

**STANDARD PURCHASING TERMS AND CONDITIONS FOR GOODS AND SERVICES ("Conditions")  
UNITED STATES**

**1. DEFINITIONS AND INTERPRETATION**

In these Conditions:

**1.1** the following terms have the following meanings:

**"Affiliate"** any persons that Control, are Controlled by or are under common Control with us from time to time;

**"AI Law"** all applicable laws, regulations and binding guidance relating to the provision or use of any AI Systems in any jurisdiction including without limitation the EU AI Act and any other similar and applicable laws and regulations.

**"AI Systems"** any tools, materials, algorithms, machine learning, software or other technology that: (i) is designed to operate with varying levels of autonomy;; (ii) exhibits adaptiveness after deployment; ; (iii) that (for explicit or implicit objectives) infers from the input it receives how to generate outputs (such as predictions, content, recommendations or decisions); (iv) would be an "AI systems" for the purposes of the EU AI Act; or (v) simulate or provide intelligent or cognitive decision making or analyse data patterns or optimise processes.

**"Business Continuity Plan"** a written business continuity plan in respect of the [Services] and the people and facilities used to provide them that is adequate to help prevent, minimise the effect of and deal promptly, effectively and efficiently with any Disaster including without limitation back-up requirements and frequencies and which, as a minimum, reflects Good Industry Practice and complies with all applicable laws and regulations.

**"Change"** any mechanical, software or other change in design, manufacturing process, supply chain, specifications, materials or product standards (including part substitutions or internal relocation of parts) which affects or potentially affects performance, reliability, function, safety, appearance, quality, dimensions, tolerances or any other Specifications of Deliverables.

**"Claims"** claims or proceedings made, brought or threatened against us by any person;

**"Confidential Information"** any Contract and any information that relates to a party (or any of its Affiliates) disclosed to the other party in connection with the Contract, but excluding information received by the other party that: (i) is publicly available (other than through a breach of **Condition 14**); (ii) was received from a third party who did not acquire it in confidence; or (iii) is developed without any breach of the Contract;

**"Contract"** a contract for the supply of Deliverables by you to us incorporating these Conditions, including pursuant to a Framework Agreement, as formed under **Condition 2.1 (Contract Formation)**;

**"Control"** is the ability to control the management and policies of a person and **"Controlled"** is construed accordingly;

**"Customer Data"** includes personal data and non-personal data (and irrespective of whether such data is business critical data, comprises confidential information and trade secrets).

**"Customer ESG Policies"** our and our Affiliates' policies and statements which are available at [www.smiths.com](http://www.smiths.com) from time to time and which apply to entities which supply any good or services to us or any of our Affiliates including our and our Affiliate's procurement policies, sustainability policies, HSE policies and water waste and biodegradability statements, in each case as amended from time to time.

**"Customer Group"** us and our Affiliates from time to time.

**"Customer Group Member"** a member of the Customer Group.

**"Cyber Security Incident"** means (a) any information security incident or any event or incident having an adverse effect on any element of the security of the IT infrastructure of us or any of our Affiliates, you or any of your permitted subcontractors; (b) any reasonably suspected event or "near miss" incident; (c) any event or incident involving any breach of security leading to a loss of any data of, controlled by or in the possession of us or our Affiliates or controlled by, processed or in the possession of you and/or your permitted subcontractors in connection or as a result of this Contract; (d) any event or incident which involves the compromise of confidentiality, integrity and/or availability of data.

**"Cybersecurity Requirements"** the Security Requirements and all applicable laws, regulations, codes, guidance (from regulatory and advisory bodies, whether mandatory or not), international and national standards, [industry schemes] and sanctions relating to security of network and information systems and security breach and incident reporting requirements, including the Data Protection Laws, Commission Implementing Regulation (EU) 2018/151, the NIS Regulations 2018, the NIS 2 Directive, in each case as superseded, modified or replaced from time to time.

