cause or permit any member of Supplier's Group or any subcontractor of Supplier to cause any member of Buyer's Group to breach any of the obligations on the licensee's part specified in any contract for the provision of Third Party Software.
- 9.3 The Parties agree that Supplier shall not gain title to nor, except to the extent licensed by Buyer for use in this Agreement, have any right to use or make any modification in respect of:
- 9.3.1 any software (and Modifications thereto) proprietary to the Buyer's Group; or
 - 9.3.2 the Third Party Software (and Modifications thereto); or
 - 9.3.3 Buyer Data.
- 9.4 All Intellectual Property Rights vesting in either Party prior to the date of this Agreement shall remain vested in such Party notwithstanding any other provision of this Agreement.
- 9.5 All Intellectual Property Rights in any Modification to any Third Party Software (and any associated documentation or materials) created, developed or made by or on behalf of Supplier pursuant to this Agreement shall be owned in each case by the proprietor of the Third Party Software (or associated documentation or materials) to which the Modification relates where the applicable contract for the Third Party Software so requires.
- 9.6 All Intellectual Property Rights in any Developments and other materials such as designs, plans, specifications, models, documents, software including (without limitation) source codes and other records or information created, developed or made by or on behalf of Supplier in the performance of the Order or to enable the performance of the Order shall, at the date of the Order or (if later) on creation of the rights, vest in Buyer. Supplier assigns (by way of present and, where appropriate, future assignment) all such Intellectual Property Rights with full title guarantee to Buyer.
- 9.7 Supplier hereby grants, for itself and on behalf of Supplier's Group, to each member of Buyer's Group a non-exclusive, perpetual, world-wide, irrevocable and royalty-free licence (with the right to grant sub-licences) to use, develop and make Modifications in respect of all other materials such as designs, plans, specifications, models, documents, software including (without limitation) source codes and other records or information in which the Intellectual Property Rights are owned by one or more members of Supplier's Group as at the date of the Order that are necessary to enable Buyer's Group to exercise the rights contemplated in this Agreement and undertake the actions specified to be undertaken by Buyer or any of Buyer's Affiliates in this Agreement.
- 9.8 To the extent that Buyer is able to without infringing any right (including, without limitation, any Intellectual Property Rights) of, or becoming liable to make any payment to, any third party, Buyer hereby grants to Supplier and its agents and sub-contractors providing the Works a non-exclusive, royalty-free licence during the term of this Agreement to use, develop and make Modifications in respect of any Intellectual Property Rights vested in Buyer's Group and which are required or desirable to enable Supplier only for the purpose of performing its obligations under this Agreement.
- 9.9 Supplier's right to use or access any Third Party Software shall be subject to the terms and conditions of such contracts and Buyer shall be under no obligation to procure any right for Supplier, any member of Supplier's Group or any Supplier sub-contractor to use or access any Third Party Software except to the extent agreed between the Parties.
- 9.10 Supplier agrees that it will promptly communicate the Developments to the Buyer together with all inventions, programs, improvements, processes, standards, techniques, developments, know how, designs or any other original matters whether capable of registration or not associated with the

Works which, at any time during the performance of this Agreement or any Order, Supplier might devise or discover. Supplier further agrees that all such Intellectual Property Rights and all rights throughout the world deriving from the same which arise after this Agreement or any Order has terminated shall vest in Buyer absolutely, as works made for hire.

- 9.11 Supplier shall, both during the continuance and following the termination of this Agreement for any reason whatsoever, at the request and reasonable expense of Buyer, as Buyer may require, apply for, and do all acts and things necessary to obtain registration or other protection in respect of the Intellectual Property Rights in the Developments in any part of the world. Supplier at its own expense shall and shall use all reasonable endeavours to procure that any necessary third party shall execute and deliver such documents and perform such acts as may be required for the purpose of giving full effect to the rights assigned under this clause 9.
- 9.12 Supplier shall not, at any time, whether during the continuance or following the termination of this Agreement for any reason whatsoever, do anything to affect the validity of any of the Intellectual Property Rights in the Developments and shall, at the discretion and expense of Buyer, render all assistance within Supplier's power to obtain and maintain such Intellectual Property Rights and any extension thereof.
- 9.13 With respect to any moral rights which arise under clause 9.10, Supplier shall procure that all applicable moral rights shall not be asserted by the holder of such rights.

10. Support

- 10.1 In consideration of the fees paid by Buyer, Supplier will:
 - 10.1.1 provide a maintenance service to Buyer for the Works as defined in clauses 10.2 and 10.3; and
 - 10.1.2 be responsible for the future development of the Works and in particular ensuring their continuing compatibility with subsequent versions of Buyer's products, throughout the term of this Agreement and the term of any Agreement signed between Buyer and its customers, which involve the provision of the Works. For the avoidance of doubt this obligation shall continue and survive termination of this Agreement.
- 10.2 Supplier will at no additional fee or sum for the period of three (3) years from date of written acceptance of the Works by Buyer:
 - 10.2.1 provide the warranties and representations in clause 8.1; and
 - 10.2.2 correct or procure the correction promptly, and no later than five (5) days from date of notification by Buyer to Supplier, of any failures of the Works to perform in accordance with the Order which are identified in writing by Buyer to Supplier. Any correction by Supplier shall be deemed to be Works for the purposes of this Agreement and the Order. Supplier shall be responsible for all costs (including delivery and collection charges) and delays incurred by Supplier and Buyer in respect of any faulty Works or failure to meet Supplier's obligations under this Agreement or any Order.
- 10.3 Buyer may produce maintenance releases of its own proprietary software, which use or are integrated with the Works from time to time, and Supplier shall update the Works to ensure that such updated Works shall operate with Buyer's maintenance releases in the manner that it did with Buyer's original software. Such updated Works will be supplied to Buyer at no additional fee. The Parties hereto shall agree a delivery date for such updated Works, which date shall be no later than three (3) months from date of notification to Supplier by Buyer of its maintenance release schedule.
- 10.4 Supplier shall give Buyer at least thirty (30) days' written notice if it proposes to incorporate the Works in or use the Works in combination with any open-source software, whereupon Buyer may require that Supplier, as soon as practicable and in good faith:
 - 10.4.1 provides and discusses with Buyer all reasonable additional information concerning the open-source software including without limitation (except for conditions of confidentiality) the type, proposed use and licence terms;
 - 10.4.2 discusses with Buyer any negative potential effects upon the Intellectual Property Rights or the exploitation of Buyer's products; and
 - 10.4.3 takes such action as may be reasonably instructed by Buyer to minimize any such negative effects or to remove and replace the open-source software. Irrespective of the above, Supplier shall not use open-source software for any reason whatsoever, if Buyer notifies Supplier in writing of its objection to such use.
- 10.5 Supplier shall not introduce into any of Buyer's or any of Buyer's Affiliates' computer systems anything, including any computer program code, virus, authorisation key, licence control utility or software lock, which is intended by any person to, is likely to, or may:
 - 10.5.1 impair the operation of the Works or any other computer systems or programs in the possession of Buyer or any of Buyer's Affiliates or impair the receipt of the benefit of the Works; or
 - 10.5.2 cause loss of, or corruption or damage to, any program or data held on any computer systems or other systems.
- 10.6 Supplier shall immediately notify Buyer if any Works and/or Intellectual Property Right or part thereof, shall infringe or breach any law. In the event that any such Works and/or Intellectual Property Right or part thereof shall infringe or breach any law, Supplier shall at no additional cost to Buyer and as soon as is reasonably practicable provide to Buyer replacement Works and/or Intellectual Property Rights which do not infringe or breach the law and which shall perform in a manner identical in all material respects to the Works and/or Intellectual Property Right as it was prior to such replacement.
- 10.7 Supplier may not discontinue the general supply to its customers of goods and services of the type constituting the Works (or any part thereof) during the term of an Order including any warranty period or support service period.
- 10.8 Subject to clause 10.7, Supplier may provide notice of not less than twenty four (24) months of the discontinuance of the supply of parts or components in the Works and during said notice period Supplier shall, at Buyer's sole discretion, either:
 - 10.8.1 provide a form, fit and function replacement at no additional cost to Buyer;
 - 10.8.2 procure such reasonable last time quantity as directed by Buyer for such parts or components. Unless otherwise agreed between the Parties, Supplier shall procure and store such parts or components at no additional charge to Buyer.

