

## **PEI-GENESIS UK LTD. TERMS AND CONDITIONS OF PURCHASE**

**THESE TERMS AND CONDITIONS GOVERN THE PURCHASE OF ALL PRODUCTS AND SERVICES ("PRODUCTS") BY PEI-GENESIS UK LTD. AND ITS DIVISIONS AND SUBSIDIARIES (COLLECTIVELY, "PEI") AND APPLY NOTWITHSTANDING ANY CONFLICTING, CONTRARY OR ADDITIONAL TERMS AND CONDITIONS IN ANY PURCHASE ORDER OR OTHER DOCUMENT OR COMMUNICATION ("PURCHASE ORDER") FROM SUPPLIER. UNLESS OTHERWISE PROVIDED HEREIN, ANY WRITTEN ACKNOWLEDGEMENT OF THIS ORDER, OR ANY OTHER COMMENCEMENT OF PERFORMANCE PURSUANT TO THIS ORDER CONSTITUTES ACCEPTANCE HEREOF BY THE SUPPLIER. THESE TERMS AND CONDITIONS MAY ONLY BE WAIVED OR MODIFIED IN A WRITTEN AGREEMENT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF PEI. NEITHER PEI'S ACKNOWLEDGMENT OF A PURCHASE ORDER NOR PEI'S FAILURE TO OBJECT TO CONFLICTING, CONTRARY OR ADDITIONAL TERMS AND CONDITIONS IN A PURCHASE ORDER SHALL BE DEEMED AN ACCEPTANCE OF SUCH TERMS AND CONDITIONS OR A WAIVER OF THE PROVISIONS HEREOF.**

### **1. PURCHASE ORDER DEFINED:**

- (a) The term "Purchase Order" as used in these Terms and Conditions means the document entitled "Purchase Order" that PEI issues to Supplier. Where applicable, it also includes the following: any written contract entered into between Supplier and PEI; the written quote, bid, or proposal submitted by Supplier in response to a solicitation; and any written or oral solicitations that PEI issued to Supplier to which Supplier provided a quote, bid, or proposal (including specifications), and amendments to that solicitation.
- (b) If there are any inconsistencies among the documents listed above, the inconsistencies will be resolved in the descending order of importance listed above, with the document entitled "Purchase Order" being first in order of importance. The terms and conditions set forth in the Purchase Order take precedence over any conflicting terms and conditions in documents that Supplier provides. Furthermore, any terms proposed by Supplier that add to, vary from, or conflict with the terms herein are hereby rejected.
- (c) Supplier shall flow down the applicable requirements of Purchase Orders to its suppliers and subcontractors, such that these Terms and Conditions will apply equally to all such suppliers and subcontractors.

### **2. PRICE:**

- (a) The price for the products or services is the price shown in the Purchase Order. Unless PEI otherwise consents in writing, the price shown in the Purchase Order is the limit of PEI's liability for the products or services listed in that Purchase Order and all work related thereto. Any requested increase in the price must be submitted to PEI in writing and can become effective no sooner than sixty (60) calendar days after agreement with the appropriate agent of PEI.
- (b) Supplier warrants to PEI that the price charged to PEI for any products or services shall be Supplier's lowest net price charged to any customer for that product or service, regardless of any special terms or conditions or rebates or allowances of any nature. If Supplier sells any products or services to any customer at a net price less than that set forth in any Purchase Order, Supplier shall adjust its price to the lower price for any un-invoiced products or services and for

all future invoices for such products or services ordered by PEI. This Section 2(b) shall apply to any price reduction applicable to any products or services subsequent to the placement of a Purchase Order and until the delivery of the last instalment thereunder.

(c) If Supplier offers a lower price either as a general price drop or only to some customer(s) for any reason, then Supplier shall immediately inform PEI of this lower price and price protect the services that PEI receives and PEI's inventory of affected products by rebating to PEI an amount equal to the difference in the price paid by PEI and the lower price for all such services performed or products in PEI's inventory delivered during the preceding thirty (30) calendar days.

(d) PEI may return any standard or noncustom products purchased from Supplier during the previous three (3) years in unopened, original packaging for a full credit against any outstanding or future Supplier invoices.

(e) Applicable taxes and other charges such as duties, customs, tariffs, imposts and government imposed surcharges shall be stated separately on Supplier's invoice and paid by Supplier.

(f) PEI reserves the right to have Supplier's records inspected and audited to ensure compliance with these Terms and Conditions. At PEI's option or upon Supplier's written demand, such audit shall be performed by an independent third party at PEI's expense. However, if Supplier is found to not be in compliance with these Terms and Conditions in any respect, then Supplier shall reimburse PEI for all costs and expenses associated with such audit. The results of such audit shall be kept confidential by the auditor, and, if conducted by a third party, only Supplier's discrepancies with these Terms and Conditions shall be reported to PEI.

### **3. PAYMENT:**

(a) To be paid, Supplier must submit an itemized invoice referencing a valid Purchase Order number together with proof of shipment, completion, and/or delivery. The invoice must specify the products, services, or work product provided, including item number, and a description of items, sizes, quantities, and unit prices, which must match the description in the Purchase Order, the date or dates of delivery, and the specific dollar amount owed. Supplier will be paid upon completion of the entire Purchase Order unless a schedule of progress payments for work in progress is agreed in writing with PEI. Invoices for progress payments must specify the actual work performed. No charges will be accepted for boxing, crating, drayage, or storage unless agreed in writing by PEI.

