

## **Ricardo Defense Standard Terms and Conditions of Purchase**

### **1. Definitions**

1.1 In these terms and conditions (“the **Conditions**”) the following words shall have the following meanings:

“Applicable Laws”	all national, supranational, foreign or local laws (including case law), legislation, U.S. Export Control laws, International Traffic in Arms Regulations (ITAR), statutes, statutory instruments, rules, regulations (including FAR and DFARS), edicts, by-laws or directions or guidance from government or governmental agencies including any rules, regulations, guidelines or other requirements of relevant regulatory authorities which have the force of law together with any industry codes of practice in effect from time to time.
“Confidential Information”	the provisions of the Supplier Agreement and all information which is sensitive or otherwise not publicly available (in both cases either in its entirety or in part) including commercial, financial, marketing or technical information, know-how, trade secrets or business methods or data, in all cases whether disclosed orally or in writing before or after the date of the Supplier Agreement.
“Defense Priority”	A Defense Priorities & Allocations System (DPAS) rating requiring the seller to follow all provisions of the Defense Priorities and Allocations System regulation (15 CFR Part §700).
“Delivery Schedule”	is a pre-defined delivery date commitment for a specified quantity of Goods or Services with quantity pricing controlled by a Schedule Agreement.
“Lead-Time”	is the amount of time that passes from the start of a process to its completion, Order lead time is the number of days from when a company places an order to when the product is delivered.
“Goods”	the goods specified in the Purchase Order or Scheduling Agreement.
“Purchase Order”	Ricardo Defense’s purchase order requesting the supply of the Goods or Services.
“Schedule Agreement”	Ricardo Defense’s outline agreement to purchase a specified quantity of product within a period of performance at an agreed-upon price without specific delivery dates.
“Services”	the services specified in the Purchase Order or Scheduling Agreement.
“Supplier”	the company, firm or individual to whom the Purchase Order or Scheduling Agreement is addressed and upon whom Ricardo Defense places a Purchase Order or Scheduling Agreement for Goods and/or Services.
“The Parties”	the Supplier and Ricardo Defense.
“Technical Data Package”	includes the technical design and manufacturing information needed to enable the construction or manufacture of an item component modification, or to enable the performance of certain maintenance or production processes. Ricardo Defense will provide a set of drawings, the TDP, that are needed by the supplier for production of the part/assembly.

### **2. Existence and Scope of Purchase Orders or Delivery Schedules**

- 2.1 Ricardo Defense will have no liability in connection with any Purchase Orders or Scheduling Agreements except such as are made on a Ricardo Defense form in accordance with these Conditions, which represent the only terms and conditions upon which Ricardo Defense is prepared to procure the Goods and/or the Services from the Supplier. No amendment or variation of these Conditions shall be effective unless agreed by Ricardo Defense in writing.
- 2.2 The Purchase Order constitutes an offer by Ricardo Defense to purchase a single buy quantity of designated Goods and/or Services in accordance with this Supplier Agreement. Ricardo Defense will provide to the Supplier the latest version of the Technical Data Package associated with the order.
- 2.3 The Delivery Schedule constitutes an offer by Ricardo Defense to purchase a scheduled release of specified quantities of designated Goods and/or Services in accordance with a Schedule Agreement controlling quantity buy pricing. Ricardo Defense will provide to the Supplier the latest version of the Technical Data Package associated with the Delivery Schedule.
- 2.4 The Supplier shall notify Ricardo Defense within five (5) days when lead-time (transportation, finished goods, raw material) changes greater than 10% of the standard time approved within a Schedule Agreement. The notification shall identify the date(s) on any existing Delivery Schedule that may be affected.
- 2.5 The Supplier shall notify Ricardo Defense within 48 hours of issue of the Purchase Order or Delivery Schedule if it is not able to fulfil the order. The Purchase Order or Delivery Schedule and these Conditions shall be deemed to have been unconditionally accepted on the earlier of the time that:
  - 2.5.1 is 48 hours after issue of the Purchase Order or Delivery Schedule by Ricardo Defense (provided that no written rejection of the Purchase Order or Delivery Schedule has been received from the Supplier within such 48-hour period); and
  - 2.5.2 the Supplier commences work or issues a written acknowledgement (whether or not referring to conditions inconsistent

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with the Supplier Agreement (including these Conditions) unless clearly stated on its face to be a counteroffer) in connection with the Purchase Order or Delivery Schedule.

- 2.6 All terms and conditions that the Supplier seeks to impose or incorporate (whether in a written acknowledgement or otherwise), or which are implied by trade, custom, practice or course of dealing are excluded.