11. Quality and Inspection

- 11.1 Supplier's quality system shall be compliant with the requirements of ISO9001.
- 11.2 Supplier undertakes to work with Buyer to maintain a technical watch for obsolescence on all Works. For the purpose of this Agreement, a technical watch shall be defined as the on-going verification of the forward availability of parts, processes and materials procured from Supplier's subcontract and supply base. This watch shall occur on a quarterly basis.
- 11.3 Supplier will maintain detailed quality control and manufacturing sub-assembly and component Traceability records for the period of at least twelve years from the date of last supply of the Works. After twelve (12) years, Supplier shall either agree to continue holding the records or shall offer Buyer, at no charge, the option to transfer them for archiving or provide electronic copies to Buyer. No record shall be destroyed without Buyer's written approval.
- 11.4 For the purpose of observing the quality and progress of an Order and Supplier's performance of its obligations or of verifying the amount of the price, Buyer and its nominated representatives may at any time during a Business Day and from time to time on 2 Business Days' notice undertake any inspection of any premises and carry out an audit or check of any aspect of performance of this Agreement by Supplier and shall be allowed to observe work being performed by or on behalf of Supplier or its sub-contractors at any premises owned or used by Supplier in connection with the provision of the Works or any other deliverable in order to verify that Supplier is complying with its obligations under this Agreement. Such observation shall occur during Business Days and during hours that are reasonable under the circumstances (which may be outside working hours). Buyer may appoint an appropriate third party (who shall not be a competitor of Supplier) to act on its behalf in connection with its rights under this clause.
- 11.5 If a discrepancy is found between any amounts confirmed to any member of the Buyer's Group by Supplier and the actual amounts for the same period as determined in the course of any inspection made under this clause, Supplier shall reimburse Buyer for all costs reasonably incurred in conducting such inspection including but not limited to travel, accommodation and living expenses of the persons conducting such inspection, for the period of the inspection and the fees and expenses of any third party engaged by Buyer to conduct the inspection.
- 11.6 Without prejudice to Buyer's rights and remedies in or at law (including, without limitation, specific performance or injunctive relief), in equity or under this Agreement and without limiting clause 11.4, if Supplier fails, or if Buyer reasonably believes that Supplier is likely to fail to, perform any of its obligations under this Agreement within the period specified therefor pursuant to this Agreement or, if no period is specified, within a reasonable time, Buyer may, on giving advance notice at any time and for such period as Buyer deems reasonable in the circumstances, observe work being performed by or on behalf of Supplier or its subcontractors at any premises owned or used by Supplier in connection with the provision of the Works or any other deliverable in order to monitor such work and to provide Supplier with any recommended actions in respect of its or its sub-contractor's performance. Buyer may appoint an appropriate third party (who shall not be a competitor of Supplier) to act on its behalf in connection with its rights under this clause. Supplier shall reimburse Buyer for all costs reasonably incurred in conducting its rights under this clause.
- 11.7 Supplier, at no additional cost to Buyer, shall and shall procure that its sub-contractors shall:
 - 11.7.1 comply with all of Buyer's standard policies that are relevant to the supply of the Works and any other on-site regulations specified by Buyer for personnel working at Buyer's premises or relating to accessing any of Buyer's computer systems. Buyer shall provide Supplier with a copy of such policies and standards as they exist at the Order date, and, whenever they are updated, promptly following issue of the updated versions;
 - 11.7.2 provide the Works in compliance with all requirements of all applicable legislation from time to time in force and which is or may become applicable to the Works. Supplier shall promptly notify Buyer if Supplier is required to make any change to the Works for the purposes of complying with its obligations under this clause;

- 11.7.3 advise Buyer of and obtain, maintain and observe at its own cost and at no additional charge to Buyer all applicable governmental, statutory, regulatory or other consents, licences, authorisations, waivers or exemptions (including but not limited to third party licences) required by Supplier (unless otherwise agreed in writing by the Parties) in connection with the performance of Supplier's obligations under this Agreement; and
- 11.7.4 promptly notify Buyer of any health and safety hazards that exist or may arise in connection with the supply of the Works.

12. Traceability

- 12.1 Supplier shall have and operate a process to ensure that all Works, sub-assemblies and the components contained therein supplied to Buyer are completely Traceable back to manufacturer by batch or lot or date code.
- 12.2 Supplier shall, unless directed otherwise by the Buyer, procure components from the manufacturer of the components, or through franchised distributors or direct component suppliers. Supplier agrees to indemnify and hold Buyer harmless from and against all costs and expenses for the removal, repair or replacement of counterfeit components incorporated into the Works sold by Supplier to the Buyer where the counterfeit component was procured by Supplier from a person or entity other than a franchised distributor or direct component supplier or other person or entity pre-approved by Buyer in writing. Supplier will:
- 12.2.1 require that its suppliers provide a Certificate of Conformance with each component shipment;
- 12.2.2 perform incoming inspections of components and paperwork to ensure conformity to Specification; and
- 12.2.3 maintain and document incoming inspection specifications used for each component used in manufacturing the Works. The foregoing obligations of this clause 12.2 shall not apply to components consigned or sold to Supplier from Buyer.
- 12.3 If components are not purchased from an original equipment manufacturer or a franchised distributor or direct component supplier or are purchased without full traceability and manufacturers' certificates, Supplier will ensure that prior written approval has been obtained from Buyer before using such components and that the approving permit number shall be cross referenced on Supplier's release certification. To obtain Buyer's approval Supplier may have to, at Buyer's sole option and at Suppliers cost, perform the following:
- 12.3.1 check with the manufacturer that the date and batch codes identified on the Certificate of Conformity are genuine; and
- 12.3.2 complete or arrange for actual component testing on a representative sample of the components to verify their conformance to specification.
- 12.4 For components purchased from Buyer, Supplier shall maintain the traceability back to the paperwork provided by Buyer as part of the components transfer.

