

## **TERMS AND CONDITIONS OF PURCHASE**

### **1. Introduction**

1.1 The purpose of these Terms and Conditions of Purchase (“Terms and Conditions”) is to set forth the purchase terms between Bridport Air Carrier Inc. (t/a AmSafe Bridport) (the “Buyer”) a company incorporated in Washington State under number 601851901 whose registered office is at 2220 E. Cerritos Avenue, Anaheim, CA, 92806, United States of America (collectively referred to as “AmSafe” or “Buyer”) and the party to which Buyer has issued a Purchase Order (“Seller”), regarding the purchase and sale of the goods described in Purchase Orders (the “Goods”).

1.2 By accepting Buyer’s Purchase Order, or shipping Goods against a Purchase Order, Seller agrees that these Terms and Conditions apply to the purchase and sale of the subject Goods.

1.3 In order to manufacture the Goods to sell to AmSafe, Seller (a) may be required to use specifications, technology or other information of AmSafe (collectively, “AmSafe Specifications”), and (b) may be required to develop intellectual property rights based on, or using, AmSafe Specifications (“Developed Intellectual Property”). Developed Intellectual Property and AmSafe Specifications are referred to collectively herein as “AmSafe Intellectual Property”).

### **2. Scope; Purchase Process**

2.1 Purchase Orders. AmSafe may issue purchase orders to Seller from time-to-time for the purchase of Goods (“Purchase Orders”). Seller will be deemed to accept each Purchase Order either by written acceptance or by shipping Goods against such Purchase Order; provided, until such time as Seller issues a written acknowledgement of a Purchase Order, AmSafe reserves the right to withdraw such Purchase Order (even if Goods have been shipped). Items will be delivered in accordance with the terms set forth in the applicable Purchase Order. Shipment will be DDP, inclusive of packaging, carriage, insurance and freight to AmSafe’s designated UK site. To the extent that the terms on the face of a Purchase Order are inconsistent with the terms of these Terms and Conditions, the terms on the face of the Purchase Order will control. The parties further agree that, unless mutually agreed in writing by the parties, the printed terms on the back of any Purchase Order, acknowledgement form or invoice will not apply to transactions governed by these Terms and Conditions.

2.2 Delivery and Late Delivery. The parties agree that time is of the essence under these Terms and Conditions. Seller must provide AmSafe with a minimum of five working days’ notice of Goods approaching their scheduled ready-to-ship date. Note that deliveries to AmSafe’s “Goods Inwards” area will only be taken between the hours of 7:30am to 3:30pm Monday to Friday. The parties agree that AmSafe will suffer loss and damage by the late delivery of Goods hereunder. The parties further agree that all such loss or damage will, having regard to the governmental or commercial/non-commercial purposes of these Goods, either be impossible to quantify comprehensively in financial terms or that it will be complex, difficult and expensive to do so and that loss and damage from delayed delivery does not admit of precise proof or calculation. Accordingly it is hereby agreed, but without prejudice to any other rights of AmSafe under these Terms and Conditions or any Purchase Order, that (a) in the event of delay in the delivery of Goods Seller shall be liable to pay to AmSafe by way of liquidated damages a sum amounting to 1% per day of the agreed Purchase Order line item value for each completed week of such delay up to a maximum of 10% of the total line item value of the order, (b) the agreement under this condition shall be irrevocable in the absence of agreement in writing between Seller and AmSafe to vary the provision, (c) said sum(s) represent(s) a reasonable pre-estimate of the loss or damage likely to be sustained by AmSafe in the event of such failure in completion or delay in delivery, and (d) no payment or concession to Seller by AmSafe or other act or omission of AmSafe shall in any way affect the rights of AmSafe to recover the said liquidated damages unless a waiver has been expressly stated in writing by AmSafe.

2.3 Packaging. Seller shall (i) pack and mark the Goods covered by an invoice to be shipped to meet carrier requirements and assure arrival at the receiving point free of damages and deterioration, and (ii) be responsible for the Goods until delivered at the designated receiving point, regardless of point of inspection. Packaging will be per AmSafe's instructions. Damage discovered after transfer of title determined to be a result of faulty packaging or handling shall be Seller's responsibility. Unless otherwise agreed in writing, (i) the price for Goods shall include all charges and expenses with respect to containers, packing and crating, and (ii) all containers, packing and crating must be forwarded prepaid unless otherwise provided by AmSafe. Seller assumes all risks of loss or damage to any property in its possession received from or held for the account of AmSafe, until delivery of the property to AmSafe.