### **3. Price and Payment**

- 3.1 The price payable for the Goods and/or Services shall be as stated on the Purchase Order or Scheduling Agreement and should be fixed and firm and should be inclusive of all charges and expenses including packaging, carriage, insurance, delivery and exclusive of value added tax at the appropriate rate and all applicable taxes that may arise in connection with the Supplier Agreement (which shall be paid at the same time as payment is due for the Goods and/or Service on receipt by Ricardo Defense of a valid value added tax or other tax invoice).
- 3.2 Invoices shall be sent to Ricardo Defense at the address indicated on the face of the Purchase Order or Delivery Schedule following acceptance of the Goods or satisfactory performance and shall clearly show the Ricardo Defense Purchase Order or Delivery Schedule number.
- 3.3 Unless stated otherwise in the Purchase Order or Scheduling Agreement, Ricardo Defense will make payment to the Supplier in arrears within 60 days from the end of month in which Ricardo Defense receives the Supplier's conforming and undisputed invoice. Ricardo Defense shall not be obliged to pay any proportion of any invoice which is genuinely disputed by Ricardo Defense, pending resolution of such dispute in accordance with these Conditions.
- 3.4 Without prejudice of its other rights, Ricardo Defense reserves the right of set off or recoupment from any payment due to Supplier under the Supplier Agreement the amount of any claims which Ricardo Defense may have against Supplier in connection with the Supplier Agreement or any other contract.

### **4. Quality and Condition of Goods, Environmental Standard**

- 4.1 The Supplier warrants that:
- 4.1.1 the Goods and/or Services shall be delivered or performed (as applicable) by the required dates, conform to any applicable drawings, specifications or other description included with the Purchase Order or Scheduling Agreement or otherwise furnished by Ricardo Defense to the Supplier and comply with Applicable Laws and contractual FAR/DFARS flow downs.
- 4.1.2 the Goods and/or any deliverables or other goods and materials provided or used pursuant to the Services will be new, free from defects in design, materials, installation and workmanship, be of satisfactory quality and be suitable for the purpose expressly or impliedly made known to the Supplier by Ricardo Defense.
- 4.1.3 it will use the best quality goods, materials, standards and techniques; and
- 4.1.4 No substitutions shall be allowed without the specific written consent of an authorized Ricardo Defense official.
- 4.2 The Supplier acknowledges that the Supplier knows of Ricardo Defense's intended use and warrants/guarantees that all goods or services covered by the contract established by the issuance of the P.O. that have been selected, designed, manufactured or assembled by the Supplier based upon Ricardo Defense's stated use will be fit and sufficient for the particular purposes intended by Ricardo Defense. The warranties in Condition 4.1 are in addition to any obligation implied by law, except that if Ricardo Defense offers a longer warranty to its customers and the goods or services provided by the Supplier are incorporated into work for a Ricardo Defense customer, such longer period offered by Ricardo Defense to its customers shall apply.
- 4.3 The Supplier is expected to have achieved quality assurance certification or maintain documented quality standards and procedures in-lieu of a quality certification.

### **5. Delivery of Goods**

- 5.1 Unless otherwise directed in writing by Ricardo Defense, Goods shall be delivered during normal business hours to the place and on the date(s) specified on the Purchase Order or Delivery Schedule (time and quantity to be of the essence of the Supplier Agreement). Delivery of the Goods shall be completed on the completion of unloading of the Goods at the delivery location.
- 5.2 All Goods shall be adequately protected against damage or deterioration in transit and delivered carriage paid in accordance with Ricardo Defense instructions. Ricardo Defense shall have no liability for packing materials and cases except as agreed between the Parties in writing.
- 5.4 Ricardo Defense's count as to the Goods delivered should be accepted as final and conclusive. Any inconsistency in the count between Ricardo Defense and the supplier may be addressed using a corrective action report (CAR). Ricardo Defense may provide a CAR to the supplier which will need to be completed and returned to Ricardo Defense
- 5.5 Parts made to a design provided by Ricardo Defense shall be part marked in accordance with the requirements specified within the TDP.
- 5.6 Supplier parts shall be clearly marked with the supplier and/or Ricardo Defense part number and, if applicable, delivered with a certificate of conformity declaring fabrication quality and/or COTS authenticity.

### **6. Inspection and Testing**

- 6.1 All Goods and/or Services are assumed to have been properly inspected and tested by the Supplier prior to delivery of the Goods or completion of the Services (as applicable) but may be subject to test and inspection by Ricardo Defense at its discretion.
- 6.2 The Supplier shall, at Ricardo Defense's request, permit or procure permission for representatives of Ricardo Defense, its customers and other organizations (including government agencies) to visit the Supplier's or third party premises for the purpose of viewing progress under the Supplier Agreement and carry out such inspections and assessments (including taking samples) as they request in connection with any Goods and/or Services and any processes carried out in relation to them including quality assurance systems and procedures.
- 6.3 The Supplier shall furnish Ricardo Defense with progress reports relating to performance of the Supplier Agreement in such form as Ricardo Defense may request.
- 6.4 The Supplier shall promptly advise of any difficulty or delay actual or expected in the performance of the Supplier Agreement

and the Supplier's proposed remedial action. Refer to Section 24. Communications for specific reporting requirements.

