

APPLIED KILOVOLTS LIMITED LIMITED ("the Company")

1.0 INTERPRETATION

In these terms and conditions ("Conditions"):

"Contract" means a Purchase Order which incorporates these Conditions;

"Goods" means any articles, materials or services to be supplied to the Purchaser by the Supplier pursuant to this Contract;

"Party" means either the Purchaser or the Supplier, together being the "Parties";

"Purchaser" means Applied Kilovolts Limited (wholly owned subsidiary Of IMI plc), whose registered office is Vincent House, Woods Way, Goring-by-Sea, West Sussex, BN12 4QY;

"Purchase Order" means the Purchaser's instructions to the Supplier to supply the Goods referred to in the order;

"Supplier" means the company named on the face of the Purchase Order.

"Human Factors" means the application of psychological and physiological principles to the (engineering and) design of products, processes, and systems.

2.0 APPLICATION & ACCEPTANCE

These Conditions are the only conditions upon which the Purchaser will be prepared to deal with the Supplier and will govern the Contract to the exclusion of all other conditions. The Supplier waives any right to rely on its own terms and conditions. Any deviation from these conditions will be stated on the Purchase Order.

The Purchase Order shall be deemed accepted by the Supplier seven working days from receipt. Any of the following acts by the Supplier shall also constitute acceptance of the Contract:

Execution of the acceptance copy of a Purchase Order and receipt by Purchaser;

Initiation of any aspect of performance, or notification to Purchaser that Supplier is commencing performance under a Purchase Order;

Shipping of any items in performance of a Purchase Order; or,

Acceptance of any form of payment, partial or complete, under a Purchase Order.

No alteration and/or variation of the Purchase Order will be recognised unless expressly authorised by the Purchaser in writing.

Severability - If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable in any respect, such determination will not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each provision is hereby declared to be separate, severable and distinct. To the extent

that any such provision is found to be invalid, illegal or unenforceable, the Parties will negotiate in good faith to substitute for such provision, to the extent possible, a new provision that most nearly effects the Parties' original intent in entering into this Agreement or to provide an equitable adjustment in the event no such provision can be added. The other provisions of this Agreement will remain in full force and effect.

3.0 PERFORMANCE

Time of delivery is of the essence. Failure to deliver as instructed or, by the date or quantities specified will render the Contract or any part of it liable to cancellation by the Purchaser. The Purchaser reserves the right to purchase the Goods from other suppliers and to charge the Supplier with any expense so incurred by the Purchaser, including such damages as may have been sustained as a result of the Supplier's breaches of the Contract.

Any goods will be delivered to, and any services performed at, the address and on the date stated in the order, during usual business hours. If no address is specified; then delivery will be at our Stores premises, Applied Kilovolts Ltd, Unit 21, Woods Way, Goring-by-Sea, West Sussex, BN12 4HF.

Ethics – Applied Kilovolts regard ethical behavior to be important in all dealings throughout the supply chain.

Human Factors – Production Planning needs to be aware of the influence that Human Factors can have when determining the environment to promote error free operations and reduce the risk of non-conforming parts being supplied.

4.0 PACKING

All packaging and packing materials used are to be in accordance with BSEN 61340- 5-1:2016

The Supplier shall ensure that each delivery is accompanied by a delivery note which must show the Purchase Order number, date of order, contents, part number, issue and revision number, and in the case of partial delivery the outstanding balance remaining to be delivered.

The Supplier shall provide adequate protection against deterioration and damage to the product, both during the manufacturing process and subsequent delivery to the Purchaser.

Unless specifically detailed on the purchase order, packaging materials will not be returned.

5.0 TITLE & RISK OF LOSS

The Goods shall remain at the risk of the Supplier until delivery to the Purchaser is made in full. Title to the Goods shall pass to the Purchaser upon delivery.

Unless otherwise agreed between the parties, all Goods shall be provided to the Purchaser on a CIF (INCOTERMS® 2020) basis.

6.0 INSPECTION & REJECTION

The Purchaser shall have the right to inspect and test the Goods prior to or within a reasonable time after their delivery, at such times as the Purchaser may reasonably require.

Any Goods rejected by the Purchaser's inspection department will be returned at the Supplier's risk and expense. At the option of the Purchaser, rejected Goods shall, be replaced by the Supplier if any defect in design material or workmanship should become apparent within 12 months of delivery such defect should be at the Purchaser's option be repaired or replaced at the expense of the Supplier.