13. Offset Credit and Cooperation

- 13.1 All offset or counter trade credit value resulting from the Agreement shall accrue solely to the benefit of Buyer. Buyer shall, to the exclusion of all others, be entitled to all domestic and foreign offset credits, or other similar benefits, which may result from the Agreement (including subcontracts (whether domestic or foreign) placed by Supplier pursuant to this Agreement). Under no circumstance can Supplier use these credits/benefits towards any other entities than Buyer. Buyer reserves exclusive right to apply the value of foreign content in the Works or any deliverables to the offset program of its choice.
- 13.2 Supplier shall also support Buyer, in any manner reasonably requested by Buyer, and at no additional cost to Buyer, in meeting Buyer's offset requirements in the amounts and in the countries specified by Buyer. Supplier shall furnish upon request any certificates or other documents reasonably required by Buyer in fulfilment of Buyer's offset obligations, including, any documents transferring title to the offset credits to Buyer, any documents perfecting any rights granted to Buyer in this section, and take other action as Buyer deems appropriate in order to protect Buyer's interests in offset credits.

14. Buyer Continuous Improvement

- 14.1 The Parties agree that competitive pressures necessitate a program of continuous improvement. On all manufacturing contracts forecast to last longer than six (6) months in aggregate, each Party shall cooperate in good faith to implement a Works cost reduction program involving new technologies, component cost reduction, productivity, quality and reliability improvements, and manufacturing processes (including cycle time and assembly costs) which are mutually beneficial when all engineering and requalification costs are considered. The Parties shall at quarterly meetings conduct reviews with specific emphasis on quality, delivery, and cost improvements. Any cost savings which are achieved by Supplier as a result of implementing cost reductions proposed solely by Buyer shall reduce the price of the Works by the entire amount of Supplier's cost savings, after Supplier has recovered its NRE Items associated with the cost reduction. Any cost savings which are achieved by Supplier as a result of changes proposed solely by Supplier, or jointly by the Parties, after Supplier has recovered its NRE Items associated with the cost reduction, shall be shared equally by the Parties for a period of twelve (12) months and shall be retained exclusively by the Buyer after twelve (12) months. Notwithstanding the foregoing, cost reductions will commence immediately to reduce total costs of acquisition within an integrated supply chain by actively driving best practice in areas including, but not limited to:
- 14.1.1 simplification of ordering, and billing processes;
- 14.1.2 improved packaging and labelling; and
- 14.1.3 inventory reduction through: application of supply replenishment concepts; direct fulfilment, pull systems where appropriate; logistics solutions, including consignment supermarkets, ship set kitting and VMI; close collaboration on forecasting and planning; and integration of higher-level assemblies.
- 14.2 The Parties will work together to develop a cost model under which the Base Prices for the Works will be agreed. Supplier shall embrace the concept of target costing for new projects. Target costs will be provided for all new enquiries and modifications when known. Regular review meetings will be used to develop the Base Price structure with Supplier prior to any contractual agreement. The cost for volume production for each potential product will be agreed using the framework of this Agreement.
- 14.3 Supplier agrees that during the term of this Agreement, if requested by Buyer, the Parties will work together to develop and implement productivity improvements, including but not limited to, value engineering, Kaizen events, and quality improvements for the purpose of reducing Supplier's costs to manufacture the Works and the Parties' transaction costs.
- 14.4 The Parties agree that during the term of this Agreement, they shall work together to develop and implement a Works lead-time and component lead-time reduction program to reduce the Works lead times and component lead-times mutually agreed by the Parties commencing immediately upon signature of the Agreement. Works lead-time and component lead-time reduction programs may include, but shall not be limited to, initiatives such as security stocking of long lead-time items, lower tier supplier agreements, re-engineering the manufacturing process, and Works redesign. The Parties agree to baseline forward Works lead-times and component lead-times for purposes of benchmarking the success of such programs.

15. NRE and Tooling

- 15.1 Any Tools or Tooling purchased from Supplier or manufactured by Supplier, the cost of which forms part of an Order will become the property of Buyer and all right, title and interest in and to any part of Tooling will pass to Buyer as soon as it is acquired or fabricated in accordance with the Order.
- 15.2 Supplier shall quote the life of any new Tools prior to these Tools being manufactured. This will be expressed as the number of parts capable of being produced by the Tooling. Supplier will be responsible for the calibration, maintenance, repair and replacement of all Tooling where damage is caused to the Tooling by the acts or omissions of Supplier. Supplier shall transfer to Buyer any transferable warranties on Tooling.
- 15.3 Unless otherwise agreed between the Parties for extraordinary NRE costs (which will be discussed by the Parties), all NRE Item costs will be amortised into the Base Price over a 12-month period.
- 15.4 Full NRE Item costs for all Works will be quoted using the Buyer's bid template documents.
- 15.5 The amortization quantity should be clearly documented on the Buyer's bid template. Once the total amortization quantity for the Works has been delivered, Supplier shall subtract the amortization amount from the Base Price and establish a new Base Price for subsequent deliveries.
- 15.6 Lead times for all Tooling are to be quoted by Supplier and accompanied by a detailed timing plan.
- 15.7 Supplier shall be responsible for the routine maintenance, storage, repair, usage, replacement (within their useful life, fair wear and tear excepted) and calibration of all Tooling and Buyer acquired NRE Items in Supplier's possession for performance of this Agreement. If calibration or other specialist requirements are required outside of routine maintenance, repair or usage and not caused by a lack of care or damage by Supplier, then such costs shall be agreed in advance and paid for separately by Buyer. Equipment not owned by Supplier which requires a National Institute of Standards and Technology traceable certificate of calibration will be quoted and submitted to Buyer for approval prior to submitting equipment to third party calibration. Supplier will track and file calibration certificates and schedules.
- 15.8 Buyer shall have an option at any time, which shall be exercised by written notice to Supplier, to pay not more than the balance of the outstanding NRE Item cost for its outright ownership. In this event, Supplier shall subtract the amortisation amount from the Base Price and establish a new Base Price for subsequent deliveries.