### **7. Rejection and Other Rights**

- 7.1 Without prejudice to any of its other rights in respect of any failure by the Supplier to comply with these Conditions, if the Goods and/or Services are not delivered or performed by the required dates, or do not comply with the warranties provided in Condition 4.1, Ricardo Defense shall be entitled at its discretion to exercise some, all or any of the following rights:
- 7.1.1 to reject such Goods (whether or not title has passed) or performance of the Services; and
  - 7.1.3 to require the Supplier at its expense to supply immediately in substitution for any rejected Goods, Goods which conform to the Supplier Agreement or at Ricardo Defense's option to carry out repairs or remedial work to the Goods or to re-perform the Services so that they are in conformity with the Supplier Agreement; or
  - 7.1.4 at the Supplier's expense, to carry out or to have carried out any work which Ricardo Defense in its absolute discretion considers necessary to conform to the Goods and/or Services to the Supplier Agreement; and/or
  - 7.1.5 to be refunded any sums paid to the Supplier for rejected Goods which are not repaired or replaced by the Supplier or Services which have not been adequately performed; and
  - 7.1.6 to recover from the Supplier any expenditure incurred by Ricardo Defense in obtaining substitute goods from a third party; and
  - 7.1.7 to claim damages for any other costs, loss or expenses incurred by Ricardo Defense which are in any way attributable to the Supplier's failure to comply with the Supplier Agreement.
- 7.2 These Conditions shall extend to any substituted or remedial services and/or repaired or replacement goods supplied by the Supplier.
- 7.3 Goods rejected by Ricardo Defense shall be collected by the Supplier within 15 days of notice of rejection and until such Goods are collected, they shall remain at the Supplier's risk. After 15 days, Ricardo Defense reserves the right to destroy or otherwise dispose of the Goods at the Supplier's cost.
- 7.4 Neither delivery nor any failure by Ricardo Defense to reject the Goods at the time of delivery shall be deemed to be an acceptance of any defects including the presence of counterfeit parts that might exist in the Goods.

### **8. Title and Risk in Goods**

- 8.1 Title and risk in respect of the Goods shall pass to Ricardo Defense on receiving inspection acceptance upon delivery.

### **9. Provision of Services**

- 9.1 If the Supplier Agreement is for or includes Services to be performed by the Supplier then, the Supplier undertakes, represents and warrants to Ricardo Defense that the Supplier shall:
- 9.1.1 co-operate with Ricardo Defense in all matters relating to the Services, and comply with all reasonable instructions and guidelines issued by Ricardo Defense from time to time.
  - 9.1.2 use personnel who are suitably skilled and experienced to perform the tasks assigned to them, and in sufficient number to ensure that the Supplier's obligations are fulfilled in accordance with the Supplier Agreement.
  - 9.1.3 use personnel who are U.S. Citizens.
  - 9.1.4 provide all equipment, tools and vehicles and such other items as are required to provide the Services.
  - 9.1.5 obtain and at all times maintain all necessary licenses and consents, and comply with all Applicable Laws; and
  - 9.1.6 observe all health and safety rules and regulations and any other security requirements that apply at any of Ricardo Defense's premises.
- 9.2 Time of performance of the Services is of the essence of the Supplier Agreement. The Services shall be provided so as to meet any dates set out in the Purchase Order or Delivery Schedule.

### **10. Ricardo Defense Property and Material**

- 10.1 The Supplier shall ensure:
- 10.1.1 that all material, plant, tools, drawings, specifications or other equipment or data ("**Ricardo Defense Property**") supplied by Ricardo Defense for use in connection with the Purchase Order or Scheduling Agreement and the supply of the Goods shall at all times remain Ricardo Defense property;
  - 10.1.2 that Ricardo Defense Property is marked with such indications of ownership as Ricardo Defense requires and is kept in good condition;
  - 10.1.3 nothing shall be done to permit Ricardo Defense Property to become subject to any lien, encumbrance, tax, charge or duty;
  - 10.1.4 that Ricardo Defense Property shall not be removed from the Supplier's premises save for purposes connected with the Supplier Agreement or the provision of Goods;
  - 10.1.5 Ricardo Defense Property is not used or permitted to be used save for the purposes of the Supplier Agreement and that such Ricardo Defense Property shall be treated as confidential; and
  - 10.1.6 Ricardo Defense Property at the Supplier's premises shall be adequately insured for its full replacement value and that the Supplier shall bear all risk of loss and damage whilst the property is in the Supplier's control.
- 10.2 The Supplier shall permit or procure permission for Ricardo Defense representatives to enter premises where Ricardo Defense Property is located for the purpose of inspecting it and its condition or seeking its return.
- 10.3 The Supplier shall return Ricardo Defense Property in accordance with directions given by Ricardo Defense on demand in good condition.
- 10.4 Any and all tooling fixtures purchased or manufactured by the Supplier the cost of which forms part of the value of the Supplier Agreement shall become the property of Ricardo Defense and shall be treated and protected in the same way as Ricardo Defense Property. All right, title and interest in and to any part of tooling to be paid for by Ricardo Defense shall pass to Ricardo Defense as soon as it is acquired or fabricated in accordance with a Supplier Agreement.
- 10.5 Title to Ricardo Defense Property (whether charged to Supplier or not) will not pass to Supplier but will remain with Ricardo

Defense unless properly discarded as waste by the Supplier, in which case, title shall reside with the Supplier.