**"Deliverables"** means Goods, Work Product and/or Services;

**"Delivery"** delivery of the Goods in accordance with **Condition 4(Delivery of Goods / Supply of Services)**;

**"Disaster"** any unplanned interruption or event which significantly prevents or impairs: (a) the ability of the Supplier (or any of its sub-contractors) to perform or any of the Customer Group's ability to receive the full benefit of the [Services] (in each case whether in whole or in part); or (b) the ability of the Supplier (or any of its sub-contractors) or any of the Customer Group's to operate IT systems, networks or equipment used in the performance or receipt of the [Services] (in each case whether in whole or in part); **"ESG"** environmental, social and governance factors and standards;

**"Framework Agreement"** a framework agreement in place between you and us for the supply of Deliverables incorporating these Conditions;

**"Force Majeure Event"** means any unforeseen and unforeseeable event arising which is beyond the reasonable control of the affected party (including any industrial dispute affecting any third party, fire, flood, disaster, civil riot or war, but excluding pandemic, public health events, industrial disputes, labour disturbances or strikes facing the Supplier or its subcontractors, breakdown or failure of equipment and any failures of supplier's to the Supplier or its subcontractors).

**"Good Industry Practice"** means in relation to any undertaking and any circumstances, the exercise of that degree of professionalism, and such skill, diligence, prudence, foresight and judgement and the making of such expenditure which would reasonable be executed from a skilled, professional and experienced service provider engaged in the same type of undertaking under the same or similar circumstances;

**"Goods"** the goods set out in the Order or any Specification or referred to in the Framework Agreement;

**"Information Security Rectification Expenses"** (a) the damages and the costs involved to rectify, restore, recollect or replace Data, including expenses for materials, machine and working time, as well as overhead costs allocations at affected locations associated with rectifying, restoring and replacing the Data; (b) in respect of IT infrastructure of the Customer, the costs incurred by the Customer for the unauthorised use of or access to the IT infrastructure; (c) the reasonable fees and expenses of specialist or forensic consultants, auditors or loss adjustors retained by the Customer for the purpose of conducting a review or audit; (d) the reasonable fees and expenses of specialist or forensic consultants, auditors or loss adjustors retained by the Customer or a Customer Supplier for the purpose of conducting a review or audit; (e) in respect of public relations expenses, the reasonable expenses incurred by the Customer to re-establish its reputation or public image as damaged as a direct result of a Security Incident; (f) in respect of a cyber extortion threat, monies paid or payable to a person or persons believed to present a cyber extortion threat for the purposes of terminating such threat or series of related threats and other reasonable and necessary expenses which directly result from the above threat or series of related threats; (g) any increase in insurance premium incurred by the Customer; (h) Fees incurred in providing additional services to its customers or counterparties as a result of a Security Incident; (i) any costs or expenses of notification to any Regulator, affected customer, member, supplier or user; (j) any costs or expenses of the Customer in complying with or participating in an investigation or enforcement action by a regulatory authority including but not limited to a competent authority under NIS 2 or Information Commissioner investigation; (k) any civil settlements or fines paid to a regulatory authority; and (l) the amount of any claim by any person against the Customer arising as a result of or in connection with any Security Incident other than the proportion of any such claim that is a direct result of the Customer's negligence or default.

**"IPR"** all intellectual and industrial property rights of any kind including patents, trade secrets, supplementary protection certificates, rights in know-how, registered and unregistered trade marks and designs, models, rights to prevent passing off or unfair competition and copyright, database rights, topography rights, any rights in any invention, discovery or process, and applications for and rights to apply for any of the foregoing, in all countries in the world and together with all renewals, extensions, continuations, divisions, reissues, re-examinations and substitutions;

**"IPR Claim"** a Claim that the possession, use and/or sale of Deliverables by us, our Affiliate or our or their customers infringes the IPR of any person;

**"Liability"** liability arising out of or in connection with a Contract, whether in contract, tort, misrepresentation, restitution, under statute or otherwise including any liability under an indemnity contained in a Contract and/or arising from a breach of, failure to perform, or delay in performing any of a party's obligations under a Contract, howsoever caused including if by negligence;

