

# PEAK PRODUCTION EQUIPMENT LIMITED (PPE)

## GENERAL TERMS AND CONDITIONS OF PURCHASE

### 1. ACKNOWLEDGMENT AND ACCEPTANCE OF PURCHASE ORDER

Acceptance of this PURCHASE ORDER by the SUPPLIER constitutes acceptance of all the TERMS AND CONDITIONS stated here in. To the extent that any quotation, order acceptance, confirmation, invoice or other document of SUPPLIER contains conflicting, differing or additional terms from these TERMS AND CONDITIONS, these TERMS AND CONDITIONS will control and all such conflicting, differing or additional terms are rejected by PPE and shall have no effect unless expressly agreed to in writing by PPE. SUPPLIER's acknowledgement on a company headed document of the PURCHASE ORDER, or SUPPLIER'S shipment of, or acceptance of payment for, products and SERVICES shall conclusively affirm SUPPLIER'S assent to these TERMS AND CONDITIONS.

### 2. DELIVERY

The date for completion of the SERVICES and/or delivery of the GOODS shall be the DELIVERY DATE(S) or as otherwise agreed in writing by both PURCHASER and SUPPLIER. GOODS shall be delivered to the PURCHASER and packaged to protect from damage in transit. The risk of loss or damage shall remain with the SUPPLIER until actual delivery to PPE. The SUPPLIER shall be responsible for damages sustained during delivery. Any resulting claims against carriers shall be the responsibility of the SUPPLIER. Replacement of any damaged GOODS shall be the sole responsibility of the SUPPLIER. In the event of failure to deliver or perform by the dates specified in the PURCHASE ORDER, PPE reserves the right to cancel such PURCHASE ORDER in total or any unexecuted part of such PURCHASE ORDER.

### 3. ADVISE NOTES & RELEASE CERTIFICATES

The SUPPLIER shall provide certification that the GOODS and/or SERVICES delivered under the PURCHASE ORDER have been tested and inspected and confirm to all drawings and/or ORDER requirements. The SUPPLIER must have objective evidence on file to substantiate the Certificate of Conformity / Compliance and such evidence must be available to the PURCHASER for review on request. As a minimum, Certificates of Conformity shall contain the following information:

- The PURCHASER'S part number (where possible) and description.
- Signature of authorised SUPPLIER'S representative (if applicable)
- Recommended shelf life and date of manufacture of shelf life items supplied against the ORDER shall be identified on the SUPPLIER'S delivery documentation (if applicable).

### 4. RETURN OF DEFECTIVE GOODS

All GOODS supplied under the PURCHASE ORDER that do not meet with the approval of PPE Quality Assurance, that are shipped contrary to the PURCHASE ORDER instructions or that are in excess of the quantity or quantities order under the PURCHASE ORDER, will be returned to the SUPPLIER or held pending a mutual agreement between PPE and the SUPPLIER regarding their disposition, subject to the SUPPLIER'S risk of loss and sole expense.

### 5. WARRANTY

The SUPPLIER warrants all materials and SERVICES delivered hereunder to be free from any defect, including latent defects, of material, workmanship and to conform strictly to the specifications, drawings, or sample specified. This warranty shall survive any inspection, delivery, acceptance, or payment by PPE of the materials or SERVICES. The SUPPLIER shall ensure that the PURCHASER receives the benefit of any manufacturer's guarantees in respect of any GOODS transferred to the PURCHASER. If at any time during 12 (twelve) months after acceptance of the GOODS or completion of the performance or the SERVICES it is discovered that the GOODS or SERVICES or any part thereof are defective in any way, then the SUPPLIER shall promptly and at its own expense repair or replace the defective GOODS or re-perform SERVICES.