Rejects/Corrective Action Reports – within an initial seven (7) day period of first being made aware, all advised rejects shall be investigated to a level sufficient to minimise risk of recurrence on the rejected part or on similar parts/processes. When requested, Applied Kilovolts shall be provided with a copy of the corrective action investigation report. The impact of Human Factors shall be considered in all failure investigations (and assessed as a minimum against one of Lack of Attention, Pressure/Stress, Distraction, Fatigue or Environment).

If Goods are delivered to the Purchaser in excess of the quantities ordered, the Purchaser shall not be bound to pay for the excess. The excess will remain at the Supplier's risk and may be returnable at the Supplier's expense.

All components manufactured to an Applied Kilovolts drawing shall be subject to a 'First Article Inspection' in accordance with the requirements of the Purchase Order where the following conditions exist:

- First production batch
- A break in production over 2 years
- A major change in manufacturing process
- A change in drawing/specification Issue or test procedure
- Where requested on a Purchase Order

7.0 PRICE & PAYMENT

The price of the Goods shall be as stated in the Purchase Order and shall be inclusive of Value Added Tax and all other charges.

Upon receipt of a valid invoice the Purchaser shall pay the price of the Goods which meet the requirements of the Contract no later than sixty (60) days at the end of the month following the month of receipt of the Supplier's invoice.

The Supplier shall not submit an invoice until the Goods have been delivered in full according to the quantity set out in the Purchase Order and receipted by the Purchaser.

The Purchaser cannot guarantee to make payment on time for any invoice which is not sent to its official accounts payable address as may be detailed on the Purchase Order.

Without prejudice to any other rights or remedies, the Purchaser reserves the right to off-set any amount owing at any time from the Supplier to the Purchaser against any amount due to the Supplier under the Contract.

8.0 WARRANTY

Unless otherwise specified, the Goods shall comply with the requirements of the Contract for 12 months from releasing into service or 12 months from the date of delivery, whichever shall be the shorter.

If the Purchaser, within the warranty period or within 60 days thereafter, gives written notice to the Supplier of any defect in any Goods or deliverables arising during the warranty period under proper and normal use, the Supplier shall immediately take such action as is necessary to remedy the defects at the Supplier's expense.

9.0 INTELLECTUAL PROPERTY

All Intellectual Property Rights (IPR) in any materials made available to the Supplier by the Purchaser shall remain the sole property of the Purchaser, and wherever possible shall be returned to the Purchaser at the completion of the Contract.

The price for the Goods shall include all perpetual, royalty-free rights for the Purchaser to use all IPR associated with the Goods for its own purposes anywhere in the world.

The Supplier hereby assigns to the Purchaser all new IPR generated, in the course of supplying the Goods under this Contract, which is over and above the supplier's standard course of work.

The Supplier agrees to hold the Purchaser indemnified from and against all claims, damages and costs in respect of any patent, registered design, trade mark or copyright which may be infringed or alleged to be infringed by any process or manufacture under Contract other than in respect of goods manufactured to the Purchaser's specification. The Supplier will not disclose or make use of information contained in the Purchaser's drawings or specifications (whether patentable or not) for any purpose other than the execution of the Contract.

10.0 QUALITY

During the term of the Contract the Supplier shall perform under the Contract in accordance with a relevant and suitable quality management system such as ISO 9001. This does not extend to a requirement on the Supplier to obtain certification under ISO 9001. Where the Supplier does not maintain a relevant and/or suitable quality management system, quality management requirements will be specified by the Purchaser prior to the award of any Contract.

Depending upon the Goods to be supplied under the Contract, the following quality management requirements shall apply as applicable: Nemko, UL or BS EN ISO9001:2015.

Wherever applicable, all deliveries shall be accompanied by a Certificate of Conformity ("CofC"), in accordance with BS EN ISO/IEC 17050-1, which shall confirm that the goods conform fully to the requirements of the Purchase Order. Additionally for metallic materials, the condition of the material and the Supplier's recommended heat treatment (if not supplied in the final heat treated condition) and heat treatment process details carried out on raw material shall be stated on the CofC. Where specifically requested on the Purchase Order the Supplier shall provide copies of test results and reports for materials used and subsequent inspection and test results of Goods.

Safety Data Sheets (MSDS) shall be provided by the Supplier with every substance purchased

Material - Where material is purchased for use on this order it shall be from accredited sources – all material purchased for use on Applied Kilovolts' product shall be verified as correct on receipt. When critical (Grade A part) the need for and method of validation should be agreed with Applied Kilovolts Quality that will be dependent on the material.