**"Losses"** all losses, liabilities, costs, demands, damages and expenses that are or will be incurred by us or our Affiliates including in respect of any Claims, including IPR Claims;

**"NIS 2 Directive"** Directive (EU) 2022/2555 of the European Parliament and of the Council of 14 December 2022 on measures for a high common level of cybersecurity, in each case as superseded, modified or replaced from time to time

**"Order"** our written acceptance of your quotation for the supply of Deliverables to us AND/OR any purchase order submitted by us to you for Deliverables;

**"Price"** (i) the lower of the price for the Deliverables set out in the Order and your price for the Deliverables in force at the time of Delivery of Goods or completion of Services; or (ii) where there is a Framework Agreement in place, the price for the Deliverables as set out in the Framework Agreement;

**"Security Requirements"** means any requirements set out or appended to the Order or any Specification or to the Framework Agreement.

**"Services"** the services set out in the Order or any Specification or referred to in the Framework Agreement;

**"Specification"** the specifications and requirements for the Deliverables set out or referred to in the Order or as defined in the Framework Agreement;

**"Step-in Expenditure"** the costs and expenses (whether internal or external) incurred by or on behalf of us or any Affiliate that relate to or arise out of our exercise of its Step-in Rights (including the costs and expenses of any person appointed by us) whenever those costs are incurred (and including any VAT (or any other tax of a similar nature imposed in any country in the world) directly attributable to any such costs and expenses which we or our Affiliates (as applicable) are not entitled to reclaim from the relevant tax authority);

**"Step-in Notice"** has the meaning given to it in **Condition 19.1 (Step In)**;

**"Step-in Rights"** our right to take over, manage and/or supervise performance of Services or other obligations (either ourselves and/or via a nominated third party) as set out in **Condition 19 (Step In)**;

**"Step-in Services"** the Services or other obligations which are the subject of our Step-in Notice;

**"Supplier Personnel"** has the meaning given to it in **Condition 24.6**.

**"we"** or **"us"** or **"our"** the person named as the customer in the Order and/or referred to as "Customer" in a Framework Agreement;

**"Work Product"** any reports, documents, work product or other materials created for us by you, or on your behalf, arising from the Services;

**"you"** the person named as the supplier in the Order and/or referred to as the "Supplier" in a Framework Agreement;

1.2 headings are for ease of reference and do not affect the interpretation of these Conditions;

1.3 references to a "person" include any individual, body corporate, partnership, government authority, agency or department, state or any other entity (in each case whether or not having separate legal personality);

1.4 any words following the words "include", "in particular" or any similar expressions will be construed without limitation and accordingly will not limit the meaning of the words preceding them;

1.5 an obligation on a party to procure or make sure the performance or standing of another person will be construed as a primary obligation of that party; and

1.6 a reference to a statute or statutory provision is a reference to it as amended or re-enacted. A reference to a statute or statutory provision includes all subordinate legislation made under that statute or statutory provision.

## 2. CONTRACT FORMATION

2.1 A Contract is formed when we accept any quotation issued by you (verbal or written) by issuing an Order (whether or not there is a Framework Agreement in place) OR where you perform any act consistent with fulfilling an Order submitted by us for Deliverables. We are not obliged to accept any quotation issued by you.

2.2 These Conditions are the only terms and conditions on which we will purchase Deliverables. They apply in place of any terms and conditions that you may seek to apply or which may otherwise be implied, including any which are endorsed on, delivered with or contained in your quotation, Order acknowledgement, on your website or other sales materials or media or on any delivery note ("**Seller T&Cs**") and you waive any rights to rely on any such Seller T&Cs. Delivery of Goods and/or commencement of performance of Services is conclusive evidence of your acceptance of these Conditions.