### 6. NON-CONFORMING PRODUCT

The SUPPLIER shall develop and maintain a reliable system of identifying GOODS to assure that if a defect or non-conformance is found, SUPPLIER will be able (i) notify the PURCHASER within 24 hours of discovery (ii) to determine what other GOODS may have a common defect/non-conformance or otherwise be affected by the defect/non-conformance, (iii) to identify the time of and the location of the manufacture of defective/non-conforming GOODS, and (iv) to identify the specific shipments that contain defective/non-conforming GOODS to PPE as well as the time and place of delivery of such shipments. In the event defective or non-conforming GOODS are identified, either by SUPPLIER or by the PURCHASER or otherwise, the SUPPLIER shall immediately analyse and implement solutions to minimise the consequences of any such defect/non-conformance. In any event, within thirty (30) days following the receipt by SUPPLIER of samples of defective/non-conforming GOODS and/or a rejection from PURCHASER, the SUPPLIER shall conduct detailed corrective and preventative action to correct the defect/non-conformance. SUPPLIER shall keep PPE fully informed of all actions taken with respect to defective or non-conforming GOODS. SUPPLIER shall ensure that all Company documentation is controlled and distributed with the correct revision level to the appropriate personnel that produce the GOODS. SUPPLIER shall be responsible for ensuring that all applicable PURCHASER documentation is provided to all of the SUPPLIER'S sub-suppliers involved in the supply of GOODS.

### 7. QUALITY REQUIREMENTS

All GOODS provided under the PURCHASE ORDER are subject to a visual inspection and acceptance within 7 days after actual delivery to PPE and PPE shall have the right to reject any defective or non-conforming GOODS despite any prior inspection by the SUPPLIER. If GOODS are defective or non-conforming at point of installation, refer to Condition 5 for further warranty cover. The SUPPLIER shall generate and maintain records and data for all inspections and tests performed. The records and data generated shall be appropriate to the inspection and test operation performed and in sufficient details to provide for complete verification and evaluation of operations. On request, the records will be supplied to the PURCHASER and no records will be destroyed without prior permission of the PURCHASER. These records may include, but are not limited to:

- Product Release Certification; and/or
- Records of testing or inspection such as test certificates, route cards, or batch records that details product serial numbers and are required for traceability purposes.

### 8. ROHS COMPLIANT

The SUPPLIER shall fully comply with specified component finishes and solder. In addition, the SUPPLIER shall maintain a clear definition and configuration control of the component finishes and solder within the GOODS delivered to the PURCHASER. Unless explicitly specified otherwise in the ORDER, the PURCHASER requires the use, and continuing use, of lead-free based solder in all electrical or electronic assemblies. The SUPPLIER must obtain approval in writing for any potential non-compliance with the PURCHASER'S drawing requirements and prior to making any changes to component finishes or solder within GOODS delivered to the PURCHASER. Liability for GOODS that do not comply with component finishes or solder specified in the PURCHASER'S requirements shall rest with the SUPPLIER unless otherwise agreed in writing with the PURCHASER.

### 9. REACH

In the event that the SUPPLIER is unable to continue to provide GOODS and/or SERVICES that are compliant with the Registration, Evaluation, Authorisation and Restriction of Chemicals Regulations (REACH), then the PARTIES agree that they shall enter into negotiations in good faith in order to find a mutually agreeable solution, including the possibility of the SUPPLIER providing similar, REACH compliant GOODS and/or SERVICES. In the event that a mutually agreeable solution cannot be found within a reasonable time, the failure to provide the GOODS and/or SERVICES shall be held to be beyond the reasonable control of the PARTIES and the CONTRACT shall be terminated.

### 10. CONFLICT MINERALS

The SUPPLIER acknowledges that the PURCHASER may be required to provide to the customer certain information regarding any tin, tantalum, tungsten and gold (collectively, "Conflict Minerals") that may be contained in GOODS sold by the PURCHASER. Upon PURCHASER'S request, the SUPPLIER shall promptly provide such written certifications concerning Conflict Minerals contained in GOODS sold by the SUPPLIER to the PURCHASER (including components, parts and materials thereof) as the PURCHASER may request from time to time. The SUPPLIER represents and warrants that its GOODS parts, components and materials are not and will not be produced with child or forced labour. The SUPPLIER represents and warrants that it has adopted and will maintain *adequate measures* to enable such due diligence as to the source and chain of custody of Conflict Minerals as is necessary to determine:

- Whether the products, components, parts or materials supplied to the PURCHASER contain Conflict Minerals and, if so;
- Whether in the case of each of those Conflict Minerals, that Conflict Mineral is:
  - Derived from recycled or scrap metals; or
  - Originates (or the Supplier) reasonably believes that those Conflict Minerals may originate) from the Democratic Republic of the Congo to an adjoining country (Angola, Burundi, Central Africa Republic, Congo Republic, Rwanda, Sudan, Tanzania, Uganda, Zambia (collectively the "Covered Countries").