Part Grading – Grade A parts (normally designated as such on the drawing) are considered to be critical parts and, unless otherwise stated on the drawing, the material is to also be considered as critical.

The Purchaser or an authorised representative of the Purchaser, their Customers and Regulatory Authorities may enter the Supplier's premises given reasonable notice (reasonable notice to be 5 to 10 days), to inspect the work carried out by the employees of the Supplier and, in respect of the manufacture of the Goods, to inspect the conditions under which the work is carried out.

In addition, the Supplier and its sub-tier suppliers shall demonstrate that all processes are controlled when undergoing periodic audits by the Purchaser or the Purchaser's authorised representative(s). At no additional cost to the Purchaser, the Supplier shall provide such reasonable office accommodation, facilities and assistance as may be deemed necessary.

The Supplier shall maintain a system that ensures the location of all drawings, specifications and technical data. Such items will be available to the Purchaser upon demand at any time, maintained in good condition and at the correct issue.

Records shall be maintained which give evidence that the Goods have passed inspection and/or testing against defined acceptance criteria.

Manufacturing records are to be retained for at least 6 years from last delivery date. No records after this date are to be destroyed until the Purchaser has been asked if they would wish to retain them themselves.

Any quality assurance/inspection activity that the Supplier may maintain does not absolve the Supplier from responsibility for ensuring the Goods conform to the requirements of the Contract. Where appropriate sampling techniques agreed by the Purchaser may be used.

With reference to any accreditation and standard that may be referred to on the Purchase Order, whenever the Supplier's accreditation(s) expire or are removed, the Supplier will inform the Purchaser in writing no later than one month after the expiration or removal of such accreditation and/or standard.

Any significant changes to the management structure, the organisation (including changes in product and/or process and facility location) and/or the ownership of the Supplier must be communicated in writing to the Purchaser. The Supplier shall inform the Purchaser, such that any change would affect the supply or function of the goods or services supplied.

No design modification and/or change from the design standards maintained by the Purchaser shall be undertaken by the Supplier without prior formal approval of the Purchaser

“Parts”, as used in this clause, includes, but is not limited to, raw material, parts, items, components and end items. “New”, as used in this clause, means previously unused or composed of previously unused materials.

All Parts that relate to the manufacture of the Goods shall not be repaired, recycled or salvaged (apart from those that meets the criteria for Sub-Contractors as set out in 10.15 below), unless authorised in writing by the Purchaser. All Parts provided relating to the manufacture of the Goods shall be new and unused unless specified in writing by the Purchaser. Furthermore, the Supplier shall ensure that counterfeit items are not provided as part of the Goods to the Purchaser (see also para 20). All Parts identified by the Purchaser as counterfeit will not be accepted by the Purchaser. Such Parts will be identified, segregated, and reported by the Purchaser for the purpose of investigation. Payment to the Supplier for such items identified will not be made.

Re-work and Repair (Sub-Contractors)

It is understood that throughout contracted build of Applied Kilovolts product, there may be a small margin of error. In some cases it is accepted, that the contractor will be in a position to correct the fault before shipping back to the company. All costs for re-work and / or repair shall be borne by you, the Sub-Contractor.

Product requiring such repair, whether prior to, or following work already carried out by the sub-contractor, may be undertaken within the principles below:

Repair is to be limited to component damage, improvement of cosmetic appearance in keeping with build instruction, and erroneous build.

Examples of are:

- Replacement of components due to damage.
- Re-seating of components due to polarity or inadequate fitting.
- Addressing incorrect placement of components.
- Re-work of solder joints, bridges, splashes.
- Addressing other, incorrect build as detailed.

Ensure that no significant overall damage, has already been caused to product. Product requiring such extensive repair is to be returned, un- altered, to Applied Kilovolts.

The Vendor / Supplier / Agreed Contractor, is not to attempt repair on the following:

- Surface-mount components, unless fitted by you (the Contractor) as part of this contract
- PCB damage.

All items re-worked or repaired, or exhibiting existing and unrepairable damage, must be accompanied by a report with details of failure clearly annotated.

It is not acceptable to seek alternative components, or deviate from drawings or build instructions without written agreement or concession from Applied Kilovolts.

All questions regarding reparability and/or quality must be directed to the AK Quality Dept.

Sub-Contractor's quality / performance efficiency is monitored. If failure rates (post re-work) by contractor consistently rise to above 2% of respective quantity delivered, then AK is entitled to terminate contract with immediate effect.