- 10.6 Ricardo Defense Property shipped to the Supplier by Ricardo Defense under the P.O. shall be insured comprehensively for their full value by the Supplier and the relevant policy, to which Ricardo Defense shall be named as an additional insured party, shall be provided to Ricardo Defense upon demand.

### **11. Proprietary Rights**

- 11.1 All intellectual property rights of any kind and rights of a like nature whether registered or unregistered and including but not limited to patents, copyright, trademarks, registered designs, design rights, database rights, goodwill and the right to sue in passing off ("**Intellectual Property Rights**") produced, created or acquired under the Supplier Agreement will belong to Ricardo Defense.
- 11.2 Any pre-existing Intellectual Property Rights owned or controlled by the Supplier, and utilized by Supplier for the performance of the Supplier Agreement shall be freely available for use by Ricardo Defense, and Supplier grants Ricardo Defense a perpetual, royalty-free, irrevocable, non-exclusive right to use such Intellectual Property Rights without restriction. This right shall include the right for Ricardo Defense to incorporate such Supplier owned or controlled Intellectual Property Rights into work performed by Ricardo Defense for its customers, and no restriction as to use shall be placed on Ricardo Defense or Ricardo Defense's customers as a result of such incorporation.
- 11.3 In respect of the Goods and any goods that are transferred to Ricardo Defense as part of the Services under the Supplier Agreement, including without limitation any deliverables, the Supplier warrants that it has full clear and unencumbered title to all such items, and that at the date of delivery of such items to Ricardo Defense, it will have full and unrestricted rights to sell and transfer all such items to Ricardo Defense.
- 11.4 All ideas, methods, procedures, improvements, inventions and discoveries (collectively, "Discoveries") which Supplier makes, conceives or first reduces to practice during the performance of the Services will be the sole property of Ricardo Defense. Supplier will promptly advise Ricardo Defense in writing of the details of any such Discovery. This Section applies only to Discoveries with respect to the Services. Nothing herein restricts Supplier from using general know-how not specifically related to the Services to be performed hereunder, nor does this Agreement restrict or deprive Supplier of any of its interests in or to any proprietary materials that existed prior to and independent of performance of the Services ("Pre-Existing Materials"). If Pre-Existing Materials are delivered in connection with or as part of the deliverables, Work Product or the Services, Supplier grants to Ricardo Defense an irrevocable, unrestricted, non-exclusive, paid-up, perpetual, worldwide license to use, duplicate modify, sublicense, distribute, display and otherwise engage such Pre-Existing Materials to enable the full use and/or benefit of the deliverables, Work Product or Services, including the right to allow third parties to do any of the foregoing on the behalf of Ricardo Defense.

### **12. Indemnity**

- 12.1 The Supplier shall forthwith upon demand indemnify Ricardo Defense against all costs, expenses, losses and damages (whether direct or indirect) and from and against any claim in respect of damage or injury made against Ricardo Defense by any third party or parties, and any costs and expenses arising in connection therewith (including interest, penalties and legal and other professional fees and expenses awarded against or incurred by Ricardo Defense) arising as a result of or in connection with:
- 12.1.1 the Supplier's performance or purported performance of or failure to perform the Supplier Agreement and/or supply the Goods and/or Services whether negligent or otherwise, and in particular but without prejudice to the generality of the foregoing, which results from any defect in the Goods supplied, their materials, construction workmanship or design (save to the extent that Ricardo Defense is responsible for design); or
- 12.1.2 any actual or alleged infringement of a third party's Intellectual Property Rights arising out of, or in connection with, the manufacture, supply or use of the Goods, or receipt, use or supply of the Services, to the extent that the claim is attributable to the acts or omissions of the Supplier, its employees, agents or subcontractors.
- 12.2 The Supplier shall at all times insure itself and keep adequately insured with a reputable insurance company against all insurable liability under the terms of the Supplier Agreement and in particular its liabilities under this Condition 12 and shall on request provide to Ricardo Defense evidence as to the existence and sufficiency of such insurance and in particular professional indemnity and product liability insurance. Supplier shall maintain comprehensive general liability insurance and automobile liability insurance in the amount of \$2.0 million per occurrence and workers compensation insurance as required by statute. Ricardo Defense shall be named as an additional insured under the comprehensive general liability and automobile insurance policies. At Ricardo Defense's request, Supplier shall, for a period of 10 years after the provision of goods or goods hereunder, maintain product liability insurance coverage for the goods provided hereunder in such amounts and with such exceptions as is customary in the Ricardo Defense's industry. Ricardo Defense shall be named as an additional insured under such product liability policy. Supplier's insurance shall be primary and Supplier shall waive or have waived any and all subrogation actions against Ricardo Defense.