16. Furnished Buyer's Property

- 16.1 Buyer's Property furnished to Supplier (where Buyer Property shall include any third party property provided by the Buyer) shall remain the exclusive property of the Buyer. The Buyer may demand possession thereof at any time without notice; however, if such a demand of possession is made and it affects Supplier's cost of performing the Order(s) on which the Buyer's Property is or was to be used, or affects Supplier's ability to meet any delivery dates under such Order(s), then such demand shall constitute a modification for which Supplier is entitled to a price adjustment or delivery schedule adjustment or both.
- 16.2 Supplier shall maintain and keep Buyer's Property in good condition. Buyer will compensate Supplier at its normal hourly rates for all calibration, maintenance or repair services to Buyer's Property (excluding Tools, Tooling and NRE Items and other than normal preventative maintenance services or services to correct defects caused by Supplier's act or omissions negligence or wilful misconduct), provided that Buyer approves such services and rates in advance and in writing. Buyer is not required to compensate Supplier for any such services associated with equipment or tooling owned by Supplier and not intended to be sold or otherwise transferred to Buyer.
- 16.3 Supplier warrants that Buyer's Property, Tools, Tooling and NRE Items shall not be removed from Supplier's premises except on the prior written permission of Buyer. Supplier may remove Buyer's Property, Tools, Tooling and NRE Items from Supplier's premises for purposes of repair provided that Supplier provides advance notice to Buyer of the anticipated removal.
- 16.4 Supplier shall keep Buyer's Property, Tools, Tooling and NRE Items separate and apart from its own property and that of other persons and shall clearly mark them as being Buyer's property.
- 16.5 Supplier warrants that Buyer's Property, Tools, Tooling and NRE Items shall not be used by Supplier for any purpose other than for the supply of the Works to Buyer.
- 16.6 Supplier will compile and submit reports on the status of Buyer's Property, Tools, Tooling and NRE Items as reasonably requested by Buyer including details on any repairs and maintenance necessary to maintain supply of the Works to specification.
- 16.7 Supplier shall be liable to Buyer for any loss of or damage to Buyer's Property, Tools, Tooling and NRE Items during the time it is in Supplier's possession, custody or control. During such time Supplier shall insure Buyer's Property, Tools, Tooling and NRE Items at full replacement value in the name of and for the benefit of Buyer at Supplier's expense with a reputable insurance provider.
- 16.8 Supplier waives any lien which it might otherwise have (whether at the date hereof or subsequently) on any of Buyer's Property for work done thereon or otherwise. This condition shall not be construed as a waiver of any other right of recovery of any other charges that may be due to Supplier for such work.
- 16.9 Supplier shall keep Buyer's Property, Tools, Tooling and NRE Items free of all mortgages, charges or other encumbrances and will procure that any lien over the same is discharged forthwith.
- 16.10 Supplier shall promptly pay Buyer on demand the full replacement value of any of Buyer's Property, Tools, Tooling and NRE Items which is not provided to Buyer in good condition or satisfactorily accounted for.

17. LIABILITY AND INDEMNITY

- 17.1 SUPPLIER REPRESENTS AND WARRANTS THAT IT HAS THE AUTHORITY TO PERFORM ALL ITS OBLIGATIONS AND GRANT THE RIGHTS GRANTED PURSUANT TO THIS AGREEMENT OR THE ORDER AND THAT SUCH PERFORMANCE OR THE GRANTING OF SUCH RIGHTS IS NOT IN BREACH OF ANY AGREEMENT TO WHICH IT IS A PARTY OR OTHERWISE BOUND.
- 17.2 SUPPLIER SHALL BE LIABLE TO BUYER FOR ALL DAMAGES, COSTS, EXPENSES AND ANY OTHER SUMS INCURRED OR CHARGED THAT BUYER MAY SUFFER IN CONNECTION WITH ANY ACTS OR OMISSIONS OF SUPPLIER UNDER THIS AGREEMENT OR THE ORDER.
- 17.3 SUPPLIER SHALL INDEMNIFY, KEEP INDEMNIFIED AND HOLD HARMLESS BUYER FROM AND AGAINST ANY CLAIMS BY THIRD PARTIES WHICH ARE CAUSED BY OR ARISE OUT OF OR IN CONNECTION WITH
 - 17.3.1 ANY ACT OR OMISSION OF BUYER CARRIED OUT PURSUANT TO INSTRUCTIONS OF SUPPLIER; OR
 - 17.3.2 ANY BREACH BY SUPPLIER OF ANY TERMS OF THIS AGREEMENT OR THE ORDER
- 17.4 NOTWITHSTANDING ANYTHING STATED HEREIN NOTHING SHALL EXCLUDE OR LIMIT THE LIABILITY OF EITHER PARTY:
 - 17.4.1 FOR DEATH OR PERSONAL INJURY ARISING AS A RESULT OF ITS NEGLIGENCE OR ITS EMPLOYEES; OR
 - 17.4.2 FOR FRAUD; OR
 - 17.4.3 FOR LIABILITY ARISING PURSUANT TO CLAUSES 6, 8, 9, 12.2, 16, 17.3, 17.7, 18, 20, 21.4, 23, 24 AND 26; OR
 - 17.4.4 FOR GROSS NEGLIGENCE; OR
 - 17.4.5 WILFUL MISCONDUCT; OR
 - 17.4.6 FOR ANY MATTER FOR WHICH IT WOULD BE ILLEGAL FOR THE RELEVANT PARTY TO EXCLUDE OR LIMIT OR TO ATTEMPT TO EXCLUDE OR LIMIT ITS LIABILITY.
- 17.5 SUBJECT TO CLAUSE 17.4, BUYER'S AGGREGATE LIABILITY UNDER EACH ORDER PURSUANT TO THIS AGREEMENT IS LIMITED TO 100% OF THE TOTAL PRICE WHICH HAS BEEN PAID OR IS DUE TO BE PAID UNDER EACH ORDER.
- 17.6 EXCEPT AS PROVIDED IN CLAUSE 17.4, BUYER WILL HAVE NO LIABILITY UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY ORDER IN RESPECT OF:
 - 17.6.1 LOSS OF PROFITS, LOSS OF BUSINESS, LOSS OF REVENUE, LOSS OF CONTRACTS, LOSS OF GOODWILL, LOSS OF ANTICIPATED EARNINGS OR SAVINGS (IN EACH CASE WHETHER DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL); OR
 - 17.6.2 LOSS OF USE OR VALUE OR DAMAGE OF ANY DATA OR EQUIPMENT (INCLUDING SOFTWARE), WASTED MANAGEMENT, OPERATION OR OTHER TIME (IN EACH CASE WHETHER DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL); OR
 - 17.6.3 ANY SPECIAL, INDIRECT, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL LOSS, HOWSOEVER ARISING.
- 17.7 SUPPLIER WARRANTS THAT THE WORKS WILL NOT INFRINGE A THIRD PARTY'S INTELLECTUAL PROPERTY RIGHTS. SUPPLIER WILL INDEMNIFY, KEEP INDEMNIFIED AND HOLD HARMLESS BUYER AND BUYER'S CUSTOMERS FROM, AND AT ITS OWN COST DEFEND ANY ACTION BROUGHT AGAINST BUYER OR ITS CUSTOMERS BASED UPON, A CLAIM, LEGAL ACTION OR ALLEGATION THAT THE WORKS AND/OR INTELLECTUAL PROPERTY RIGHT CREATED BY SUPPLIER PURSUANT TO THIS AGREEMENT OR THE ORDER (WHETHER CREATED USING BUYER'S SOFTWARE OR CREATED BY ANY OTHER MEANS WHATSOEVER) INFRINGE THE INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY AND WILL PAY THE AMOUNT OF ANY SETTLEMENT OR THE COSTS AND DAMAGES AWARDED INCLUDING REASONABLE LEGAL FEES (IF ANY) IN SUCH ACTION. FOLLOWING NOTICE OF A CLAIM OR A THREATENED OR ACTUAL ACTION SUPPLIER SHALL (WITHOUT PREJUDICE TO BUYER'S OTHER RIGHTS):
 - 17.7.1 PROVIDE FOR BUYER AND BUYER'S CUSTOMERS THE RIGHT TO CONTINUE TO USE THE WORKS AND/OR INTELLECTUAL PROPERTY RIGHT; OR
 - 17.7.2 REPLACE OR MODIFY THE WORKS AND/OR INTELLECTUAL PROPERTY RIGHT SO AS TO MAKE IT NON-INFRINGEMENT OF ANY THIRD PARTY RIGHTS AND SUPPLIER SHALL ENSURE THAT SUCH REPLACEMENT OR MODIFICATION SHALL PERFORM IN A MANNER IDENTICAL IN ALL MATERIAL RESPECTS TO THE, WORKS AND/OR INTELLECTUAL PROPERTY RIGHT AS IT WAS PRIOR TO SUCH REPLACEMENT OR MODIFICATION.
- 17.8 SUPPLIER SHALL PURCHASE, RENEW AND MAINTAIN AS NECESSARY SUFFICIENT PUBLIC LIABILITY, TANGIBLE PROPERTY AND PROFESSIONAL INDEMNITY INSURANCE COVER TO SATISFY BUYER THAT IT IS INSURED TO SUCH AN EXTENT TO ENABLE IT TO SATISFY ANY INDEMNITIES AND LIABILITIES INCURRED UNDER THIS AGREEMENT OR ANY ORDER. SUPPLIER SHALL PROVIDE TO BUYER A COPY OF THE RELEVANT INSURANCE POLICIES ON THE EFFECTIVE DATE, AND SHALL ALSO PROVIDE BUYER WITH A COPY OF THE SAME AT ANY TIME DURING THE CONTINUANCE OF THIS AGREEMENT OR ANY ORDER UPON THE REQUEST OF BUYER AND UPON EACH RENEWAL OF SUCH INSURANCE. FOR THE AVOIDANCE OF DOUBT, EACH SAID INSURANCE POLICY FOR THE ABOVE MUST PROVIDE SUPPLIER WITH COVER OF AT LEAST \$50,000,000 (FIFTY MILLION UNITED STATES DOLLARS) PER EVENT OR SERIES OF RELATED EVENTS.
- 17.9 BUYER SHALL HAVE THE RIGHT TO INTERVENE OR ASSUME RESPONSIBILITY FOR THE CONDUCT OF ANY PROCEEDINGS OR ANY SETTLEMENT OF ANY CLAIM UNDER AN INDEMNITY BEING CONDUCTED BY SUPPLIER AT ANY TIME IF BUYER CONSIDERS THAT TO DO OTHERWISE COULD RESULT IN THE NAME OF ANY MEMBER OF BUYER'S GROUP OR A BUYER CUSTOMER BEING BROUGHT INTO DISREPUTE PROVIDED THAT SUPPLIER SHALL ONLY BE OBLIGED TO INDEMNIFY TO THE EXTENT THAT BUYER CONSULTS WITH SUPPLIER IN RELATION TO SUCH CONDUCT AND DOES NOT PURSUE ANY PARTICULAR STRATEGY IN SUCH CONDUCT OR AGREE TO A SETTLEMENT WITHOUT THE CONSENT OF SUPPLIER (SUCH CONSENT NOT TO BE UNREASONABLY WITHHELD OR DELAYED).
- 17.10 IF AND TO THE EXTENT THAT ANY SUMS PAYABLE BY ONE PARTY TO ANOTHER UNDER THIS AGREEMENT OR AN ORDER BY WAY OF INDEMNITY ARE SUBJECT TO TAX IN THE HANDS OF THE RECEIVING PARTY, THE PAYING PARTY SHALL ON THE RECEIVING PARTY'S DEMAND PAY TO THE RECEIVING PARTY SUCH ADDITIONAL SUM AS SHALL BE REQUIRED TO ENSURE THAT THE RECEIVING PARTY RECEIVES AND RETAINS A NET SUM EQUAL TO THE SUM IT WOULD HAVE RECEIVED AND RETAINED HAD SUCH SUM NOT BEEN SUBJECT TO TAX AND AFTER TAKING DUE ACCOUNT OF ANY RELIEF TO WHICH THE RECEIVING PARTY BECOMES ENTITLED AS A RESULT OF THE LIABILITY WHICH GIVES RISE TO THE INDEMNITY.
- 17.11 Liquidated Damages
Without prejudice to the foregoing, in the event that a Product Delivery occurs after the date agreed in accordance with clause 2.1.5, the Supplier shall pay to the Purchaser the following by way of liquidated damages:
 - 17.11.1 Nil for the first 5 calendar days (grace period)
 - 17.11.2 4% of the price of the delayed Products for the 2nd and 3rd, 5 calendar day, periods of delay