2.4 Export and Duties. The Parties represent that they shall comply with all export control statutes, regulations, decrees, guidelines and policies of the U.S. Government and the Government of any country in which the Parties conduct activities related to this Agreement including but not limited to the International Traffic In Arms Regulations ("ITAR") (22 C.F.R. Parts 120-130 (2015)) of the U.S. Department of State; the Export Administration Regulations ("EAR") (15 C.F.R. Parts 730-774 (2015)) of the U.S. Department of Commerce; the anti-boycott and embargo regulations and guidelines issued under the EAR; and the various embargo regulations and guidelines of the U.S. Department of the Treasury, Office of Foreign Assets Control. The Parties acknowledge that these statutes and regulations impose restrictions on import, export and transfer to third countries of certain categories of data, and that licenses from the U.S. Department of State and/or the U.S. Department of Commerce may be required before such data can be disclosed hereunder, and that such licenses may impose further restrictions on use and disclosure of such data.

2.5 Acceptance and Rejection. A Certificate of Conformity shall be rendered by Seller in accordance with its Quality Assurance Procedures in respect of Goods deliveries, unless otherwise agreed in advance and in writing with AmSafe, together with other release documents as specified. Failure to supply a correct or on-time Certificate of Conformity or any other release documents as specified in the Purchase Order will result in a Non-Conformance report which shall be issued to the Seller and will identify the Non-Conformance and suggested corrective action. Where there is a repetition of Non-Conformance, a levy of USD 250.00 will be payable to the Buyer for each report raised. Subject to [local territory approval,] AmSafe reserves the right to witness any pre-delivery inspections or tests and to have access to documentation in support of these inspections or tests. AmSafe will provide seven (7) days' advance notice to Seller if AmSafe plans to witness testing. A mutually agreeable date shall be established for witnessing of testing at Seller's facilities. Notwithstanding any prior inspection, AmSafe may reject any Goods that do not pass AmSafe's testing and acceptance process or the requirements contained on the face of any Purchase Order or any drawing or specification requirements. Rejection of any goods will result in a Non-Conformance report which shall be issued to the Seller and will identify the Non-Conformance and suggested corrective action. Where there is a repetition of Non-Conformance, a levy of USD 250.00 will be payable to the Buyer for each report raised. Failure to reject Goods does not waive any of AmSafe's warranty rights under Section 7, below. Upon rejection of Goods, Seller will promptly repair or replace the rejected Goods. The costs associated with any such repair or replacement will be the responsibility of Seller.

2.6 Representatives of AmSafe and/or regulatory bodies and government agencies may inspect and evaluate Seller's facilities, systems data, equipment, personnel and all completed articles manufactured for installation on AmSafe military, aerospace or RPG applications.

2.7 Cancellation. AmSafe may cancel a Purchase Order at any time, provided (a) if Seller has produced finished Goods, AmSafe shall pay the full price for such finished Goods, and (b) if Seller has not finished the Good, AmSafe shall pay AmSafe an equitable amount for work-in-process that cannot be re-purposed by Seller.

2.8 Compliance with Law. Seller shall comply with the provisions of all applicable laws, regulations, rules and ordinances with respect to carrying out the transactions governed by any Purchase Order and these Terms and Conditions, including the manufacture of the Goods.

### 3. Pricing and Payment Terms

3.1 Prices. The prices for Good shall be as set forth in the applicable Purchase Order. All prices are firm and non-revisable and inclusive of packaging, carriage, insurance and freight to AmSafe's designated site. Prices exclude US Value Added Tax (VAT) and any customs duties. Prices are inclusive of all fees and changes in respect of local legislation, regulations and by laws, royalties, licences and taxes (other than VAT) which may be payable. Seller's quotation of price must include the supply of sufficient data to support NATO codification of items. Seller shall be responsible for all local, national, state or federal sales, use or excise taxes applicable to the sale, delivery or use of the Goods sold hereunder.