(b) Unless otherwise agreed in writing, invoices are paid net sixty (60) calendar days from the date of receipt of the products or completion of any required services, and not on the basis of Supplier's invoice date. Payment of invoices will not constitute acceptance of the products and will be subject to adjustment for shortages, defects, and other failures of Supplier to meet the requirements of the Purchase Order. PEI's tender of payment by check is sufficient, provided such check is honored, upon presentment to the "Payor Bank."

### **4. DELIVERY AND TITLE:**

(a) Unless stated otherwise in the Purchase Order, all prices for products will be Delivered Duty Paid ("DDP") (INCOTERMS 2010) and will include all delivery and unloading at the destination identified in the Purchase Order. Title and risk of loss with respect to the products will remain with Supplier until PEI has accepted the products at the DDP point specified in the Purchase Order. The cost of all return shipments for products will be borne by Supplier, with title and risk of loss passing to Supplier at the DDP point specified, unless otherwise agreed in writing by PEI.

(b) All products shall be prepared for shipment in a manner which: (i) follows good commercial practice; (ii) is acceptable to common carriers for shipment at the lowest rate; and (iii) is adequate to ensure safe arrival. Supplier shall mark all containers with all necessary lifting, handling and shipping information, purchase order number, date of shipment and the names of PEI and Supplier. PEI shall notify Supplier of the method of shipment and expected delivery date. If no instructions are given, then Supplier shall select the most cost effective carrier, given the time constraints known to Supplier. Supplier shall ship only the quantity of products specified in the Purchase Order. PEI may return at Supplier's expense any products in excess of the quantity stated in the Purchase Order.

(c) Any forecasts provided by PEI are for planning purposes only and do not constitute a Purchase Order or other commitment by PEI.

(d) Supplier shall notify PEI in writing within two (2) business days of its receipt of PEI's Purchase Order if Supplier is unable to make any scheduled delivery and state the reasons therefor. The absence of such notice constitutes acceptance of the Purchase Order and its terms.

(e) The services must be carried out and completed in accordance with the agreed timeframe set forth in the Purchase Order. Time is of the essence and any changes to the agreed timeframe must be authorized by PEI in writing. If any services are delivered late according to the agreed timeframe, PEI will have the right to seek reimbursement for any added costs incurred to maintain production, including, but not limited to, premium freight expenses, and excess charges paid to another supplier.

## **5. ACCEPTANCE AND REJECTION:**

(a) If, prior to final acceptance, any products, services, or work product are found to be defective, deficient, or not as specified, or if PEI is entitled to revoke acceptance of them, PEI may reject or revoke acceptance, or require delivery at an equitable reduction in price, at PEI's option. Supplier must reimburse PEI for all incidental and consequential costs and expenses related to unaccepted or rejected products or services. Notwithstanding final acceptance and payment, Supplier will be liable for latent defects, deficiencies, fraud, or such gross mistakes as amount to fraud. Acceptance of performance does not waive the right to claim damages for breach. PEI is not obligated to notify Supplier of, or to pay Supplier for, products shipped or services provided in excess of those stated in the Purchase Order. PEI may, in its discretion, reject over-shipments or additional services or work product not specified in the Purchase Order.

(b) If any Purchase Order has been issued by PEI in response to Supplier's offer and if any of the terms herein are additional to or different from the terms of such offer, then the issuance of the Purchase Order by PEI will constitute an acceptance of such offer, subject to the express condition that the Purchase Order (and these Terms and Conditions) constitutes the entire agreement between PEI and Supplier with respect to the subject matter thereof and the subject matter of such offer, without regard to the terms of such offer. Further, Supplier is deemed to have so assented to and acknowledged these Terms and Conditions unless Supplier notifies PEI to the contrary in writing within seven (7) calendar days of receipt of the Purchase Order. Any reference by PEI to Supplier's offer or proposal is solely for the purpose of incorporating the description and specifications of the products and services contained therein to the extent that such description and specifications do not conflict with the description and specifications contained in the Purchase Order.

**6. CHANGES:** At any time prior to the time title has passed to PEI with respect to any products or acceptance of services or work product, an authorized representative of PEI may make

changes within the general scope of the Purchase Order, including, but not limited to, changes in drawings, designs, specifications, packaging, time and place of delivery, nature and duration of services, and method of transportation, by giving written notice thereof to Supplier and subsequently confirming such changes in writing. If such changes affect the cost of, or the time required for performance of Supplier's obligations under a Purchase Order, then an appropriate equitable adjustment must be made to the Purchase Order. No change by Supplier will be recognized without written approval by an authorized representative of PEI. Any claim of Supplier for an adjustment under this Section will be deemed to have been waived unless made in writing within ten (10) calendar days from the date of receipt by Supplier of notification of such change. Nothing in this Section will excuse Supplier from proceeding with performance of the Purchase Order as modified.

## **7. TERMINATION:**

(a) PEI may terminate any Purchase Order at any time for convenience by giving Supplier at least fifteen (15) calendar days' written notice of termination. Upon termination for convenience, Supplier will, upon receipt of notice from PEI, discontinue all work in connection with such Purchase Order, cease ordering materials therefor, and use its best efforts to cancel any existing orders for materials related to the terminated portion. PEI will consider in good faith any documented request by Supplier for reimbursement of out-of-pocket costs or expenses actually incurred in connection with any such termination.