2.3 You may not cancel a Contract. Unless you notified us in writing before we placed an Order that we may not cancel it, we may cancel a Contract in whole or part any time before Delivery or completion of performance of Services. Our sole Liability will be to pay to you fair and reasonable compensation for work-in-progress at the time of cancellation provided that:

2.3.1 such compensation will not include any loss of profits OR any indirect or consequential loss; and

2.3.2 where Goods are not manufactured specifically for us to our Specification, our sole Liability will be to pay you a fair and reasonable restocking charge.

## 3. QUALITY CONTROL & TESTING

3.1 The quantity, description and Specification of Deliverables will be as set out in the Order. You must not make any Change to Deliverables without our prior written consent. You will carry out any reasonable Change that we request to any Deliverables. We will negotiate, in good faith, with you an agreed adjustment to the price, Delivery date or both as a result of a Change.

3.2 You will maintain detailed quality control and manufacturing records for at least ten (10) years (or such other period of time as set out in a Framework Agreement or Order) from the date of Delivery of Goods which we or a third party on our behalf may inspect or receive copies of on demand.

3.3 We may inspect and test Goods at any time prior to Delivery. You will allow us and our representatives to enter your premises to carry out such inspection and testing and will provide us with all facilities reasonably required. If, following such inspection or testing, we are not satisfied that the Goods will comply with **Condition 5.1 (Your Obligations)**, you will take all steps necessary to ensure compliance at no additional cost to us.

3.4 You will maintain a quality control system that meets any international standard as required by us, or which is otherwise approved by us and such test and inspection system as we may require.

3.5 You may not deliver the Goods by separate instalments without our prior written consent. Instalments will be invoiced separately by you.

## 4. DELIVERY OF GOODS / SUPPLY OF SERVICES

4.1 Unless otherwise specified in an Order, you will deliver the Goods DDP (Incoterms 2020) to the address specified in the Order during our normal business hours on the date specified in the Order. You will be responsible for off-loading the Goods from the delivery vehicle. Delivery of the Goods will occur when they have been off-loaded at the delivery address. For the avoidance of doubt, under the DDP Incoterm you bear all risk and responsibility of acting as the importer of record in the United States, including the payment of applicable duties and tariffs.

4.2 You will perform Services in accordance with the applicable timetable communicated to you or as set out in the Order to meet all Specifications.

4.3 Time is of the essence for performance of your obligations under the Contract. If you are late performing your obligations under the contract, our losses (for which we may claim damages from you) may include late delivery fees which our customers and those of our affiliates charge to us. you are responsible for checking whether these apply.

4.4 Services will be accepted by us when we are satisfied that the Services comply with the Specifications.

4.5 You will make sure that the Goods are marked in accordance with our instructions and any applicable laws, rules and regulations and are properly packed and secured; marked with information on their origin; Delivery is accompanied by a prominently displayed delivery note showing the Order

- number, date of Order, type and quantity of Goods, and any special storage instructions; and delivered with all operating and safety instructions, clearly displayed warning notices and such other information as may be necessary for the proper use, maintenance and repair of the Goods.
- 4.6 If you fail to deliver the Goods on time we may terminate the Contract immediately by giving you notice, in which case you will refund any monies already paid by us in relation to the Goods that have not been delivered and indemnify us and our Affiliates against our Losses as a result of your failure to supply Goods, including obtaining substitute goods from another supplier.
  - 4.7 We will have a reasonable period of time following Delivery to inspect Goods. We may reject Goods which do not meet Specifications. We can also reject Goods which are more or less than the quantity or type Ordered or delivered prior to the date specified on the Order. Rejected Goods will be returned at your cost and expense. If we accept Goods delivered prior to the date specified on the Order we may charge you the cost of storing them until the actual specified Delivery date.
  - 4.8 Risk in the Goods passes to us on the later of acceptance and Delivery. Ownership of the Goods passes to us on the earlier of payment of the Price and Delivery.
  - 4.9 You will notify us in writing as soon you are aware that any Goods or the product support for the Goods are to be discontinued or made of "end of sale" or "end of life". At our request, you and we will agree in good faith a reasonable period of time during which you will keep agreed spare parts available for us for any discontinued, desupported, end of life or end of sale Goods.