3.2 Payment and Advance Payments. If agreed by the Parties, payments may be claimed in accordance with an agreed payment plan. Otherwise, payment will be made by AmSafe within sixty (60) days from the date of receipt of Seller's properly certified invoice provided that Seller shall have conformed to all performance requirements identified herein. [If Seller agrees to give AmSafe a two percent (2%) discount on the purchase of Goods, payment terms for such purchases will be net ten (10) days from receipt of invoice]. Seller shall not invoice AmSafe until Goods are shipped. Save as hereby provided, the entitlement of Seller to retain all advance payments is conditioned upon complete performance of the Purchase Order.

#### 3.3 Invoices.

3.3.1 Information. Seller's invoices must include the following information: a) the Purchase Order Number, b) the amount of the invoice and the relevant currency, c) the milestone to which the invoice is related, d) documentary evidence or reference to evidence of completion of Seller milestone.

3.3.2 Errors. If Seller's invoice is or appears to be in error and has to be investigated, the date of receipt and consequently the date by which payment is due will be measured from the date on which such queries are resolved to AmSafe's reasonable satisfaction.

3.3.3 Invoice Address. Invoices may be sent by post to the registered address detailed in 1.1. or via e-mail to the nominated accounts contact

3.4 Emergency Airfreight. Seller shall be responsible for payment of any airfreight costs necessary to deliver goods to AmSafe when the use of airfreight is necessitated by Seller's failure to meet the scheduled delivery date for such Purchase Order.

3.5 Fixtures and Test Equipment. All manufacturing tooling either provided to Seller by AmSafe or manufactured by Seller pursuant to AmSafe Specifications in order to carry out the terms of these Terms and Conditions ("Tooling") shall, at all times, remain the sole and exclusive property of AmSafe. The Tooling shall be clearly labelled at all times as being AmSafe's property, and Seller shall not allow any lien or encumbrance to be placed upon any of the Tooling. All Tooling shall be solely used for manufacture of the Goods for AmSafe. All Tooling (as well as engineering drawings and the specifications relating thereto) shall be returned to AmSafe upon termination of these Terms and Conditions. Unless specifically agreed in writing by the parties, Seller shall provide all capital assets necessary, including tools of the trade for its performance of the order without direct financial assistance from AmSafe. Seller shall not claim any grant for US Government or other funds towards the cost of any jigs, tools, moulds, dies manufacturing gauges or test equipment provided by Seller and for which the amount payable to Seller by AmSafe is included in the order price. Seller shall include in all sub-sub-contracts, under which it is to bear the full cost of any jigs, tools, moulds, dies manufacturing gauges or test equipment, a provision that such items become the property of Seller and that the sub-sub contractor shall not claim any grant as is referred to in this Section 3.5 in respect of such items.

3.6 Other Costs. Seller shall be responsible at all times for travel and subsistence and accommodation requirements for its personnel. For any authorised overseas trips Seller shall be responsible for the administration and cost of getting their personnel to and from the US point of exit/return.

3.7 Inventory and Continuity of Supply. Seller guarantees for the lifespan of the Goods the availability of any proprietary (a) constituent unit, sub-unit or component of the Goods, either in its initial form or in a mechanically or electronically interchangeable form, and (b) software and tools necessary to support the Goods. Such lifespan shall be ten (10) years from the date of acceptance by AmSafe. Seller shall maintain a finished goods inventory equal at least [to the lead time designated by AmSafe for each Good listed in Schedule A.] AmSafe will have the right to monitor inventory levels during the performance of any Purchase Order. Seller shall maintain sufficient raw material stock or finished goods inventory to meet AmSafe's required schedules.