(b) A non-breaching party may terminate any Purchase Order without penalty for the failure of the other party to comply with the Purchase Order by giving that other party at least thirty (30) calendar days' written notice of the failure to comply, unless such failure is cured within such thirty (30) day period.

(c) Termination of a Purchase Order by PEI will not relieve Supplier of its obligations or liabilities under the applicable provisions of the Uniform Commercial Code.

(d) Upon termination of any Purchase Order, PEI will not be required to make any payments for finished products, work-in-process, or other raw materials fabricated or procured by Supplier in amounts in excess of those authorized for delivery under such Purchase Order nor for any undelivered products which are in Supplier's standard stock or which are readily marketable. For requested reimbursement for production material, PEI will only consider claims supported by PEI Purchase Orders, schedules or forecasts for three (3) weeks of requirements for finished products and five (5) additional weeks for works-in-progress and raw materials. All such claims must be submitted to PEI, if at all, within thirty (30) calendar days of the date of termination. Payments made under this paragraph may not exceed the aggregate price payable by PEI for finished products which would be produced by Supplier under delivery or release schedules outstanding at the date of termination. Except as provided in this paragraph, PEI will not be liable for, and will not be required to make payments to Supplier directly or on account of, any claims of Supplier's suppliers or subcontractors for loss of anticipated profit, unabsorbed overhead, interest on claims, product development, or engineering costs and/or facilities, equipment rearrangement costs or rental, unamortized depreciation costs, and/or general and administrative charges from or related to the termination of any Purchase Order. Within sixty (60) calendar days after the effective date of termination, Supplier must submit a comprehensive termination claim to PEI with sufficient supporting data and evidence to permit PEI to audit, and will thereafter promptly furnish such supplemental or supporting information as may be directed by PEI and will give to PEI, its agents, and/or representatives, the right to audit and examine all books, records, facilities, work material,

inventory, products, designs, records, reports, or other items that relate to any termination claim made by Supplier.

**8. WARRANTIES:**

(a) Supplier warrants that the products, services, and/or work product provided under each Purchase Order are conveyed with good title, free from any competing claims of ownership, security interests, and/or liens and free from any claims of copyright, trademark, patent or other intellectual property infringement.

(b) Unless otherwise modified elsewhere in these Terms and Conditions, Supplier warrants that, for one (1) year after acceptance by PEI, the products, services, or work product will:

(i) Strictly comply with all of PEI's specifications and instructions (including, but not limited to, those stated in the Purchase Order) and with any samples furnished by, or supplied to, PEI;

(ii) Be free from defects in workmanship and material;

(iii) Be fit for the intended purposes for which they are used by PEI;

(iv) With the variations permitted by the Purchase Order, be of even kind, quantity, and quality within each unit and among all units;

(v) Be adequately contained, packaged, and marked as the Purchase Order may require; and

(vi) Conform to the written or oral promises or affirmations of fact made by Supplier.

(c) Supplier warrants that the rate of failure of products supplied to PEI under these Terms and Conditions shall not exceed two-tenths of one percent (0.2%) for any particular type of products. If the failure rate: (i) exceeds two-tenths of one percent (0.2%) per type of products, Supplier shall provide PEI with assurances reasonably acceptable to PEI that Supplier is aware of the problem and is actively attempting to identify and resolve it, providing PEI with such information regarding Supplier's resolution attempts as PEI may reasonably require; (ii) exceeds five-tenths of one percent (0.5%) per type of products, PEI shall have the right to charge Supplier for the cost to rebuild all products and equipment that use or incorporate the failed products; and (iii) exceeds one percent (1.0%) per type of products, PEI shall have the right to charge Supplier for the cost to rebuild all products and equipment that use or incorporate the failed products as well as all costs and expenses incurred by PEI as a result of returns of products and/or equipment by PEI's customers, including, but not limited to, all costs and expenses of shipping and retesting such products and equipment and providing its customers with engineers to requalify such products and/or equipment. The rights set forth in this Section shall be in addition to such other rights and remedies as may be available to PEI at law or in equity.

(d) Inspection or testing of or payment for the products, services, or work product shall not affect any of the warranties set forth above.

(e) The foregoing warranties shall run to PEI, its successors, assigns, and customers, and the users of its products. Supplier agrees to replace or correct defects in any products or services not conforming to the foregoing warranties promptly, without cost or expense to PEI, when notified of such non-conformity by PEI. In the event of failure by Supplier to correct defects in or replace non-conforming products or services promptly, PEI, after reasonable notice to Supplier, may make such correction or replace such products and services and charge Supplier for any costs and/or expenses incurred by PEI in connection therewith.

**9. RIGHT OF ACCESS:** PEI reserves the right of access to Supplier's facilities with reasonable prior notice. In addition, PEI reserves the right of access by PEI, PEI's customers and

regulatory authorities to the applicable areas of Supplier's facilities, at any level of the supply chain involved in the order, and to all applicable records.

**10. NON-CONFORMING PRODUCTS:**

(a) Supplier is not authorized to deliver any products that deviate from the requirements specified in a Purchase Order. If shipment of non-conforming or suspected non-conforming product has been detected by Supplier and is in transit or has been delivered, Supplier shall immediately notify PEI in writing. Supplier shall cooperate with PEI's "Corrective Action" process, which includes root cause investigation and corrective action implementation and associated documentation, when it is determined that Supplier is responsible for the non-conformity.