Where the SUPPLIER determines that there may exist Conflict Minerals, the SUPPLIER shall perform the necessary due diligence and make every effort to identify:

- The facilities used to process those Conflict Minerals; and

- The location of each mine or the location of origin of those Conflict Minerals with the greatest possible detail.

#### 11. COUNTERFEIT GOODS

The SUPPLIER warrants that COUNTERFEIT GOODS shall not be supplied to the PURCHASER or installed in the PURCHASERS products by the SUPPLIER. The SUPPLIER warrants that only new, unused and authentic ITEMS shall form part of the GOODS and shall be supplied to the PURCHASER. The SUPPLIER shall promptly replace such COUNTERFEIT GOODS with GOODS acceptable to the PURCHASER and the SUPPLIER shall be liable for all costs relating to impoundment, removal and replacement. The PURCHASER may notify and turn COUNTERFEIT GOODS over to the Government authorities for investigation and the PURCHASER reserves the right to withhold payment pending the results of the investigation. The SUPPLIER shall include all provisions of this Condition 11 in all lower tier contracts under this ORDER. Any inability or unwillingness of a lower-tier supplier to comply with this provision shall be documented in writing and submitted immediately to the PURCHASER.

#### 12. MODERN SLAVERY ACT

The SUPPLIER agrees to not purchase any GOODS or SERVICES or raw materials that have been sourced from manufacturers or service providers using forced labour in its operations or practices. The SUPPLIER shall comply with all applicable laws, statutes and regulations relating to the anti-slavery, servitude, forced and compulsory labour and human trafficking, including but not limited to the Modern Slavery Act 2015. The SUPPLIER shall promptly report to the PURCHASER any actual or suspected slavery, servitude, forced and compulsory labour or human trafficking in its supply chain which has a connection with this PURCHASER ORDER. The SUPPLIER must maintain a complete set of records to trace the supply chain of all GOODS and SERVICES provided to the PURCHASER in connection with the PURCHASE ORDER.

#### 13. ANTI-BRIBERY

The SUPPLIER is fully aware of the provisions of the UK Bribery Act 2010 ("the ACT") and has committed to comply fully with the ACT and will not enter into any contact or arrangement which involves any act or omission anywhere in the world which breaches the ACT. Whether acting alone or with others, the SUPPLIER undertakes that it will not do or omit to do anything which constitutes an offence under the ACT.

#### 14. EXPORT CONTROL (if requested by PPE)

The GOODS or SERVICES may be exported or re-exported by the PURCHASER. The SUPPLIER warrants that it has obtained all necessary export approvals for the provision of the GOODS and SERVICES to the PURCHASER, its customer and end user customer. The SUPPLIER agrees to notify the PURCHASER if any GOOD or SERVICE deliverable under the PURCHASE ORDER contains parts which are restricted by export control laws or regulations. Notification shall be provided at the earliest opportunity but no later than first delivery or payment, whichever comes first. The SUPPLIER shall provide the PURCHASER with copies of completed Export forms to ensure that the PURCHASER can comply with any Export Control conditions. For all GOODS and/or SERVICES which may contain material subject to any export restrictions or regulations, the SUPPLIER shall:

- Ensure that a statement to this effect is recorded on any advice note, certificate of conformance and/or despatch documentation / Export Classification; and
- Include the Country of Origin, Harmonised Tariff Codes and ECCN Numbers of the GOODS or SERVICES being supplied on the advice note / Certificate of Conformance / despatch documentation / Export Classification Form accompanying the GOODS or SERVICES, and what, if any, regulatory controls apply to the ITEMS / GOODS.

The SUPPLIER further agrees to comply with all applicable U.S export controls and regulations, specifically including but not limited to the requirements of the Arms Export Control Act, 22 USC.2751-2794, the International Traffic in Arms Regulations (ITAR), 22 CFR 120 et seq., and the Export Administration Regulations, 15 CFR. 730-774; including the requirement for obtaining any export license or agreement, if applicable.