#### **4. License and Intellectual Property**

4.1 Developed Intellectual Property. Ownership of Developed Intellectual Property vests exclusively in, and is owned exclusively by, AmSafe regardless of whether the Developed Intellectual Property was created solely by Seller or jointly by the parties. The parties expressly agree to consider as a "work made for hire" any Developed Intellectual Property that qualifies as such under the laws of the United Kingdom or other jurisdictions. To the extent that the Developed Intellectual Property does not qualify as a "work made for hire" or where necessary for any other reason, Seller hereby assigns to AmSafe all such right, title and interest in such Developed Intellectual Property, and covenants to provide all reasonable assistance, including providing technical information relating to the Developed Intellectual Property and executing all documents of assignment (and cause its employees to provide such information and execute such documents) which AmSafe may deem necessary or desirable to perfect its ownership interest in such Developed Intellectual Property, including trademark, patent or copyright applications, or otherwise, in such Developed Intellectual Property. Subject to the terms of these Terms and Conditions, if the Developed Intellectual Property contains materials Seller or others previously or independently developed, Seller grants and agrees to grant to AmSafe, or obtain for AmSafe, a perpetual, worldwide, assignable, transferable, royalty-free license to use, copy, modify, distribute, publicly display, publicly perform, import, manufacture, have made, sell, offer to sell (whether directly or through channels of distribution), exploit and sublicense such materials (and have others do any of the foregoing acts on AmSafe's behalf), but only as a part of AmSafe's exercise of its rights in the Developed Intellectual Property. Any such license shall include AmSafe's right to grant an unrestricted, royalty-free license to its Affiliates. Seller shall place a copyright or other proprietary notice on the Developed Intellectual Property at AmSafe's written request. The Developed Intellectual Property shall constitute AmSafe's Confidential Information under these Terms and Conditions.

4.2 AmSafe Specifications and License. Seller acknowledges and agrees that, as between AmSafe and Seller, AmSafe owns all right, title and interest in and to AmSafe Specifications. AmSafe hereby grants to Seller a personal, nonexclusive, non-transferable, non-sublicensable royalty-free, fully paid up and limited license to use AmSafe Intellectual Property solely for the Term to manufacture the Goods under these Terms and Conditions (the "License"). The License shall terminate automatically upon termination or expiration of these Terms and Conditions for any reason. In addition, AmSafe may terminate this License at any time upon written notice to Seller. Upon the termination of these Terms and Conditions or at any time AmSafe so requests in writing, Seller shall transfer all information with respect to such AmSafe Intellectual Property to AmSafe. Except for the limited license contained herein, AmSafe conveys no license or interest in AmSafe Intellectual Property to Seller.

4.3 Limitation. Seller shall not use any AmSafe Intellectual Property for any purpose other than the manufacture of the Goods for and sale of the Goods to AmSafe in accordance with these Terms and Conditions.

4.4 Other Intellectual Property. Except as expressly provided above, all intellectual property delivered or created in connection with these Terms and Conditions or any Purchaser Order will reside in and shall remain the property of the developing party.

4.5 Equitable Remedies. The parties agree that money damages would not be a sufficient remedy for any breach of Section 5 of these Terms and Conditions and that the non-breaching party shall be entitled to specific performance and injunctive relief as remedies for such breach. Each party agrees that it will not oppose the granting of any such relief or demand that any bond or other form of security be posted in connection therewith. These remedies shall not be exclusive remedies for any breach of these Terms and Conditions but shall be an addition to any and all other remedies available to the non-breaching party.

## 5. Confidentiality

5.1 Confidential Information. Should either party (the “Disclosing Party”) disclose to the other party (the “Receiving Party”) any of the Disclosing Party’s Confidential Information (defined below), the Receiving Party will (a) maintain the Confidential Information in confidence, (b) use at least the same degree of care to maintain the secrecy of the Confidential Information as it uses in maintaining the secrecy of its own confidential and trade secret information, and (c) use the Confidential Information only for the purpose of performing its obligations and exercising its rights under these Terms and Conditions unless otherwise agreed in writing by the Disclosing Party. The Receiving Party will not disclose any of the Disclosing Party’s Confidential Information to any person except to those Receiving Party employees and consultants who have a need to know such Confidential Information in order to accomplish the purposes and intent of these Terms and Conditions. The Receiving Party shall ensure that each such employee and consultant has been instructed to keep confidential the Confidential Information of the Disclosing Party and shall ensure that each such consultant has signed a confidentiality agreement covering the Confidential Information of the Disclosing Party. “Confidential Information” means the terms of these Terms and Conditions and all information, not generally known to the public, relating to the business, technology, finances, plans or practices of a party disclosed by that party to the other (including, but not necessarily limited to, pricing and sales information, business, marketing and research plans, financial data, budgets and projections, business processes and systems, and any other information designated by such party as confidential).