(b) PEI is not required to perform incoming inspections of any products, and Supplier waives any right to require PEI to conduct any such inspections. Supplier will not substitute any product (or any materials or subcomponents incorporated in any products) unless PEI consents in writing. If PEI rejects any product as non-conforming, then PEI may, at its option: (i) reduce the quantities of products ordered by the quantity of non-conforming product; (ii) require that Supplier replace the non-conforming products at Supplier's sole cost and expense; and (iii) exercise any other applicable rights or remedies. If Supplier fails to inform PEI in writing of the manner in which Supplier desires that PEI dispose of non-conforming products within forty-eight (48) hours of Supplier's receipt of written notice of PEI's rejection of non-conforming products (or such shorter period as is reasonable under the circumstances), then PEI will be entitled to dispose of the non-conforming products in such manner as PEI sees fit, in its sole discretion, without liability to Supplier; provided, however, that in all events PEI may elect to ship any non-conforming products back to Supplier at Supplier's sole cost and expense. Supplier will bear all risk of loss with respect to all non-conforming products and will promptly pay or reimburse all costs and expenses incurred by PEI to return, store, or dispose of any non-conforming products. PEI's payment for any non-conforming products will not constitute acceptance of such products by PEI, limit or impair PEI's right to exercise any rights or remedies, or relieve Supplier of its responsibility for such non-conforming products.

**11. OBSOLESCENCE:** The Supplier shall have a written process for handling obsolescence (identification, surveillance, handling, customer warning) for products, processes and recordings.

The Supplier shall immediately notify PEI-Genesis, Inc of any potential obsolescence for the ordered Products(s) and/ or any of its components, including beyond the term and delivery lead-times of related Purchase Orders.

**12. CERTIFICATE OF CONFORMANCE (CofC):** A CofC signed by Supplier's quality assurance representative must accompany each lot of products and/or parts shipped to PEI. The CofC will indicate that the products or parts supplied against the Purchase Order meet all drawing and/or all Purchase Order requirements.

**13. TRACEABILITY:** Supplier is required to set up and maintain adequate traceability methods for the products or services provided to PEI. These traceability methods must be made available to PEI upon request.

All products shipped by Supplier shall have one-way (backwards) traceability; therefore, Supplier must be able to trace backward from the final end product or parts delivered to PEI to all items used to produce such product or part. Such items include, but are not limited to, assemblies, subassemblies, electronic/electrical parts, raw materials, mechanical machined parts and special processes.

The product traceability method must be included on the Supplier Packing List, Certificate of Conformance, or indicated directly on the products.

**14. FOREIGN OBJECT DAMAGE (FOD) PREVENTION:** The supplier shall ensure that Foreign Objects and subsequent Foreign Object Damage (FOD) is eliminated from all parts prior to shipment. The supplier shall ensure that the responsibility for the FOD prevention program is clearly defined and appropriate personnel have received FOD awareness training. The supplier is further responsible to flow down this requirement to their sub-tier suppliers to ensure FOD free products. For additional information regarding FOD prevention, refer to National Aerospace Standard (NAS) 412 "Foreign Object Damage/Foreign Object Debris (FOD) Prevention." The NAS 412 document may be used as a baseline FOD prevention resource.

**15. RECORD RETENTION:**

(a) Supplier shall maintain records of all inspections and tests performed on representative lots of products delivered to PEI and records of all incoming materials acceptance documentation. PEI reserves the right to request or review at Supplier's facilities any inspection or test records used to form the basis of acceptance. All inspection records and/or certifications must be retained for a period of ten (10) years from date of shipment, unless otherwise specified in the Purchase Order.

(b) At least sixty (60) days prior to disposal of any records specifically for products sold to PEI, Supplier shall notify an applicable PEI contact in writing. PEI may request that Supplier transfer ownership of those records to PEI, at PEI's sole cost and expense.

**16. ELASTOMERIC MATERIAL AND SHELF LIFE ITEMS:** All elastomeric materials used in products, and components and parts of products, delivered to PEI shall be new/unused. Supplier shall include certification thereof, with Cure/Manufacturer Date, Compound/Batch Number, and Expiration Date information, with each shipment. All products sold to PEI must have a minimum of eighty percent (80%) of the shelf life remaining as of the date of receipt by PEI. Any products not satisfying this requirement may be rejected by PEI, in whole or in part, in PEI's sole discretion and at Supplier's sole cost and expense.

**17. COUNTERFEIT PARTS PREVENTION:**

(a) Supplier will ensure that only new and authentic materials are used in products delivered to PEI. Supplier shall implement and maintain a comprehensive counterfeit parts control plan that documents its processes used for risk mitigation, disposition, and reporting of counterfeit parts that complies with AS5553B, the Counterfeit Electrical, Electronic, and Electromechanical (EEE) Parts; Avoidance, Detection, Mitigation, and Disposition standard adopted by SAE International (or equivalent standard).

(b) PEI may require material certificates, Certificates of Conformity and/or other supporting documentation as appropriate to provide evidence of the authenticity of material delivered to PEI. When necessary, this requirement may be included in a Purchase Order, but this Section will apply to all Purchase Orders even if not specified therein.

**18. CONFIGURATION CONTROL:**

(a) Supplier agrees not to make any changes in materials, processes or design details without prior written approval of PEI. If such approval is granted, all part numbers and the originals of all drawings and data shall be revised accordingly. Supplier will flow down the above requirement to all of its suppliers and subcontractors.