#### 15. MATERIAL TRACEABILITY (if requested by PPE)

##### PART. MATERIAL, EQUIPMENT OR RAW MATERIAL TRACEABILITY

Unless otherwise specified in the ORDER, the GOODS and SERVICES (where there is a supply of material) supplied against this ORDER require full traceability of parts, materials, equipment's or raw materials from the time of receipt through delivery of the finished article as follows:

- **Part or Material Traceability** to the original component manufacturer is required from the SUPPLIER as follows:
  - For parts or materials from the original part or material manufacturer, the PURCHASER requires traceability to the original component manufacturer including both Date and Lot Code information.
  - For parts or materials from the original part or material manufacturer purchased via the authorised / franchised distributor or agent, the PURCHASER requires traceability to the original component manufacturer.
- **Equipment Traceability.** For equipment such as Printed Circuit Assemblies, Power Supply Units, other electro-mechanical, electronic or electrical assemblies, the SUPPLIER shall make available on request full traceability to the original component manufacturer of the parts that are assembled into the equipment as a constituent part including both Date and Lot Code information.
- **Raw Material Traceability** is required to the physical and chemical analysis of the raw material from the raw material manufacturer and or its appointed agent / distributor.

The SUPPLIER may only purchase items directly from Original Component Manufacturers (OCMs), OCM authorised distributors, or authorised aftermarket manufactures. Use of items that were not provided by these sources is not authorised unless first approved in writing by the PURCHASER. The SUPPLIER must present compelling support for its request for the PURCHASER'S approval (e.g., OCM documentation that authenticates supply chain traceability of the parts to the OCM) and include in its request all actions to ensure the items that are procured are new, unused and authentic items.

##### CONTROL AND MONITORING OF MEASURING DEVICES

Test equipment shall have its performance and calibration verified for all parameters detailed in its manufacturer's published performance / calibration specification, against measurement standards traceable to national or international standards, UKAS or overseas equivalent accreditations. At the request of the PURCHASER, the SUPPLIER or the SUPPLIERS sub tier suppliers shall provide a calibration certificate and test report showing all test results including an estimate of the uncertainty of measurement.

##### AUDITS

It is a condition of the CONTRACT that the PURCHASER'S Quality Assurance Authority reserves the right to conduct Audits of the SUPPLIER to confirm compliance with quality conditions of the contract.

##### FOREIGN OBJECT DAMAGE

- The SUPPLIER shall develop and maintain a Foreign Object Debris/Damage (FOD) prevention program for manufacturing areas. The intention is to prevent introduction of foreign objects into any GOODS delivered under the ORDER.
- The SUPPLIER shall ensure timely removal of residue / debris generated, if any, during manufacturing operations. The SUPPLIER's FOD program shall be proportional to the sensitivity of the design of the GOODS to FOD, as well as, to the FOD generating potential of the manufacturing methods.

#### 16. OBSOLESCENCE

The SUPPLIER must notify the PURCHASER in writing without delay of any actual or potential obsolescence issues affecting the CONTRACT that it identifies from time to time. Such notice must include complete and accurate details of: (a) the obsolescence issue identified; (b) its impact on the performance of the CONTRACT; and (c) any actions that could be taken in mitigation (including the cost of such actions). All relevant non-recurring and extra-recurring costs, if any, resulting from obsolescence issues during the performance by the SUPPLIER of the CONTRACT shall be fully borne by the SUPPLIER.

#### 17. CONFIDENTIAL DISCLOSURE

The SUPPLIER agrees to take adequate protective actions to secure information provided and stamped or marked PPE including, but not limited to, designs, processes, drawings, specifications, reports, data and other technical or business information in order to prevent improper disclosure. Unless otherwise provided herein or authorised by PPE in writing, the SUPPLIER shall use such information and items and the features only in respect of this PURCHASE ORDER. The SUPPLIER shall not make copies; take pictures or videos of any items stated above. The SUPPLIER shall keep all items stated above in a secure area. PPE Items are to be returned to PPE upon request or when no longer required by the SUPPLIER.