5.2 Exceptions. A Receiving Party will not have any obligation with respect to any portion of Confidential Information of the Disclosing Party that (a) was rightfully known by the Receiving Party prior to its receipt from the Disclosing Party (b) is lawfully obtained by the Receiving Party from a third party under no obligation of confidentiality, (c) is independently developed by the Receiving Party without use of the Confidential Information of the Disclosing Party, or (d) is or becomes publicly available other than as a result of any act or failure to act of the Receiving Party. Notwithstanding the foregoing, a Receiving Party may disclose the Confidential Information of the Disclosing Party pursuant to a subpoena or other legal process, provided that the Disclosing Party is provided prior notice reasonably sufficient to permit the Disclosing Party to obtain a protective order and provided further that such disclosure shall not relieve the Receiving Party from future adherence to this Section with respect to such Confidential Information.

5.3 No Publicity. Neither party may issue publicity concerning these Terms and Conditions or any Purchase Order without the written Terms and Conditions of the other party.

## 6. Performance

6.1 Sub-Sub Contracts. Seller is a sub-contractor to AmSafe’s prime contract. Seller shall place and be responsible for the administration and performance of all sub-sub-contracts which may be needed to meet the requirements of these Terms and Conditions and any Purchase Order. Without prejudice to the obligations of Seller under any of the provisions of a Purchase Order, Seller shall, whenever requested to do so by AmSafe, take any necessary action to ensure that a sub-sub-contractor who has entered into a sub-sub-contract complies with and performs all obligations imposed on it. Where for any reason a sub-sub-contract is determined or assigned because of a default or failure of the sub-sub-contractor, Seller shall, except where a sub-sub-contractor has been nominated by AmSafe, at its own expense secure completion of the sub-sub-contract works. Seller will be fully responsible for the performance of any sub-sub-contractor and will make good any loss suffered or expense incurred by AmSafe by reason of default or failure on the part of any sub-sub-contractor.

6.2 Seller Personnel. Personnel employed by Seller in connection with a Purchase Order shall be suitably qualified and experienced to undertake the work specified. In the event that AmSafe deems that the performance of Sellers personnel is unsatisfactory, AmSafe shall discuss the matter with Seller. Consequent upon such discussion, if there is no improvement in performance, AmSafe shall have the right to request replacement of any personnel assigned to the Purchase Order. Replacement of personnel shall be mutually agreed to between the parties. Seller personnel required to work on AmSafe's sites shall at all times comply with the rules and regulations (including security regulations) of AmSafe. It is highlighted that Seller's personnel and their vehicles may be searched by the appropriate site security authorities. Failure to comply with search procedures may result in admittance being refused. While at AmSafe's facilities, Sellers personnel shall at all times comply with the requirements of the posted Health and Safety at Work Act, the posted Control of Substances Hazardous to Health Regulations or any other posted statute for the time being in force replacing, extending or modifying these regulations.

6.3 Post-Contract Support. Seller shall, if required by AmSafe, enter into sub-contracts at terms and conditions and prices to be agreed for the provision of necessary support activity (e.g. continuing design services, post design services and maintenance) for a minimum period commencing 10 years from the date of acceptance of the Goods under any Purchase Order. It is a condition of these Terms and Conditions that a complete set of drawings, specifications and manufacturing data (to include build and test records) shall be retained by Seller for a minimum of 10 years from acceptance of the Goods by AmSafe. Seller shall provide to AmSafe such information as may be reasonably required by AmSafe in preparation of said support negotiations. All information to be provided by the Seller shall be mutually agreed and exclusive of proprietary information.

6.4 Hazardous Materials. Seller shall ensure that the Goods supplied to AmSafe shall be fully compliant with Environmental Legislation. For the purposes of these Terms and Conditions "Environmental Legislation" means current and future statutes and regulations and international legislation applicable to the management, control and eradication of hazardous, banned or restricted material in the contracted products and systems. If the Goods in whole or in part are not compliant with the above legislation, then the Seller shall, for the lifetime of the contracting period, including any warranty period supplied to AmSafe, collect and remove hazardous material in accordance with such legislation and when requested to do so by AmSafe.