### **13. Confidentiality and Publicity**

- 13.1 The Parties acknowledge and agree that the terms of any pre-existing confidentiality agreement shall continue to apply in respect of the Supplier Agreement. If there is not a pre-existing confidentiality agreement in place between the Parties, the following terms shall apply.
- 13.2 The Parties (as a "**Receiving Party**") hereby acknowledge that the other (the "**Disclosing Party**") has provided to the Receiving Party Confidential Information and in respect of all such Confidential Information the Receiving Party will:
- 13.2.1 treat it as confidential;
- 13.2.2 restrict its disclosure to such of its employees, agents and professional advisors as have a need to know and subject always to such employees and agents being under a similar duty of confidentiality; and
- 13.2.3 not disclose it to any third party without the prior written consent of the Disclosing Party.
- 13.3 The requirements shall not apply to any Confidential Information which:
- 13.3.1 is or becomes common knowledge without breach of this Condition by the Receiving Party; or



- 13.3.2 was in the Receiving Party's possession prior to receipt from the Disclosing Party or developed for or by the Receiving Party at any time independently of any disclosure by the Disclosing Party; or
- 13.3.2 the Receiving Party is required to disclose by law or other competent authority provided that the Receiving Party notified the Disclosing Party, to the extent permitted by law, as soon as it receives such a request for disclosure and affords to the Disclosing Party all such reasonable assistance as the Disclosing Party may request to prevent or limit such disclosure.
- 13.4 Neither the Supplier Agreement nor any details or name shall be used by the Supplier for advertisement or publicity purposes without Ricardo Defense's prior written consent.
- 13.5 The Supplier shall not affix any maker's name or maker's mark on any Goods supplied pursuant to the Supplier Agreement and to be embodied in Ricardo Defense Property.
- 13.6 The Supplier shall not without prior written consent take any pictures or make any recordings on any of Ricardo Defense's premises. The Supplier is required to hand over every mobile phone with a camera before entering any of Ricardo Defense's premises to its authorized staff. Any of these actions will result in an automatic breach of the Supplier Agreement, unless the Supplier has obtained Ricardo Defense's prior written consent.

#### **14. Termination**

- 14.1 In the event of a termination by the US Govt under FAR 52.249-2 Termination for Convenience of the Government, affecting quantities supported by the program to the extent Ricardo Defense terminates, in whole or in part, orders or deliverables made under this Supplier Agreement, the Supplier will be afforded the same rights and remedies afforded Ricardo Defense under FAR 52.249-2.
- 14.2 Performance of the Supplier Agreement may be terminated by Ricardo Defense in whole or in part at any time with written notice to the Supplier (notwithstanding the existence with respect to the Supplier of any force majeure circumstances). In such event Ricardo Defense's liability shall not exceed the price of the Goods and/or Services delivered and accepted by Ricardo Defense and not previously paid for. The Supplier shall also, if required by Ricardo Defense in writing, complete all Goods and/or Services partially completed on the date of such notice and in respect of which Ricardo Defense shall pay the price of such Goods and/or Services as it accepts. The Supplier shall afford to Ricardo Defense the assistance to ascertain the extent of the work in progress. Payment in respect of Goods delivered and accepted by Ricardo Defense shall constitute full and final satisfaction of any claims arising of such termination.
- 14.3 Ricardo Defense may at its discretion without prejudice to any other remedy terminate or suspend performance of the Supplier Agreement in whole or in part by written notice to the Supplier at any time if the Supplier:
- 14.3.1 commits a material breach of any of its obligations under the Supplier Agreement which is incapable of remedy;
- 14.3.2 commits a breach of its obligations under the Supplier Agreement which is capable of remedy and fails to remedy it or persists in such breach after ten (10) days of having been required, in writing, to remedy or desist;
- 14.3.3 is in breach of Conditions 20, 21 or 22 of these Conditions;
- 14.3.4 is unable to meet minimum quarterly performance targets for three consecutive months;
- 14.3.5 fails to make progress so as in the reasonable opinion of Ricardo Defense to endanger performance of the Supplier Agreement; and/or
- 14.3.6 becomes insolvent, has a Receiver, Manager, Administrative Receiver, Administrator or Trustee in Bankruptcy appointed in respect of any of its undertaking, assets or income, is the subject of any bankruptcy order or has any petition presented to any Court or resolution passed of its winding-up whether compulsory or voluntary or is dissolved or has any distrains or executions levied on any of its assets, enters into any composition or arrangement with its creditors or suffers any similar action in consequence of debt under the laws of any jurisdiction.
- 14.4 No failure or delay on the part of Ricardo Defense to exercise its rights in respect of any default under the Supplier Agreement by the Supplier shall prejudice Ricardo Defense's rights in connection with the same or any subsequent default.
- 14.5 On termination of the Supplier Agreement for any reason, the Supplier shall immediately deliver to Ricardo Defense all deliverables in relation to the Services whether or not then complete and return all Ricardo Defense Property. If the Supplier fails to do so, then Ricardo Defense may enter the Supplier's premises and take possession of them.
- 14.6 Any termination of the Supplier Agreement shall not affect the accrued rights and obligations of the parties, nor shall it affect any provision which is expressly or by implication intended to come into force or continue in force on or after such termination.
- 14.7 Default and Cancellation – Should the Supplier fail to make delivery of the goods or to perform the services in strict accordance with any requirement of the Supplier Agreement, Ricardo Defense may terminate the Supplier Agreement in whole or in part. Ricardo Defense may then procure upon such termination under terms and conditions and in such manner as Ricardo Defense may deem appropriate, goods or services similar to those covered by the termination of the Supplier Agreement. The Supplier shall be liable to the Ricardo Defense for any excess costs for such goods or services and for all damages and costs of Ricardo Defense related thereto. Ricardo Defense may seek such other damages, including indirect, incidental or consequential damages, in law or equity as may be available. The Supplier shall not be considered in default if such failure is due to causes beyond his control and without negligence on his part. Such causes include Acts of God or of the public enemy, fire, flood, epidemics, quarantines, freight embargoes or unusually severe weather. During the period of such delay or failure to perform by the Supplier, Ricardo Defense, at its option, may purchase goods and services from other sources and reduce its schedules to Supplier by such quantities, without liability to the Supplier, or have the Supplier provide the goods and services from other sources in quantities and at times requested by Ricardo Defense, and at the price set forth in this contract. In addition, the Supplier at its expense shall take such actions as are necessary to ensure the supply of goods and services to Ricardo Defense for a period of at least 30 days during any anticipated labor disruption or resulting from the expiration of the Supplier's labor contract(s). If requested by Ricardo Defense, the Supplier shall, within 10 days, provide adequate assurances that the delay shall not exceed 30 days. If the delay lasts more than 30 days or the Supplier does not provide adequate assurance that the delay will cease within 30 days, Ricardo Defense may immediately terminate this contract without liability. Ricardo Defense's failure at any time to require performance by the Supplier of any provision of the Supplier Agreement shall in no way affect the right to require such performance at any time thereafter, nor shall the waiver by Ricardo Defense of a breach of any provision of the Supplier Agreement constitute a waiver of any succeeding breach of the same or any other provision. In addition, Ricardo