Target threshold of 2% may be tightened or relaxed within achievable levels only as agreed in writing by both parties.

Obsolescence – the supplier is required, on an annual basis to inform the purchaser when they are aware that parts/processes are due to become obsolete or are being superseded.

11.0 PROPERTY OF THE PURCHASER

The Supplier shall verify, store and maintain the Purchaser's property provided in support of the Contract. Any property of the Purchaser held at the premises of the Supplier that are lost, damaged and/or unsuitable for use shall be recorded and reported to the Purchaser in writing.

Jigs, tools, dies, patterns, designs, components and materials supplied by the Purchaser for use in connection with any contract, shall be at the risk of the Supplier from the time they leave the Purchaser's premises until they are returned to the Purchaser; and, shall not be used by the Supplier except in connection with the Contract; and, shall be maintained under conditions of confidentiality as the Purchaser may prescribe or in accordance with clause 14 of these Conditions. to be marked "PROPERTY OF APPLIED KILOVOLTS LIMITED". Evidence of this to be provided to the Purchaser on an annual basis.

12.0 EXPORT CONTROL

The Supplier shall obtain all necessary UK export or other licences, consents, clearances and/or authorisations required to supply the Goods to the Purchaser.

The Supplier shall comply with the terms or requirements of any, and all export licences, end-user certificates or any other trade control legislation or regulations which apply to the export, import or use of the Goods.

The Supplier shall identify any International Traffic in Arms Regulations ("ITAR") controlled data issued to the Purchaser in pursuance of the Contract. The Supplier shall control the data in compliance with ITAR requirements

13.0 TERMINATION

The Purchaser may rescind the contract in whole or part if:

the Goods do not satisfy the requirements and/or specification stated on the Purchase Order, such that our Inspection department reject said Goods or there becomes a systematic failure of the Suppliers Quality Assurance with evidence of recurring issues.

if the Supplier goes into liquidation or becomes insolvent; or,.

if acceptance of the Goods by the Purchaser is prevented by war, fire, Act of God, stoppage of the Purchaser's workforce, prohibition or restriction by a competent authority or any other cause beyond the reasonable control of the Purchaser.

Without prejudice to the Purchaser's rights to rescind the contract and such rights as the Purchaser may have at law to determine the contract, the Purchaser may by written notice to the Supplier summarily determine the contract. On receipt of such notice the Supplier will cease manufacture of the Goods and in full settlement the Purchaser shall pay a fair and reasonable price for all work delivered or in a deliverable state on that date and reimburse other costs necessarily incurred by the Supplier as can be proven by a competent audit authority. Such settlement shall not exceed the total value of any Contract.

Non-response from Corrective Action Requests within an agreed reasonable timescale.

14.0 INDEMNITIES

The Supplier shall indemnify and hold harmless the Purchaser, its officers, employees and customer(s) against every liability, claim of liability, allegation, judgement, cost, expense, loss or damages, including, without limitation,

any and all claims and resulting costs, expenses and liability which arise from personal injury, death, or property loss or damage attributed to, or caused by, the Goods pursuant to the Contract, including, without limitation, latent defects in such Goods, except to the extent that such injury, death, loss or damage is caused solely and directly by the negligence of the Purchaser, and

all claims (including resulting costs, expenses and liability) by the employees of the Supplier or any of its subcontractors.

The Supplier and its subcontractors and lower tier subcontractors shall maintain, at their own expense, the following primary insurance policies with reputable insurers authorised to conduct business in the jurisdictions in which the Contract is performed against.

A policy of insurance relating to Public Liability Insurance of an amount not less than £1 Million GBP per event or series of events (or such other sum as the Purchaser may specify) in respect of loss of or damage to property of the Purchaser, its customer or end user, or death or injury to persons resulting from provision of the Goods;

A policy of insurance relating to Product Liability Insurance of an amount not less than £1 Million GBP per event or series of events (or such other sum as the Purchaser may specify) in respect of loss of or damage to property of the Purchaser, its customer or end user, or death or injury to persons resulting from provision of the Goods;

A policy of insurance relating to Employers' Liability Insurance for an amount not less than £4 Million GBP or, if outside of the UK, the minimum amount required per event or series of related events (or such other sum as the Purchaser may specify);

Any other insurance which the Supplier may be statutorily required to maintain.