(b) Supplier shall provide PEI with written notice, in a format and with content acceptable to PEI in its sole discretion, of any proposed changes to Supplier's manufacturing process(es), material(s), and/or manufacturing location(s), and Supplier shall provide such notice to PEI at least ninety (90) calendar days prior to Supplier's execution or implementation of any such proposed change(s). If any such proposed changes are executed or implemented by Supplier prior to its receipt of any Purchase Order from PEI, then Supplier shall immediately notify PEI upon receipt of the applicable Purchase Order. PEI expressly reserves the right to cancel, without cost, liability or penalty, any Purchase Order, if PEI determines, in PEI's sole discretion, that any such changes will not comply or otherwise meet PEI's requirements for the products ordered.

**19. COMPETENCE:**

(a) All personnel performing various assignments for or on behalf of PEI shall be determined competent on the basis of appropriate education, training, skills and/or experience.

(b) Supplier must have appropriate processes and controls in place to assure that all of its personnel are aware of their contribution to product and service conformity as well as their contribution to product safety.

**20. COMMUNICATIONS:** Interaction with responsible parties at PEI shall be applicable to the type of information and communication needed. Email communication, in-person visits, telephone interaction, EDI and other secure sources of data exchange may all be appropriate means of communication, depending on the circumstances.

**21. SUPPLIER PERFORMANCE:** PEI reserves the right to measure and communicate performance metrics for Supplier in order to drive improvements. Metrics related to quality, delivery and service may be included in the performance measurement.

**22. CONFLICT MINERALS:** In accordance with Section 1502 of the 2010 USA Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"), it is PEI's policy and expectation that its suppliers will use due diligence to comply with the legal requirements imposed by the Act, and to provide products free of Conflict Minerals. "Conflict Minerals" refer to cassiterite (tin SnO<sub>2</sub>), columbite-tantalite (coltan or tantalum), gold, wolframite (tungsten) or their derivatives mined in the Democratic Republic of the Congo and surrounding countries. "Due diligence" means the standard adopted by the Organization for Economic Cooperation and



Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Upon request, Supplier shall provide PEI with all required evidence that its products do not contain or include any Conflict Minerals.

**23. ENVIRONMENTAL:**

(a) Supplier represents and warrants that it shall perform all obligations under this Agreement in compliance with all applicable federal, national, EU, state, provincial and local environmental, health and safety laws, rules and regulations. From time to time, at PEI's request, Supplier shall provide certificates to PEI, in form and substance acceptable to PEI, indicating compliance with the provisions of this Section.

(b) Supplier represents and warrants that each chemical substance constituting or contained in any products delivered to PEI is on the list of chemical substances compiled and published by (i) the Administrator of the Environmental Protection Agency pursuant to the Toxic Substances Control Act (15 USC Section 2601 et seq.), as amended; (ii) the European Inventory of Existing Commercial Chemical Substances (EINECS) or the European List of Notified Chemical Substances (ELINCS); or (iii) any equivalent lists in any other jurisdictions to which PEI informs Supplier or Supplier knows the products will likely be shipped to or through. Supplier further represents and warrants that each chemical substance constituting or contained in any such products is pre-registered if required, and registered if required, under Regulation (EC) No. 1907/2006 ("REACH"), is not restricted under Annex XVII of REACH, and, if subject to authorization under REACH, is authorized for PEI's use.

(c) Supplier represents and warrants that none of the products delivered to PEI will contain any: (i) arsenic, asbestos, benzene, polychlorinated biphenyls (PCBs), carbon tetrachloride, beryllium, halogens, or radioactive materials; (ii) chemical restricted under the Montreal Protocol on ozone-depleting substances; (iii) substance restricted under Annex XVII of REACH; or (iv) other chemical the use of which is restricted in any other jurisdictions to which PEI informs Supplier the products are likely to be shipped or Supplier knows the products are likely to be shipped to or through; unless PEI expressly agrees otherwise in writing and Supplier identifies an applicable exemption from any relevant legal restriction on the inclusion of such chemicals or hazardous materials in such products. Upon request from PEI and subject to reasonable confidentiality provisions which enable PEI to meet its compliance obligations, Supplier will provide PEI with the chemical composition, including proportions, of any substance, preparation, mixture, alloy or goods supplied under any Purchase Order and any other relevant information or data regarding the properties, including, but not limited to, applicable test data and hazard information.

(d) If Supplier is located outside of the U.S. and is shipping products into the U.S., regardless of which party is the importer of record, Supplier agrees to comply with the import restrictions contained in Section 13 of the Toxic Substances Control Act (TSCA) (15 U.S.C. 2601 et seq.), provide the appropriate TSCA Certification required under 19 CFR 12.121, and be responsible for any fines or liabilities resulting from any breaches or violations of this provision.