## **7. Representations, Warranties, Indemnity and Insurance.**

7.1. Warranty. Seller warrants to AmSafe for two years from delivery to AmSafe that the Goods (i) comply with all specifications for such Goods, including requirements stated in applicable Purchase Orders, (ii) are free from defects in materials and workmanship, (iii) comply with applicable laws, and (iv) are fit for their intended purpose. No attempt by Seller to disclaim, exclude, limit, or modify any warranties or Seller's liability for direct, incidental, or consequential damages shall be of any force or effect.

7.2. Warranty Performance. Where Seller is under liability for warranty under this Section 7, then Seller will at its own cost (including costs of packing, installation, shipping and insurance):

7.2.1 Make good any shortage or non-delivery; and

7.2.2 Maintain sufficient stock quantities of Goods to ensure replacement/shipment of warranty items within 48 hours of notice by AmSafe;

7.2.3 at AmSafe's option, (a) provide a refund to AmSafe with respect to the subject Goods, (b) within five (5) days of demand therefore by AmSafe, deliver to the location indicated by AmSafe such replacement Goods as are necessary for the correction of the subject defect, or (c) promptly repair the affected Goods. Any remedial action under this Section 7.2 shall be without prejudice to AmSafe's other rights under these Terms and Conditions. In the event of warranty repair or replacement, Seller will provide a warranty period for the repaired or replaced Goods equal to the period initially provided.

7.3 Seller Representations, Warranties and Indemnities. Seller represents, warrants and covenants to AmSafe as follows:

(a) It has the full right, power and authority to accept these Terms and Conditions and there is nothing that would prevent it from performing its obligations under the terms and conditions hereof;

(b) acceptance of these Terms and Conditions have been duly authorized by all its necessary corporate and stockholder action and constitutes a valid and binding obligation on it, enforceable in accordance with the terms hereof;

(c) Neither its acceptance of these Terms and Conditions, nor its fulfilment of or compliance with the terms of these Terms and Conditions shall contravene any provision of the laws of any jurisdiction; and

(d) the Goods, and the use thereof by AmSafe as permitted hereby, do not and will not infringe on any third-party rights, including any rights in any patent or other intellectual property (except that Seller makes no representations or warranties concerning AmSafe Specifications).

7.4 AmSafe Representations and Warranties. AmSafe represents and warrants to Seller that (a) it has the full right and authority to enter into any Purchase Order accepted by Seller and these Terms and Conditions constitute a valid and binding obligation on AmSafe, enforceable against it in accordance with their terms; and (b) these Terms and Conditions have been duly authorized by all its necessary corporate and stockholder action and constitute a valid and binding obligation on it, enforceable in accordance with the terms hereof.

7.5 Indemnification. Seller agrees to defend, indemnify and hold harmless AmSafe and its directors, officers, employees, owners, Sellers, and agents (each an "Indemnified Party") from and against any and all claims, costs, losses, damages, judgments, and expenses (including reasonable attorneys' fees) (collectively, "Claims") arising out of or in connection with any third-party claim alleging (i) any breach of Seller's representations or warranties or covenants set forth in these Terms and Conditions; (ii) personal injury, products liability or property damage to the extent allegedly caused by the Good, or (iii) that the Goods (except to the extent arising solely from AmSafe Specifications) or AmSafe's or a third-party use thereof, infringe(s) on any third-party rights, including any rights in any patent or other intellectual property. The obligations of Seller under this Section 7.5 are subject to the requirements that (a) the Indemnified Party notify Seller in writing within a reasonable time after the Indemnified Party is notified of a claim (provided, failure to provide timely notice will not alter Seller's duties hereunder except to the extent Seller is materially prejudiced thereby); (b) Seller has sole control of the defense of the claim (except that, if an Indemnified Party elects to do so, it may participate in the defense at its own expense) and all related monetary settlement negotiations (it being agreed that any non-monetary terms, including any licensing terms, of any settlement of a claim that directly affects the Indemnified Party shall require the prior written approval of the Indemnified Party); and (c) the Indemnified Party provides Seller with assistance, information, and authority necessary for Seller to perform its obligations under this section; provided always that the Indemnified Party will not be required to admit liability under any circumstances. Reasonable out-of-pocket expenses incurred by an Indemnified Party in providing such assistance must be reimbursed by Seller promptly upon receipt of an account of such expenses.