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Defense may cancel the Supplier Agreement without any cost, expense of liability by notice received by the Supplier on or before the Cancellation Date, if any, on the face of the Supplier Agreement, for any reason whatsoever.

### 15. Assignment and Sub-Contracting

- 15.1 The Supplier shall not without the prior written consent of Ricardo Defense assign, sub-contract delegate, transfer, charge or otherwise dispose of all or any of its rights and responsibilities under the Supplier Agreement either in whole or in part.
- 15.2 Ricardo Defense may assign, delegate, sub-contract, transfer, charge or otherwise dispose of all or any of its rights and responsibilities under the Supplier Agreement at any time without prior written consent of the Supplier.
- 15.3 If Ricardo Defense consents to any such assignment or sub-contract the Supplier shall:
  - 15.3.1 nevertheless continue to be responsible to Ricardo Defense for all of the Supplier's obligations under the Supplier Agreement.
  - 15.3.2 include in any such sub-contract conditions consistent with those of the Supplier Agreement, and in particular those relating to compliance with quality standard, the benefit of and to be enforceable directly by Ricardo Defense; and
  - 15.3.3 furnish to Ricardo Defense on demand details of any such sub-contract or assignment.

### 16. Notices

- 16.1 Any notice given by a Party to the other in respect of these Conditions shall be in writing and shall be addressed to the other Party at its registered office or principal place of business, and shall be delivered personally, or sent by pre-paid first-class post, or sent by email, or sent by FAX. Notice is deemed to be served on the date of personal delivery or on the receipt of acknowledgement, which shall not be unduly delayed.

### 17. Statutory Requirements

- 17.1 The Supplier undertakes that the Goods are safe and without risk to health when properly used and comply in all respects with all Applicable Laws in force at the date of delivery.
- 17.2 The Supplier shall be responsible for ensuring that its employees and sub-contractors comply with the Occupational Safety and Health Administration (OSHA) regulations and other applicable laws and policies while on Ricardo Defense premises.

### 18. Law and Jurisdiction

- 18.1 The Supplier Agreement and any issues, disputes or claims arising out of, or in connection with it (whether contractual or non-contractual in nature such as claims in tort, from breach of statute or regulation or otherwise) shall be governed and construed in all respects in accordance with, the law of the State of Michigan.
- 18.2 All disputes or claims arising out of or relating to the Supplier Agreement shall be subject to the exclusive jurisdiction of the State of Michigan to which the Parties irrevocably submit.