- 17.11.3 2% of the price of the delayed Products for each subsequent 5 calendar day period thereafter up to a maximum of 20% of the price of the affected Products
- 17.11.4 The rights and remedies under this clause are in addition to, and not exclusive of, any of the Purchaser's rights or remedies provided by law or contract.
- 17.11.5 The Parties confirm that these liquidated damages are reasonable and proportionate to protect the Purchaser's legitimate interest in performance.
18. Intellectual Property Rights
- 18.1 Each Party acknowledges that all Intellectual Property Rights vesting in either Party prior to the date of the Order are and shall remain the sole property of that Party.
- 18.2 Supplier undertakes not to:
- 18.2.1 copy Buyer's Intellectual Property Rights or products (other than as authorized under this Agreement) nor otherwise reproduce the same;
- 18.2.2 utilize, customize, modify or create derivative works of, translate, adapt or vary Buyer's Intellectual Property Rights and products except as expressly permitted in this Agreement or an Order or otherwise agreed in writing between the Parties;
- 18.2.3 disassemble, decompile or reverse engineer Buyer's Intellectual Property Rights and products, except if and to the extent permitted by applicable law; and
- 18.2.4 license or sell any Buyer's Intellectual Property Rights or products, or any part thereof, to any third party.
19. Termination
- 19.1 Supplier may by notice in writing, without prejudice to any of its rights herein, terminate this Agreement or an Order forthwith if Buyer commits a material breach of this Agreement or an Order (as the case may be) which is incapable of remedy, or if capable of remedy, within sixty (60) days of the date of dispatch to Buyer of a written request from Supplier to remedy such breach Buyer fails to remedy such breach.
- 19.2 Without prejudice to any of its accrued rights whether arising out of or in connection with this Agreement or an Order either Party shall be entitled to immediately terminate this Agreement or any Order by notice in writing if the other Party is unable to pay its debts, makes a proposal for a voluntary arrangement or convenes a meeting of its creditors to consider such a proposal, becomes subject to any voluntary arrangement, has a receiver, manager, or administrative receiver appointed over any of its assets, undertaking or income, passes a resolution for its winding-up (save for the sole purpose of a solvent liquidation to effect a reconstruction or amalgamation previously approved in writing by the Party serving notice), is subject to a petition presented to any court for its winding-up, has a provisional liquidator appointed, has a proposal made for a compromise or arrangement under Part 26 Companies Act 2006 (save for the sole purpose of a solvent reconstruction or amalgamation previously approved in writing by the Party serving notice), has an administrator appointed in respect of it or is the subject of an application for administration filed at any court or a notice of appointment of an administrator filed at any court or a notice of intention to appoint an administrator filed at any court by any person or is the subject of a notice to strike off the register of companies maintained by the relevant authority in the country where that Party is incorporated.
- 19.3 Buyer may by notice in writing, without prejudice to any of its rights herein, terminate this Agreement or an Order forthwith if:
- 19.3.1 Supplier commits a material breach of this Agreement or an Order (as the case may be) which is incapable of remedy, or if capable of remedy, Supplier fails to remedy such breach within thirty (30) days of the date of dispatch to Supplier of a written request from Buyer to remedy such breach. If Buyer reasonably believes that any material breach capable of remedy shall not be remedied within thirty (30) days after Supplier receives a request in writing from Buyer in accordance with this sub-clause Buyer may terminate immediately the Agreement or Order (as relevant) by giving written notice to Supplier.
- 19.3.2 there is a Change of Control of Supplier; or
- 19.3.3 Supplier fails to materially comply with a Corrective Action Notice.
- 19.4 Supplier shall promptly notify Buyer in writing if Supplier or any of its Affiliates:
- 19.4.1 purchases a controlling interest, acquires or otherwise has any interest in a direct competitor of Buyer; or
- 19.4.2 is purchased, has any of the controlling interest bought, acquired or otherwise transferred to a direct competitor of Buyer.
- 19.5 This Agreement may be terminated by Buyer serving one month's notice in writing on Supplier. Each Order entered into pursuant to this Agreement will continue until terminated in accordance with the terms of that Order notwithstanding any termination of this Agreement unless Buyer serves notice in writing on Supplier on or before the date of the termination of this Agreement that the Order will terminate on the termination of this Agreement. A right on the part of Buyer to terminate an Order will immediately give rise to a right on the part of Buyer to terminate any or all other Orders.
- 19.6 Buyer is entitled to cancel the Order in whole or in part by giving written notice to Supplier at any time prior to delivery of the Works in which event Buyer's sole liability will be to pay to Supplier fair and reasonable compensation for work-in-progress at the time of cancellation but such compensation will not include loss of profits (whether direct or indirect and whether actual or anticipated) or any indirect or consequential loss.
- 19.7 Supplier shall provide or return, as applicable, to Buyer all the Tooling, Developments and any other records or material belonging to the Buyer and all copies of any of them by no later than thirty (30) days from the date of expiration or termination of this Agreement for any cause whatsoever, except as may be required for purposes of audit or any dispute.
20. Confidentiality Obligations
- 20.1 Each Party agrees to maintain Confidential Information received from the other in confidence and not to use or disclose such Confidential Information, without the prior written approval of the disclosing Party, except as required to comply with any order of a court or any applicable rule, regulation or law of any jurisdiction. Confidential information shall not include that which:
- 20.1.1 is in the public domain prior to disclosure to the receiving Party;
- 20.1.2 becomes part of the public domain through no unauthorized act or omission on the part of the receiving Party;
- 20.1.3 is lawfully in the possession of the receiving Party prior to disclosure by the disclosing Party; or
- 20.1.4 is independently developed by employees of the receiving Party with no access to the Confidential Information.
- In the event that a receiving Party is required by judicial or administrative process to disclose Confidential Information of the disclosing Party, it shall promptly notify the disclosing Party and allow the disclosing Party a reasonable time to oppose such process. Each Party agrees that the Confidential Information shall be disclosed only on a need-to-know basis to its employees, officers, directors, Affiliates, agents, professional advisors or others that are likewise subject to a confidentiality obligation. Each Party will ensure that all such persons to whom it discloses Confidential Information will comply with the provisions of this clause 20. Each Party shall protect the Confidential Information of the other by using the same degree of care, but not less than a reasonable degree of care, to prevent the unauthorized disclosure or use thereof that such Party uses to protect its own confidential information of like nature. The Parties hereby acknowledge that damages may not be an adequate remedy for any breach of this clause 20.1 and that either Party will therefore be entitled to apply for injunctive relief from any court of competent jurisdiction to restrain any breach or threatened breach of this clause 20.1.
- 20.2 Upon termination or expiration of this Agreement, each Party agrees at the request of the other Party to destroy and certify destruction thereof of all Confidential Information in its possession received from the other save insofar as the receiving Party needs such Confidential Information to fulfil its post-termination obligations to the other Party or to customers.
21. Price and Payment
- 21.1 Supplier shall invoice Buyer the charges for the Works as set out in the Order upon Buyer's written acceptance of the Works. Such invoice shall include: Order number, descriptions of the Works, sizes, quantities, prices and totals.
- 21.2 Buyer shall pay to Supplier the proper and valid invoiced price in the currency of payment as set out in the Order within sixty (60) days of receipt of a correct invoice. All payments shall be made to Supplier at the address shown in the Order. Buyer may make adjustments or withhold payment if Buyer reasonably deems that any invoices are not submitted in accordance with this Agreement, due to any shortages or failures, or for any failure to comply with the requirements of the Order.
- 21.3 The price and any other sums payable by Buyer are gross amounts inclusive of:
- 21.3.1 any value added tax and all other foreign, federal, local, sales or use taxes;
- 21.3.2 all charges including, but not limited to, packaging material, packing, shipping, loading, carriage, insurance and delivery of the Works to Buyer's specified place of delivery; and
- 21.3.3 any duties, imposts and levies.
- 21.4 Supplier undertakes that the charges under an Order set out complete and accurate fees, charges, expenses and costs payable by Buyer to Supplier in consideration of the grant of licences, provision of the Works and performance of all other obligations specified or referred to in this Agreement or an Order. Buyer shall not be liable for, and Supplier shall indemnify and hold harmless the Buyer against, payment of any fees, charges, expenses or costs of whatever nature including (without limitation) travel, accommodation, document reproduction, transportation, courier or telecommunications charges) in respect of any such licences, Works and obligations except as otherwise agreed between the Parties in writing.
- 21.5 Buyer may invoice Supplier in respect of any refund or overpayment in respect of the charges due pursuant to this Agreement or an Order. Supplier shall pay each correct invoice within 10 Business Days of receipt except to the extent that it disputes any or all of the amount shown on the invoice in which case Supplier