(e) With respect to any products delivered to PEI, Supplier shall provide all relevant information, including, but not limited to, safety data sheets, in the language and the legally required format of the location to which the products are to be shipped, as well as any mandated labeling information, required pursuant to applicable requirements, including, but not limited to: (i) the Occupational Safety and Health Act (OSHA) regulations codified at 29 CFR 1910.1200; or (ii) REACH or EU Directive 67/548/EC, as amended, if applicable; and (iii) any other applicable

law, rule or regulation or any similar requirements in any other jurisdictions to which PEI informs Supplier the products are likely to be shipped. For each such material, identification shall reference the stock or part number of the delivered products. Hazardous materials include, but are not limited to, materials embedded in any delivered product in such a manner as to present a potential for personal injury or harm or property damage in the course of normal use, repair, accidents or disposal. Supplier represents and warrants that it shall perform all of its obligations under each Purchase Order in compliance with all applicable federal, national, EU, state, provincial and local environmental, health and safety laws, rules and regulations.

#### **24. COMPLIANCE WITH LAWS:**

(a) Supplier will comply with all applicable federal, national, EU, state, provincial, and local laws, rules, regulations, orders, guidelines, standards, limitations, controls, prohibitions, and/or other requirements that are contained in, issued under and/or otherwise adopted pursuant to any such laws relating to the services, manufacture, production, labeling, sale and/or shipment of any products, including the Americans with Disabilities Act and all applicable federal, national, EU, state, provincial, and state laws, rules, and regulations pertaining to fair employment practices or which prohibit discrimination because of age, color, sex, physical or mental handicap, race, nationality, religion or creed, or other similar federal, national, EU, state, provincial, or local laws, rules, and/or regulations.

(b) Among other things, this provision specifically applies to the laws for the marking of the country of origin on all products supplied under any Purchase Order. Supplier further represents that it will at all times comply with such applicable laws, rules, and regulations and, wherever necessary, will render immediate effect to all such applicable laws, rules, and regulations and, further, when asked or directed by PEI, will furnish written proof of such compliance.

(c) The laws of the Commonwealth of Pennsylvania apply to the performance and interpretation of the Purchase Order without reference to its choice of law rules. Any provision required to be included in a contract of a type similar to the Purchase Order by any applicable and valid executive order, federal, national, EU, state, provincial, or local law, ordinance, rule, or regulation is deemed to be incorporated into the Purchase Order. Unless otherwise agreed to by Supplier and PEI in writing, there is excluded from all Purchase Orders (including any amendments or changes thereto) the application of the United Nations Convention on Contracts for the International Sales of Products.

(d) PEI observes a zero tolerance towards slavery and human trafficking in all of its operations and in those of suppliers, subcontractors, and agents in its global supply chain. Supplier will be equally committed and warrants that it has thoroughly investigated its labor practices and those of its supply chain, to ensure that there is no slavery or forced labor used anywhere in its organization or by any suppliers or subcontractors to its organization.

Supplier confirms that it has put in place all necessary processes, procedures, investigations and compliance systems required to ensure that this situation will continue to be the case at all times and it is fully compliant with the Federal Acquisition Regulation, the Defense Federal Acquisition Regulation, the California Civil Code, the UK Modern Slavery Act 2015 and any other applicable anti-slavery and human trafficking laws applicable.

(e) PEI also takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all of its business dealings and relationships. Supplier shall ensure that all of its business activities are conducted in compliance with the US Foreign Corrupt Practices Act of 1977 (as amended), the UK Bribery Act 2010 (as amended), and

the laws and requirements of all countries or territories in which Supplier operates (collectively, the "Anti-Bribery Laws"), including all anti-bribery and anti-corruption laws. Supplier shall not do or take any act, or omit to do or take any act, that would or could cause or lead PEI to be in breach or violation of any of the Anti-Bribery Laws. Supplier shall not receive or agree to receive from any person or offer to agree to give to any person or procure for any person any gift or consideration of any kind as an inducement or reward for doing or not doing anything, or showing favor or disfavor to any person in relation to their agreement or contract with PEI. Any breach of this paragraph by Supplier shall entitle PEI to immediately terminate their relationship and all Purchase Orders then outstanding, without cost, liability or penalty, and to recover from Supplier the amount of any cost, expense or loss resulting from or as a result of such termination. Further, and without prejudice to the foregoing and/or any other remedy that it may have, if PEI has reasonable grounds to believe that any of Supplier's personnel has committed a fraud or malpractice and/or otherwise acted in breach of any of the Anti-Bribery Laws, PEI may, in its sole discretion: (i) suspend the Services; and/or (ii) withhold payment of any sums then owed or due to Supplier. To the extent permitted by applicable law, Supplier shall indemnify PEI against any damages, losses, costs, and expenses (including, but not limited to, legal expenses) or any other liabilities arising or incurred by PEI as a result of any breach of this paragraph and/or any applicable laws, including, but not limited to, any breach of any of the Anti-Bribery Laws.

**25. EXPORT CONTROL:**

(a) Supplier shall comply with all applicable United States export control laws, rules and regulations including, but not limited to, the United States Government's Foreign Trade Regulations (15 C.F.R. § 30), the Export Administration Regulations (15 C.F.R. § 730 - 799), the International Traffic in Arms Regulations (22 C.F.R. § 120-130), and the Foreign Asset Control Regulations (31 C.F.R. Part 500 et. seq.) (collectively, "U.S. Export Control Laws"). Supplier shall obtain all export licenses or agreements, as applicable, required to perform its obligations under any Purchase Order. Supplier certifies that: (i) it is not located in a country subject to comprehensive U.S. economic sanctions (i.e., Cuba, Iran, Syria, Sudan, or North Korea); (ii) it is not a person designated on the U.S. Department of the Treasury's Specially Designated Nationals List or any other U.S. Government Denied Parties lists, and (iii) it has not had its export privileges denied, suspended, or revoked in whole or in part by the U.S. Government.