### 19. Values and Behavior

- 19.1 The Supplier's staff working on or visiting Ricardo Defense's sites (including delivery drivers) shall behave in a professional manner and comply with Ricardo Defense's values and policies. A constructive and positive response to any staff enforcing Ricardo Defense's values and other policies will be expected at all times. The Supplier's staff that does not meet these competence requirements can expect to be told to leave the site and be replaced by their employing organization. Any repeated failure of the Supplier to comply with this Condition will result in a material breach of its obligations under this Condition and shall entitle Ricardo Defense to terminate the Supplier Agreement with immediate effect.

### 20. Anti-Bribery

- 20.1 The Supplier shall:
  - 20.1.1 comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010 and US Foreign Corrupt Practices Act ("**Relevant Requirements**").
  - 20.1.2 comply with Ricardo Defense's Code of Conduct which can be found within the Policies section of the Ricardo website ([www.ricardo.com](http://www.ricardo.com)).
  - 20.1.3 have and shall maintain in place throughout the term of the Supplier Agreement its own policies and procedures, including but not limited to adequate procedures under the Bribery Act 2010, to ensure compliance with the Relevant Requirements and Condition 20.1.1 and will enforce them where appropriate.
  - 20.1.4 promptly report to Ricardo Defense any request or demand for any undue financial or other advantage of any kind received by the Supplier in connection with the performance of the Supplier Agreement.
  - 20.1.5 immediately notify Ricardo Defense (in writing) if a foreign public official becomes an officer or employee of the Supplier or acquires a direct or indirect interest in the Supplier (and the Supplier warrants that it has no foreign public officials as officers, employees or direct or indirect owners at the date of formation of the Supplier Agreement); and
  - 20.1.6 if requested by Ricardo Defense, supply a written document signed by an officer of the Supplier, certifying compliance with this Condition 21 by the Supplier and all persons associated with it under Condition 20.2. The Supplier shall provide such supporting evidence of compliance as Ricardo Defense may reasonably request. If Ricardo Defense does not receive written certification of compliance within 1 month of the date of Ricardo Defense's request, the Supplier and any associated persons shall be deemed to be in breach of this Condition 20.
- 20.2 The Supplier shall ensure that any person associated with the Supplier who is performing services or providing goods in connection with the Supplier Agreement does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on the Supplier in this Condition 20 ("**Relevant Terms**"). The Supplier shall be responsible for the observance and performance by such persons of the Relevant Terms and shall be directly liable to Ricardo Defense for any breach by such persons of any of the Relevant Terms.
- 20.3 For the purpose of this Condition 20, the meaning of adequate procedures and foreign public official and whether a person is associated with another person shall be determined in accordance with section 7(2) of the Bribery Act 2010 (and any guidance issued under section 9 of that Act), sections 6(5) and 6(6) of that Act and section 8 of that Act respectively. For the purposes

of this Condition 21 a person associated with the Supplier includes but is not limited to any subcontractor of the Supplier.

### **21. Combating Trafficking In Persons**

21.1 The Supplier undertakes, warrants and represents that it shall comply with FAR 52.22-50, Combating Trafficking in Persons, and shall notify to Ricardo Defense immediately in writing if it becomes aware or has reason to believe that it, or any of its officers, employees, agents or subcontractors have breached or potentially breached any of the Supplier's obligations under these Conditions.

### **22. Conflict Minerals Disclosure**

22.1 Supplier warrants compliance with Section 1502, Conflict Minerals Provision, of the Wall Street Reform and Consumer Protection Act, known as the Dodd-Frank Act, (the "Act") and its implementing regulations. Supplier commits to having in place supply chain policies and processes requiring it has undertaken or will undertake the following:

- (a) A reasonable inquiry into the country of origin of Conflict Minerals incorporated into products it provides Ricardo Defense;
- (b) The necessary due diligence of its supply chain to determine if Conflict Minerals are sourced from the DRC and/or DRC countries directly or indirectly that support unlawful conflict there;
- (c) Any risk assessment and mitigation actions necessary to implement these country of origin inquiries and due diligence procedures; and,
- (d) Provide disclosure to Ricardo Defense on all its P.O.s/Subcontracts for products containing "conflict minerals" that are delivered during the calendar year by March 31 of the following calendar year. Supplier shall provide this disclosure by completing and submitting the Conflict Minerals Reporting Template (CMRT) which has been developed, controlled, and issued by the Conflict-Free Sourcing Initiative (CFSI). This form is available through the CFSI website: [www.conflictreesourcing.org](http://www.conflictreesourcing.org)

### **23. General**

- 23.1 If any provision of the Supplier Agreement is declared by any judicial or other competent authority to be void, voidable, illegal or otherwise unenforceable, the remaining provisions shall remain in full force and effect unless Ricardo Defense, in its discretion, decides that the effect of such declaration is to defeat the original intention of the Parties in which event Ricardo Defense shall be entitled to terminate the Supplier Agreement immediately.
- 23.2 A person who is not a Party to the Supplier Agreement has no rights (whether under the Contracts (Rights of Third Parties) Act 1999 or otherwise) to enforce any provision of the Supplier Agreement.
- 23.3 Nothing in the Supplier Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between the Parties, nor constitute either Party the agent of the other for any purpose. Neither Party shall have authority to act as agent for, or to bind, the other Party in any way.