- shall pay Buyer the amount that is not in dispute but Supplier need not pay the amount that is in dispute until the dispute has been resolved in accordance with clause 5.
- 21.6 In the event of any delay in payment by either Party of any amount owed beyond the period of 30 days from the date for payment the other Party may charge interest at the rate of 4% per annum above the base rate from time to time of the Bank of England until the payment thereof in full.
22. Security
- Supplier's employees visiting or working at any of Buyer's premises will comply with the security, confidentiality, safety and conduct policies at such premises as are notified by or on behalf of Buyer to Supplier in writing from time to time and shall conduct themselves in a professional manner.
23. Buyer Data
- 23.1 Supplier shall, and shall procure that Supplier's Group and subcontractors to Supplier's Group shall, comply with the European Union Data Protection Directive, the Telecoms Data Protection Directive 1997 and the Data Protection Act 1998 (the "Legislation") in relation to any personal data (as defined in the Legislation) relating to or originating from the Buyer's Group or its employees to which Supplier's Group and its sub-contractors gain access for the purposes of or pursuant to the arrangements contemplated by this Agreement.
- 23.2 Supplier undertakes that except where otherwise agreed by the Parties in writing:
- 23.2.1 neither Supplier's Group nor any of its sub-contractors shall process, or direct the processing of any personal data relating to or originating from Buyer's Group or its employees other than in the UK;
- 23.2.2 Supplier's Group and its sub-contractors each have in place now and shall on a continuing basis take all reasonable technical and organisational measures to keep all personal data relating to or originating from Buyer's Group or its employees secure and to protect the personal data against accidental loss or unlawful destruction, alteration, disclosure or access; and
- 23.2.3 except to the extent otherwise required by law, Supplier's Group and its sub-contractors shall each act in relation to personal data relating to or originating from the Buyer's Group or its employees only in accordance with Buyer's instructions except to the extent that Supplier can show that the instructions are not in accordance with the Legislation.
- 23.3 Supplier acknowledges and agrees that Buyer Data is the exclusive property of the Buyer Group and that:
- 23.3.1 all Intellectual Property Rights in Buyer Data is and shall remain owned by the Buyer's Group notwithstanding any Modifications created or developed to or in respect of Buyer Data by or on behalf of Supplier's Group or its subcontractors; and
- 23.3.2 none of Supplier's Group or its sub-contractors shall delete or remove any copyright notices contained within or relating to any Buyer Data.
- 23.4 Supplier shall not have any right to nor shall it permit the:
- 23.4.1 use of Buyer Data by any member of Supplier's Group or any sub-contractor otherwise than for the benefit of the Buyer's Group and in accordance with this Agreement; or
- 23.4.2 disclosure of any Buyer Data except to Supplier's employees or permitted sub-contractors of Supplier on a need to know basis directly concerned with the performance of its obligations and Supplier shall maintain and make available to Buyer on reasonable notice a log identifying such Supplier's employees and the extent of their access to Buyer Data from time to time; or
- 23.4.3 unless required by law, disclosure of any Buyer Data to any persons to whom Supplier is able to disclose such Buyer Data in accordance with the terms of this Agreement unless such persons are made aware, prior to disclosure, of the confidential nature thereof and that they owe a duty of confidence to the Buyer's Group in respect of such information and Supplier to use best endeavours to ensure that such persons comply with such duty; or
- 23.4.4 use of Buyer Data by any member of Supplier's Group or any sub-contractor in any way that would be harmful to the Buyer's Group.
- 23.5 If any Buyer Data is lost or corrupted as a result of any act or omission of any of Supplier's Group or its sub-contractors, Supplier shall restore Buyer Data at its own expense to the most recent back-up point. Buyer shall ensure that Buyer Data in its possession or control is backed up regularly in accordance with its policy on performing back-up of Buyer Data.
- 23.6 Supplier shall ensure that each member of Supplier's Group and each sub-contractor used by it who processes personal data (as defined in the Legislation) of the Buyer's Group also enter into an agreement undertaking to Supplier in equivalent terms to the undertakings given by Supplier to the Buyer's Group in this clause.
24. No Transfer
- 24.1 The Parties do not consider that the commencement, termination or expiry of all or any part of this Agreement or an Order or of the provision of the Works or any part of the Works pursuant to, or contemplated by, this Agreement will operate to transfer the employment of any employee or other person whether under TUPE, any TUPE Equivalent Legislation or otherwise.
- 24.2 Notwithstanding the foregoing:
- 24.2.1 during such period as is reasonable being in any event not less than six (6) months prior to the expiry of this Agreement or at any time after Buyer or Supplier has given notice to terminate this Agreement, or to cease the provision of any of the Works or actually ceased to provide any of the Works:
- 24.2.1.1 Supplier shall promptly on Buyer's request fully and accurately disclose to Buyer details of the number, identity, age, identity of employer, terms and conditions of employment (including remuneration, benefits, pension arrangements, job title and job description), proportion of time spent in the provision of the relevant Works and employment history in relation to any individuals employed or engaged in the provision of the relevant Works and such other information as Buyer may require in relation to such individuals. Buyer shall be entitled to pass on any information provided pursuant to this clause to any of its Affiliates and to any person intending to tender or tendering for any contract for the provision of services that are similar in nature to the relevant Services, subject to such third party (where such third party is not an Affiliate of the Buyer) being bound by confidentiality obligations on equivalent terms to those set out in clause 20 of this Agreement and Buyer shall be entitled to rely upon and warrant the accuracy of any such information to any Future Service Provider, and Supplier shall indemnify Buyer (for itself and any of its Affiliates and/or any Future Service Provider) against any costs, expenses, liabilities, damages and losses arising out of any failure by Supplier to provide information under this clause and/or the provision of inaccurate information; and
- 24.2.1.2 Supplier shall not vary the terms and conditions of employment or engagement of any individual wholly or mainly assigned to the provision of the Works or redeploy, replace or dismiss any of the individuals so assigned or employ or engage any additional individual in the provision of the Works, without the prior written consent of Buyer.
- 24.3 Supplier shall indemnify and keep indemnified Buyer (for itself and any Affiliate of Buyer and/or any Future Service Provider) against all and any costs, expenses, liabilities, damages, and losses arising out of any claim, action, demand or proceeding which arises or is alleged to arise or be made against Buyer or any Affiliate of Buyer or any Future Service Provider by virtue of the operation of TUPE or any TUPE Equivalent Legislation in connection with the termination of this Agreement or the termination of the provision of any of the Works (or any part of the Works) and which is made or brought by any individual who at or before the date of such termination is or was employed or engaged in the provision of the Works or who alleges that he or she was so employed or engaged and relates to circumstances or events arising or occurring at any time (including any dismissal or alleged dismissal of any such person by Buyer or any Affiliate of Buyer or any Future Service Provider).
- 24.4 Save where clause 24.3 applies, Buyer shall indemnify and keep indemnified Supplier (for itself and any Affiliate of Supplier) against all and any costs, expenses, liabilities, damages, and losses arising out of any claim, action, demand or proceeding which arises or is alleged to arise or be made against Supplier or any Affiliate of Supplier by virtue of the operation of TUPE or any TUPE Equivalent Legislation in connection with the termination of this Agreement or the termination of the provision of any of the Works (or any part of the Works) and which is made or brought by any individual who at or before the date of such termination is or was employed or engaged by Buyer in the provision of the Works or who alleges that he or she was so employed or engaged and relates to circumstances or events arising or occurring at any time (including any dismissal or alleged dismissal of any such person by Supplier or any Affiliate of Supplier).
25. Assignment and Subcontracting
- Supplier shall not assign the benefit or delegate or subcontract the burden of this Agreement or any Order (whether in whole or in part) without the prior written consent of Buyer.
26. Bribery Act and Corruption
- 26.1 Supplier understands the provisions of any relevant local laws relating to the prevention of corruption and agrees to comply with them to the extent that they apply
- 26.2 Supplier shall at all times comply with all applicable laws, regulations and sanctions relating to anti-bribery including but not limited to the Bribery Act 2010 (the "Act").
- 26.3 Supplier shall not engage in any activity, practice or conduct which would constitute an offence either by it or any of its Affiliates under the Act.
- 26.4 Supplier shall comply with Buyer's anti-bribery policy in force from time to time as provided to Supplier.
- 26.5 Supplier shall devise, implement and enforce written policies and procedures constituting adequate procedures under the Act in order to prevent commission by:
- 26.5.1 Supplier; or
- 26.5.2 any employee of Supplier; or
- 26.5.3 any of its Affiliates; or