(b) Upon PEI's request, Supplier shall promptly provide PEI with a statement of origin for all products and with applicable customs documentation for all products wholly or partially manufactured outside of the United States.

**26. CONFIDENTIALITY AND PUBLICITY:**

(a) Under these Terms and Conditions, either party may have or may be provided access to the other's confidential information and materials (collectively, "Confidential Information"). Each party agrees to maintain the other party's Confidential Information in accordance with these Terms and Conditions and any separate confidentiality or nondisclosure agreement previously or subsequently entered into between PEI and Supplier. In the absence of such a confidentiality or nondisclosure agreement, at a minimum, each party agrees to maintain the other party's Confidential Information in confidence and limit disclosure to a need-to-know basis, to take all reasonable precautions to prevent unauthorized disclosure, and to treat such Confidential Information as it treats its own information of a similar nature (but with not less than a reasonable degree of care), until such Confidential Information becomes publicly available through no fault

of the nondisclosing party. Supplier's employees who access PEI's facilities may be required to sign a separate nondisclosure agreement prior to admittance to PEI's facilities.

(b) The parties agree that neither shall disclose the existence of these Terms and Conditions or any Purchase Order, nor any of the details or the existence of the relationship created by these Terms and Conditions or any Purchase Order, to any third party without the specific prior written consent of the other. If disclosure of these Terms and Conditions or any Purchase Order is required by any applicable law, rule or regulation, or is compelled by a court or governmental agency, authority or body, then: (i) the parties shall use all legitimate and legal means available to minimize the disclosure to third parties of these Terms and Conditions or any Purchase Order, including, but not limited to, seeking a protective order; (ii) the disclosing party shall inform the other party at least ten (10) business days (*i.e.*, not a Saturday, Sunday or a day on which banks are not open for business in the geographic area in which the nondisclosing party's principal office is located) in advance of the disclosure; and (iii) the disclosing party shall give the other party a reasonable opportunity to review and comment upon the disclosure, and any request for a protective order pertaining thereto, prior to making such disclosure. The obligations stated in this Section shall survive any expiration, fulfillment, or termination of these Terms and Conditions or any Purchase Order.

(c) If the parties previously entered into one or more separate confidentiality agreements or nondisclosure agreements (each, a "Confidentiality Agreement"), such Confidentiality Agreement(s) shall be and remain in full force and effect as provided therein. In the event of any conflict between the terms of this Agreement and the terms of any such Confidentiality Agreement, the terms of such Confidentiality Agreement shall control.

**27. FORCE MAJEURE:** Except for payment of sums due, neither party will be liable to the other nor deemed in default under a Purchase Order if and to the extent that such party's performance of such Purchase Order is prevented by reason of Force Majeure. The term "Force Majeure" means an unforeseeable occurrence that is beyond the reasonable control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, Force Majeure includes acts of God; acts of the public enemy; acts of terrorism; war; riots; wildcat strikes; armed services and National Guard mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; failures or refusals to act by government authority; and/or other similar occurrences beyond the reasonable control of the party declaring Force Majeure which such party is unable to prevent or avoid by exercising reasonable diligence.

**28. INDEMNIFICATION:**

(a) To the fullest extent permitted by law, Supplier will defend, indemnify, and hold harmless PEI, its parent and affiliated companies, and their respective directors, officers, officials, employees, agents, volunteers, successors, and assigns from and against any and all claims, damages, losses, costs, and expenses (including, but not limited to, reasonable attorneys' fees and court costs) relating to or arising from: (i) any acts, errors, mistakes, omissions, work or service (howsoever arising, including, but not limited to, by reason of negligence, gross negligence, intentional misconduct, fraud, breach of warranty, defect in design, material, workmanship, or otherwise, and even though strict liability may be claimed) of Supplier, its directors, officers, officials, employees, members, owners, agents, volunteers, successors, and/or assigns, or any tier of Supplier's suppliers and/or subcontractors, in the performance of any Purchase Order; (ii) any claims, directly or indirectly caused by, incident to, or growing out of any defects in the design,

manufacture, or materials used in any products, negligence in the manufacture or provision of any products supplied or the performance of any services hereunder; and/or (iii) any actual or alleged infringement of any patent, copyright, trade secret, trademark, mask work, or other proprietary right arising out of the use or sale by PEI or PEI's customers of any product or service provided under any Purchase Order. The amount and type of insurance coverage requirements set forth in these Terms and Conditions will in no way be construed as limiting the scope of indemnification under this paragraph.

(b) Supplier further agrees to pay the settlement of any and all such claims, and the defense of any and all actions, suits, and/or legal proceedings of any kind brought to enforce any such claim or claims, and to pay all judgments entered in any such claim, suit, or legal proceeding, and all reasonable costs of attorneys' fees and/or other expenses related thereto. Supplier agrees that, in any instance where such claims in any way affect PEI's interests under a Purchase Order or otherwise, Supplier will not consummate any settlement without PEI's prior written consent. Supplier's indemnification obligations herein will continue in full force and effect notwithstanding the fulfillment, termination, or expiration of any Purchase Order.