### **24. Communication**

The following sections provide a level of expectation in communication between Ricardo Defense and the Supplier to ensure good-faith collaboration to accomplish high-quality delivery of Supplier goods and services at the time and place of need for Ricardo Defense to fulfill end Customer needs.

#### **24.1 Supplier**

- 24.1.1 Lead-times. When submitting a response to a Request for Quotation (RFQ), the Supplier will provide separate lead time declarations to include a transport lead-time from finished-goods stock, a fabrication lead-time for production of Goods from available component material stock, and cycle lead-time for fabrication of finished goods with no component material stock, as applicable. The Supplier will notify Ricardo Defense within 10 working days when an of these lead-times change by +/- 10%. The Supplier will identify the duration applicability of a lead-time change notification (e.g., limited-time, perpetual).
- 24.1.2 Hard to Obtain Components. The Supplier will provide Ricardo Defense with notification of any component parts used in a finished good that have received an EOL within 30-day of discovery. The Supplier will provide Ricardo Defense with a notification of any component parts that have become hard to obtain (unavailable or lead-time increased greater than 20%) within 30-days of discovery. The Supplier will maintain a Materials/Parts Risk Register, reviewed with Ricardo Defense at least quarterly, monitoring the likelihood and consequence to production continuity or delays to Goods delivery.
- 24.1.3 End of Life. The Supplier will provide notification of End Of Life (EOL) plans of any finished goods COTS product two (2) years prior to discontinuing order fulfillment. The Supplier will offer a lifetime buy option for EOL COTS products prior to discontinue.
- 24.1.4 Quarterly Performance Report. The Supplier will provide Ricardo Defense with a self-evaluation Performance Report of quality and delivery. When applicable, the Supplier should provide corrective action for discrepancies between their self-assessment and a Quarterly Supplier Performance Report (QSPR) if provided by Ricardo Defense. The Supplier will provide a corrective action report (CAR) for any quality and/or delivery performance deficiencies identified on the Ricardo Defense-provided Quarterly Supplier Performance report for 2 consecutive quarters.
- 24.1.5 Recommended finish goods supply quantities. The Supplier will recommend finished good quantities, sets of finished goods, and/or set quantities that will be most efficient for production flow (e.g., minimizes tool changeover, labor level-loading, etc.)

24.1.6 Capacity. The Supplier will identify capacity limitations that can be negotiated, resolved, and/or optimized with Ricardo Defense assistance (e.g., tooling, custom programming, approved material sources) to accommodate increased Schedule Agreement aggregate quantities and/or Delivery Schedule release quantities.

24.1.7 Supply Chain resilience is a key indicator of a supplier's commitment to its customers. Suppliers should have a developed and maintained business continuity plan that ensures adequate supply of product or services in the event of a catastrophic crisis or disruptive event. This planning may take the form of a risk assessment with expected recovery plans and required resources to cover eventualities such as:

- *Utility interruptions*
- *Labor shortages (include key members of project or technical teams)*
- *Key equipment failures*
- *Weather related events*
- *Acts of terrorism*
- *Criminal activity such as vandalism or theft*

These contingency plans should be made available for review upon request of Ricardo Defense.

### 24.2 Ricardo Defense

24.2.1 Product Technical Data Package. Ricardo Defense will provide a Product Technical Data Package (TDP) encompassing all parts listed on a Purchase Order, Scheduling Agreement, and/or Delivery Schedule. The Product TDP will include source control listing of approved COTS part manufacturers, raw materials, processes, secondary operations, marking and identification, critical features, quality checks, and inspection criteria. To enable lifecycle configuration management a Purchase Order and Delivery Schedule will include the drawing number and version number identifier for each part listed.

24.2.2. Recommend sources of supply for hard to obtain components. Ricardo Defense will offer assistance through our world-wide supply chain to source obsolete and/or hard to obtain materials/parts associated with a notification when requested by the Supplier to avoid on-time delivery interruption. Ricardo Defense will evaluate, recommend, and approve/disapprove alternate source manufacturer and/or distributor for hard to obtain (obsolete, long lead, etc.) component parts or materials where the Supplier is restricted by the TDP.

24.2.3. Changes to the Forecast. Ricardo Defense will provide updates, no less than monthly, to a 1-year rolling Forecast profile of anticipated, but non-binding, orders for each part.

24.2.4 Quarterly Supplier Performance Report (QSPR). Ricardo Defense may provide the Supplier with a quarterly Supplier Performance Report of quality and delivery. When applicable, Ricardo Defense will monitor the corrective action report submitted by a Supplier associated with two consecutive quarters of noted deficiencies.

24.2.5 Future Design Changes. Ricardo Defense will provide the Supplier with advanced notice of future design changes and anticipated impact to Forecast parts demand within 30 days of the determination to begin planning for coordinated alignment with the design change. Ricardo Defense will update the Supplier quarterly through the Forecast on the timing of parts demand impact.