- 26.5.4 Supplier's agents, contractors, professional advisors and associated persons; of any offence under the Act.
- 26.6 Supplier shall promptly produce to Buyer copies of such written policies and procedures on request by Buyer.
- 26.7 Supplier shall ensure that any third party agent or contractor of Supplier involved in the performance of this Agreement does so only on the basis of a written contract which imposes on such person terms equivalent to those imposed on Supplier in this clause 26. Supplier shall be responsible for the observance and performance by such person of the terms of that written contract.
- 26.8 Supplier shall report to Buyer any request or demand for any undue financial or other advantage of any kind received by Supplier in connection with the performance of this Agreement.
- 26.9 Breach of this clause 26 shall be deemed a material breach of this Agreement.
- 26.10 Supplier shall indemnify the Buyer's Group from and against any and all losses, damages, claims, demands, actions, costs, (including costs incurred in preventing, avoiding or mitigating loss), charges, interest, payment actions, proceedings, penalties, fines, adverse judgments, orders or other sanctions, expenses or liabilities (including without limitation lost opportunity costs, additional administrative and management time, loss of anticipated savings and costs and expenses of the Buyer's Group and legal expenses calculated on a solicitor and client basis) suffered, incurred or arising as a result of any breach by Supplier of this clause 26.
27. Insurance Proceeds
- 27.1 Supplier shall promptly, upon written request from Buyer from time to time, provide Buyer with copies of all relevant insurance policies and evidence of payment of premiums due to reasonably satisfy Buyer that insurance has been taken out and is being maintained by Supplier as required pursuant to clauses 16.7 and 17.8 and for the purposes of assessing whether the range and amount of cover is sufficient. The obligations on Supplier in clauses 16.7 and 17.8 and this clause 27 are material obligations under this Agreement.
- 27.2 All monies received by Supplier under any policy or policies of insurance in respect of its liabilities under this Agreement or an Order for destruction or damage or loss of any materials or property or such proportion of the monies received as is applicable thereto shall be applied in or towards the replacement or repair of such materials or property and this provision shall not affect any other obligation of Supplier or Supplier's liability under this Agreement or an Order.
28. Definitions
- "Acceptance Tests" means such acceptance tests as proposed by or on behalf of Buyer acting reasonably and issued prior to any such acceptance tests being undertaken to determine whether the Works (both individually and collectively with other Works) are in accordance with its specifications and otherwise meets Buyer's requirements as contemplated by this Agreement.
- "Base Prices" means a specific list of prices (or if not agreed the initial prices) established and agreed by the Parties in writing for the supply of the Works
- "Business Days" means any day except a Saturday, Sunday or public/bank holidays on which the banks in London are open for business.
- "Buyer Data" means the data supplied or otherwise made available by or on behalf of any member of the Buyer's Group to Supplier's Group or any of Supplier's sub-contractors and the data generated by or stored in the computer systems and telecommunications networks owned or operated by or on behalf of or for the benefit of Buyer to which Supplier or its sub-contractors gain access in connection with the provision of any Works together with any Modifications thereto from time to time made by or on behalf of any person.
- "Buyer's Property" means any dies, tools, patterns, plates, artwork, designs, drawings, specifications, free issue materials or other documents or items in the possession or under the control of Supplier which have either been supplied by the Buyer to Supplier, or in respect of which the Buyer (subject always to Buyer's rights under this Agreement) has paid Supplier the entire NRE Items price.
- "Change of Control" means for any entity, any change in the:
 (a) ownership or control (directly or indirectly) of more than fifty per cent (50%) of the voting capital of the entity; or
 (b) ability (directly or indirectly) to direct the casting of more than fifty per cent (50%) of the votes exercisable at general meetings of the entity; or
 (c) right (directly or indirectly) to appoint or remove directors of the entity holding a majority of voting rights at meetings of the board of directors of the entity.
- "Confidential Information" means all information in respect of the business of a Party including, without prejudice to the generality of the foregoing, any ideas, business methods, prices, business, financial, marketing, development or manpower plans, customer lists or details, computer systems and software, products or services, including but not limited to know-how or other matters connected with the products or services manufactured, marketed, provided or obtained by Buyer and information concerning Buyer's relationships with actual or potential clients, customers or suppliers and the needs and requirements of Buyer and of such persons and any other information which, if disclosed, will be liable to cause harm to Buyer.
- "Corrective Action Notice" means a notice issued by Buyer to Supplier setting out remedial or corrective action to be undertaken by or on behalf of Supplier to ensure compliance with the obligations of Supplier under this Agreement or an Order.
- "Developments" means any Works, development documentation, information, materials, plans, drawings, reports or the like created under or for the purposes of an Order during the course of the performance of an Order.
- "Direct Competitor" means any third party in the defence, aerospace, intelligence or surveillance market selling products in competition with Buyer or its Affiliates.
- "Documentation" means the user guides and user manuals (as appropriate) for the Works, regardless of whether in printed and/or machine-readable format.
- "Forecast" means a rolling estimate of Buyer's requirements for Works from current Orders up to a forward looking period of at least nine (9) months and preferably twelve (12) months including the quantities to be manufactured and the requested delivery date.
- "Future Service Provider" means any third party provider of the Works who replaces Supplier.
- "Group" means in relation to a company, that company, any subsidiary or holding company from time to time of that company, and any subsidiary from time to time of a holding company of that company (each an "Affiliate"). "Holding company" and "subsidiary" are as defined in section 1159 of the Companies Act 2006.
- "Intellectual Property Rights" all intellectual and industrial property rights including patents, know-how, registered trademarks, registered designs, utility models, applications for and rights to apply for any of the foregoing, unregistered design rights, unregistered trademarks, rights to prevent passing off for unfair competition and copyright, database rights, topography rights and any other rights in any invention, discovery or process, in all countries in the world and together with all renewals and extensions.
- "Liability" any liability whether in contract, tort (including negligence), breach of statutory duty, restitution or otherwise in respect of any loss or damage howsoever caused, and including without prejudice to the generality of the foregoing any liability arising under any indemnity.