**29. PROPERTY RIGHTS:** All tools, equipment dies, gauges, models, drawings, supplies, fixtures, molds, patterns, or other materials furnished by PEI to Supplier or made by Supplier for the purpose of any Purchase Order, or that are paid for by PEI, and all replacements thereof and materials fixed or attached thereto, are and will remain the property of PEI, and shall: (a) be kept confidential; (b) be used by Supplier exclusively for PEI's orders; (c) be clearly marked as PEI's property and segregated when not in use; (d) be kept in good working condition at Supplier's sole cost and expense; and (e) be shipped or delivered to PEI promptly on demand. To the extent that Supplier may own any rights therein, Supplier hereby assigns and transfers all such rights to PEI. Supplier will bear all risk of loss or damage to PEI's property.

**30. RIGHTS AND REMEDIES:** All rights and remedies of PEI are cumulative and do not exclude any remedies allowed by law. The failure by PEI to exercise or enforce any of the terms or conditions hereof will not constitute or be deemed a waiver of PEI's rights hereunder to enforce each and every other term contained herein. The failure by PEI to insist upon strict performance of any of the terms and provisions herein will not be deemed a waiver of any subsequent default in the terms or provisions herein. Waiver of any breach will not constitute waiver of any other breach of the same or any other provision. Acceptance of any items or payment therefor will not waive any breach.

**31. CERTIFICATION:** Supplier certifies that it is an independent contractor and not a partner with PEI for any purpose, provides services to other customers, maintains insurance, sets its own priorities on time and hours of work, provides its own supplies, and determines the means of delivering the products and/or services.

**32. ANTI-KICKBACK ACT:** By accepting a Purchase Order, Supplier represents, covenants, and warrants to and with PEI that Supplier and all of its suppliers and subcontractors are in full compliance with the Anti-Kickback Act of 1986 and amendments thereto (the "Anti-Kickback Act"). Supplier further agrees to indemnify, defend, and hold harmless PEI, its parent and affiliated companies, and their respective directors, officers, officials, employees, agents, volunteers, successors, and assigns from any violations of the Anti-Kickback Act by Supplier or

any of its suppliers or subcontractors. All defined terms set forth in the Anti-Kickback Act shall apply to this Section.

**33. CUSTOMS CLEARANCE:** Upon PEI's request, Supplier shall promptly provide PEI with a statement of origin for all products and with applicable customs documentation for products wholly or partially manufactured outside of the United States.

**34. SEVERABILITY:** If any provision in a Purchase Order should, under applicable law, in whole or in part, be held invalid, illegal, unenforceable, or void, such invalidity, illegality, unenforceability, or voidness will in no event affect the applicability of any other provisions of such Purchase Order, including, but not limited to, these Terms and Conditions.

**35. QUALITY REQUIREMENTS FLOW DOWN:** The following requirements apply to all Purchase Orders to approved suppliers of PEI-Genesis UK Ltd. By accepting the Purchase Order, it is understood that your organization agrees to meet the following requirements, in addition to points listed above:

- A. The Purchase Order shall communicate all products, processes and services to be provided by the Supplier, including the identification of relevant technical data (e.g. specifications, drawings, process requirements, and work instructions).
- B. Each shipment must be accompanied by one legible copy of a Certificate of Conformance, unless otherwise noted in the Purchase Order. A certificate of conformance (C of C), supplied with the shipment must provide at a minimum: Supplier name, part number, purchase order number, quantity of parts, statement of conformity, part revision (if applicable), serial numbers (if applicable), and title and signature of authorized Supplier representative.
- C. The Supplier shall ensure that, where necessary, any Design and Development associated with a PEI order is executed and controlled in accordance with AS9100, Section 8.3.4. It is the responsibility of the Supplier to control any Design and Development activity.
- D. The Purchase Order shall detail any special requirements, critical items and key characteristics, as applicable. The Supplier shall ensure these requirements are met when executing the Purchase Order. This includes, not limited to, Modification Codes on a Part Number or a request for a First Article Inspection Report.
- E. The Supplier shall test, inspect and verify all products on the Purchase Order prior to dispatch to PEI, in accordance with the Supplier's procedures. All gauges and instruments used to verify product shall be calibrated and the Supplier shall maintain a quality / inspection system that ensures all goods and services conform to contract requirements.

- F. The Supplier shall utilize a Sampling Plan for product acceptance, in line with the applicable product specifications, or as requested on the Purchase Order.
- G. The Supplier shall possess an ISO 9001 or AS9100 certified Quality Management System or one that has been approved by PEI through the Supplier Evaluation Survey.
- H. When required by PEI or its customers, Suppliers shall use customer-specified sources, including special processes as part of the manufacturer of the product.
- I. The Supplier shall flow down the applicable requirements of these Terms & Conditions and the Purchase Order to all Sub-Tier suppliers involved in the fulfilment of the Purchase Order.
- J. When requested by PEI or its customers, the Supplier shall provide test specimens for customer design approval, inspection / verification, investigation and/or auditing purposes.
- K. The Supplier shall ensure that employees and people working on its behalf are aware of their contribution to product or service conformity, their contribution to product safety, and the importance of ethical behaviour.

## Amendment Record

Date	Changed By	Approved By	Summary of Change
28/08/2020	L Slater	S Findley	Original document 80.1.4.0 converted to PEI-Genesis UK Ltd specific. Changes include: <ul style="list-style-type: none"> <li>- PEI-Genesis Inc to PEI-Genesis UK Ltd</li> <li>- Introduction of Section 35 Quality Requirements Flow Down.</li> </ul>