7.6 Non-Infringing Goods. If at any time it is alleged, or in AmSafe's reasonable opinion, it is likely, that the Goods infringe the rights of any third party, Seller may at its option and at its own expense: (a) modify or replace the Goods in such a way which does not detract from their overall performance so as to avoid the infringement; or (b) procure from the third party the right to continue to use the Goods; or (c) repurchase the Goods at the price paid by AmSafe less depreciation. Nothing in this Section 7.6 relieves Seller from its indemnification obligations under Section 7.5.

7.7 Insurance. Seller hereby agrees to maintain liability insurance protecting it against any and all claims for damages because of bodily injury, death or property damage arising from or in any way relating to Seller's performance under these Terms and Conditions. Said insurance shall specially include coverage for damage or loss or destruction of property, or the injury to or the death of any person.

## 8. Entire Terms and Conditions and Severability

8.1 Severability. It is the desire of the parties that the provisions of these Terms and Conditions be enforced to the fullest extent possible under the laws and public policies applied in each jurisdiction in which enforcement is sought. If any particular provision of these Terms and Conditions is deemed invalid or unenforceable by any court in any jurisdiction, these Terms and Conditions shall be deemed amended to delete from it that portion declared invalid or unenforceable (but only to the extent that such portion has been held unenforceable or invalid), and such deletion shall apply only with respect to the operation of said provision in that jurisdiction.

8.2 Entire Agreement. These Terms and Conditions and any agreement by the Parties on the face of a Purchase Order constitute the entire and exclusive statement by the parties of the terms of their agreement, notwithstanding any additional or different terms regarding any Good that may be obtained in quotation, acknowledgment, confirmation, order, the back of any purchase order, invoice or other form of any party. Except for any agreement by the Parties on the face of a Purchase Order, all prior and contemporaneous proposals, negotiations, representations and agreements are merged into these Terms and Conditions.

## 9. Miscellaneous

9.1 Miscellaneous. The terms of these Terms and Conditions may not be altered or modified except pursuant to a writing specifically referencing the Terms and Conditions and signed by authorized representatives of the parties. No failure or delay on the part of a party hereto in exercising any right or remedy under the Terms and Conditions shall operate as a waiver thereof; nor shall any single or partial exercise of any such right or remedy. No provision of these Terms and Conditions may be waived except in writing signed by the party granting such waiver. Acceptance or acquiescence in a course of performance rendered under these Terms and Conditions shall not be relevant to determining the meaning of these Terms and Conditions, even though the accepting or acquiescing party had knowledge of the nature of the performance and an opportunity for objection. No course of prior dealing between the parties and no usage of the trade shall be relevant to supplement or explain any terms used in these Terms and Conditions. No waiver of a breach of any provision of these Terms and Conditions or any Purchase Order made pursuant hereto shall constitute a waiver of any other breach of such provision.

9.2 Product Realisation – Control of Sub-suppliers. Where applicable contractual requirements of military contracts will be flowed down to sub-suppliers. All requirements may be subject to NATO Mutual Government Quality Assurance (GQA). Sub-suppliers will be notified in advance of any GQA activity to be performed.

9.3 REACH - In application of Article 33 of the REACH Regulation, and in the event that an "article" (within the meaning of that Regulation) supplied under this Agreement contains a substance subject to authorisation and/or in respect of which authorisation has been applied for in a concentration greater than 0.1% weight by weight, the Seller shall supply with that article sufficient information, available to the Seller, to allow safe use of the article including, as a minimum, the name of that substance. The Seller will provide the substance information in the form of the Model statement available on request.

9.4 Offset Credits. To the exclusion of all others, Buyer or its assignee shall be entitled to all industrial benefits or offset credits which might result from this contract. Seller shall provide documentation or information which Buyer or its assignee may reasonably request to substantiate claims for industrial benefits or offset credits.