15.0 REMEDIES

Without prejudice to any other rights or remedies which the Purchaser may have under the Contract or otherwise, if any Goods or Services are not supplied in accordance with, or the Supplier fails to comply with, the Conditions, the Purchaser shall be entitled to avail itself of one or more of the following remedies, whether or not any part of the Goods or Services have been accepted by the Purchaser:

to carry out, at the Supplier's expense, any work necessary to make the Goods or Services comply with the Contract, including obtaining the Goods or Services in substitution from another Supplier; and

to claim such damages as may have been sustained as a result of the Supplier's breaches of the Contract.

16.0 CHANGES TO CONTRACT

The Purchaser, may at any time with mutual agreement, make changes to these terms and conditions and/or in the Goods to be supplied or the Items to be furnished hereunder.

17.0 CONFIDENTIALITY

Each Party shall keep confidential and not disclose or use other than for the purpose of the Contract, any technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed by one Party to the other and any other confidential information concerning the other Party's business or its products which the other Party may obtain or learn.

Each Party shall restrict disclosure of confidential material belonging to the other Party to such of its employees, agents or sub-contractors as need to know the same for the purpose of discharging its obligations or exercising its rights under the Contract and shall ensure that such employees, agents or sub-contractors are subject to like obligations of confidentiality as are contained in this Clause.

18.0 COMPLIANCE WITH RELEVANT REGULATIONS & LEGISLATION

The Supplier shall comply with all applicable national, state, provincial and local laws, orders, rules, regulations and ordinances. Supplier shall procure all licenses, permits, pay all fees, and other required charges and shall comply with all applicable guidelines and directives of any government authority. The Supplier shall be responsible for ensuring that any Goods shall comply with all relevant regulations and legislative requirements required for the safe and legal supply of the Goods, including, but not limited to, the following:

Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment Regulations 2006.

The Waste Electrical and Electronic Equipment Regulations 2006

Registration, Evaluation, Authorisation & Restriction of Chemicals (REACH)
the Montreal Protocol.

Upon request from the Purchaser, the Supplier shall provide the Purchaser with details of the arrangements it has in place for the collection and disposal of such Goods.

19.0 RIGHTS OF PARTIES ACT

A person who is not a Party to the Contract shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or rely on any term of the Contract. This Clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

20.0 SUB-CONTRACTING

The Supplier shall not be entitled to assign, delegate or otherwise transfer (by merger, asset sale, contract, operation of law or otherwise) its rights or obligations under the Contract, or subcontract the Contract or any part of it, without the prior written consent of the Purchaser.

Where a supplier requires to use sub tier supplier(s) for higher risk activities and special processes (defined as those processes that cannot be subsequently verified after the process has been undertaken), that directly affect the quality of product produced they shall ensure they use sources that comply with the minimum standards listed below. Where they wish to use sources who do not meet the minimum requirements listed then they shall obtain the written approval of Applied Kilovolts purchasing prior to implementation.

Referenced preferred process control standards are:

Material Purchase – BS EN ISO9001:2015 stockists with lot traceability to source.

Parts/Component Purchase – traceability to OEM source via C of C to minimise counterfeit/bogus parts being procured. No re-use, re-manufactured or previously owned parts permitted.

Inspection – UKAS approved or in accordance with the Suppliers own Quality System and with assessment by the supplier to ensure the inspection is suitable for the products end use.

Casting/Forging/Moulding – BS EN ISO9001:2015 preferred.

Plating/Painting/Material Finishing - BS EN ISO9001:2015 preferred

Welding/Brazing/Silver Soldering – accredited welders to be used

PCB, Cabling, Wiring – BS EN ISO9001:2015

The supplier shall ensure that all sub tier suppliers are approved by their organisation and these requirements shall be flowed down to the sub tier supplier(s).

No further flow down is permitted without Applied Kilovolts permission.

21.0 ANTI-BRIBERY

Both Parties agree that in connection with activities under this Contract that neither Party shall not make or promise to make any improper payments or provide or offer anything of value to government officials or other parties in violation of the Foreign Corrupt Practices Act, the UK Bribery Act 2010, or any other applicable anti-bribery laws.

22.0 DISPUTES

Any disputes under this Contract that are not disposed of by mutual agreement of the Parties may be decided by recourse to an action at law or in equity. Until final resolution of any dispute hereunder, the Supplier shall diligently proceed with performance of the Contract as directed by the Purchaser.

23.0 GOVERNING LAW

The Contract and matters pertaining thereto shall be governed in all respects by English Law.

Standard Terms & Conditions of Purchase
Rev 3. 6th June 2024