"Modification"	means all translations, adaptations, arrangements, derivative works, developments, enhancements, error corrections, fixes, versions, upgrades, updates, new releases and, without limitation, by reference to the foregoing, modifications (and "Modified" shall be construed accordingly).
"Non-Recurring Expense Items" or "NRE Items"	means any unique labour, tooling, jigs, fixtures, stencils, or other items utilized for the manufacture of Works that are separately priced in an Order for the Works, amortised in the Base Price of the Works or detailed in a separate NRE Items Order related to the Works.
"Order"	shall mean an order placed by Buyer for Works.
"Tools" or "Tooling"	means tools for use with or created pursuant to the Works.
"Traceable"	means that all the Works, sub-assemblies and the components contained therein supplied by Supplier shall be accompanied with original authentic certificates of conformity from the manufacturer of the original component or if not accompanying the component delivered to the Buyer are in the possession of Supplier as specified by the Buyer's specification.
"TUPE"	means the Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended from time to time) (UK S/I number: 2006/246).
"TUPE Equivalent Legislation"	means any legislation in any jurisdiction which is equivalent to or similar to TUPE and/or the Acquired Rights Directive (Council Directive 2001/23/EC) insofar as it relates to the transfer of employees.
"VMI"	means Vendor Managed Inventory.
"Works"	means the goods and/or services as specified in the Order or any part thereof