9.5 Export Control. As an obligation of Sellers relationship with AmSafe Seller is expected to comply with the following:

9.5.1 Know and maintain adequate records of "export classifications" (e.g. USML Category or ECCN's) for all products, technology and services provided to AmSafe, and disclose such classifications to AmSafe;

9.5.2 Secure in a timely manner (in accordance with required delivery schedules) valid export licenses for any products and technical data to be exported to any AmSafe business;

9.5.3 Regularly monitor and maintain compliance with all license restrictions and provisos;

9.5.4 Prevent any unauthorized "deemed exports" of ITAR or EAR controlled products and technical data to unauthorised persons.

9.6 Seller commits that any material violation of law by Seller relating to basic working conditions and human rights, including laws regarding slavery and human trafficking, applicable to Seller's performance under this Contract/Agreement may be considered a material breach of this Contract/Agreement for which AmSafe may elect to cancel any open Orders between AmSafe and the Seller, for cause, in accordance with the provisions of this Contract/Agreement, or exercise any other right of AmSafe for an Event of Default under this Contract/Agreement. Seller shall include the substance of this clause, including this flow down requirement, in all subcontracts awarded by Seller for work under this Contract/Agreement.

9.7 The Seller shall work with the Buyer to identify opportunities to improve sustainability in the delivery of the Products and Services. This shall include identifying and implementing practices, where reasonable possible, to reduce environmental impact by, for example, (but not limited to), reducing packaging, making delivery frequency and scheduling more efficient, reducing energy consumption, reducing CO2 emissions and eliminating hazardous material content in Products. The Seller acknowledges the importance of sustainability in its own operations.

9.8 Seller shall label products which contain or are manufactured with ozone-depleting substances in the manner and to the extent required by 42 U.S.C. 7671j (b), (c), and (d) and 40 CFR Part 82, Subpart E, as applicable: Warning Contains \* \_\_\_\_\_, a substance(s) which harm(s) public health and environment by destroying ozone in the upper atmosphere. Warning Manufactured with \* \_\_\_\_\_, a substance(s) which harm(s) public health and environment by destroying ozone in the upper atmosphere. \* Seller shall insert the name of the substance(s).

"Ozone-depleting substance," as used in this clause, means any substance the Environmental Protection Agency designates in 40 CFR Part 82 as-- (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to hydrochlorofluorocarbons.

9.9 Records. AmSafe requires that the Seller shall maintain indefinitely, accurate and complete records regarding the matters described in these Terms and Conditions and any Purchase Order, including but not limited to drawings and specifications, manufacturing, purchasing, quality and release documentation and such other information as AmSafe may reasonably request. These records shall be maintained in accordance with recognized commercial accounting and record keeping standards. If requested by AmSafe, Seller will provide access to all of its books and records relating to the transactions described in these Terms and Conditions (including, without limitation, giving AmSafe the opportunity and ability to copy the same) and will not destroy any such records without offering to AmSafe the reasonable opportunity to retain the same and either copy the same or transfer the same to AmSafe's facility.

9.10 Governing Law and Dispute Resolution. These Terms and Conditions, the Purchase Orders and all controversies arising out of or in connection with these Terms and Conditions shall be governed by the laws of England and Wales. Where a claim or dispute arising out of or in connection with these Terms and Conditions or a Purchase Order is not settled by negotiation, the Parties will consider using alternative dispute resolution (ADR) before resorting to litigation. In the event that either party resorts to litigation the Parties submit to the exclusive jurisdiction of the English Courts.

9.11 Notice. Each notice, demand or other communication to be given or delivered under or by reason of the provisions of these Terms and Conditions shall be in writing and shall be deemed to have been duly given if delivered personally to the recipient, or sent to the recipient by reputable express courier service (charges prepaid) or by certified mail, return receipt, or hand delivery. Such notices, demands and other communications shall be delivered or sent to the individuals indicated on the face of the Purchase Order or, in the case of AmSafe, at the address shown above. Date of service of such notice shall be the date of receipt.

9.12 Assignment. These Terms and Conditions (or any Purchase Order made hereunder) may not be assigned or delegated by a party without the prior consent of the other party hereto, except that AmSafe may assign these Terms and Conditions and any Purchase Order to (a) a successor entity, (b) an affiliate, or (c) in connection with a sale of the assets of AmSafe, upon notice to but without the prior consent of Seller.