## 5. YOUR OBLIGATIONS

- 5.1 You will make sure that the Goods will:
  - 5.1.1 be of satisfactory quality, comprise genuine, new materials (which are not used, refurbished, reconditioned, remanufactured, counterfeit or of such age as to impair usefulness or safety) and be fit for any purpose notified by us to you;
  - 5.1.2 conform to, satisfy and be capable of the Specifications;
  - 5.1.3 be free from defects in design, materials and workmanship;
  - 5.1.4 be sold to us with full and unencumbered title and not infringe the IPR of any third party;
  - 5.1.5 comply with all (i) applicable laws, (ii) regulatory requirements and (iii) standards including those issued by the British Standards Institution (or local equivalent) and requirements of relevant statutory and regulatory bodies; and
  - 5.1.6 be safe and without risk to health.
- 5.2 In respect of Services, You will:
  - 5.2.1 perform Services with the best care, skill and diligence in accordance with best practice;
  - 5.2.2 use personnel (and sufficient number of personnel) who are suitably skilled and experienced to perform the Services;
  - 5.2.3 make sure that the Services conform with our reasonable instructions, comply with Specifications, are performed to meet the purposes notified by us to you and do not infringe the IPR of any third party;
  - 5.2.4 provide all equipment, tools and vehicles and other items required to provide the Services;
  - 5.2.5 obtain and at all times maintain all licences and consents required for the provision of the Services;
  - 5.2.6 comply with all applicable laws, regulations, regulatory policies, guidelines or industry codes which may apply to the provision of the Services; and
  - 5.2.7 not do or omit to do anything which may cause us or our Affiliates to lose any licence, authority, consent or permission required for our or their business.
- 5.3 You will observe all health and safety rules and regulations and any other security requirements that apply at any of our premises and ensure that your personnel are insured against all risks while working on our premises.
- 5.4 Without affecting any of our other rights or remedies, if you materially breach any of these Conditions OR any Goods (whether or not accepted in whole or in part) do not conform with **Condition 5.1** during the longer of (i) your warranty period for the Goods and (ii) 12 months following Delivery OR any Services breach **Condition 5.2**, then we may:
  - 5.4.1 terminate the Contract and any other existing Contracts immediately with notice;
  - 5.4.2 require you, at our option, to promptly repair or replace the relevant Goods or reperform the relevant Services free of charge;
  - 5.4.3 reject the Deliverables (in whole or in part) and require you to refund the Price for the relevant Deliverables;
  - 5.4.4 accept the Deliverables subject to an equitable Price reduction; or
  - 5.4.5 at your expense, repair or have a third party repair the Goods or reperform or have a third party reperform the Services and you will indemnify us and our Affiliates against our Losses (including from any IPR Claims) arising from such breach.
- 5.5 **Condition 5.4** will apply to any repaired or replacement Goods supplied under **Condition 5.4.2**.
- 5.6 If, as a result of any Goods not conforming with **Condition 5.1** or Services not conforming with **Condition 5.2** or otherwise representing an unreasonable risk of harm to the public or the environment, we determine a recall, removal or correction campaign ("campaign") is necessary or are required to carry out a campaign, we may implement such campaign and you will indemnify us and our Affiliates against all Losses incurred as a result of any such campaign.
- 5.7 You will, upon our request, promptly provide accurate and complete documentation in a form acceptable to us as may be required to permit Smiths to comply fully with all applicable governmental regulations or requirements that enable us to claim relief or tariff and/or duty exemptions, reductions or preferential treatment. This includes but is not limited to:
  - 5.7.1 Valid certificates of origin in compliance with the requirements of any applicable free trade agreements, or where there is no applicable free trade agreement, standard certificate(s) of origin in the form which we may reasonably request;
  - 5.7.2 Harmonised Tariff Schedule codes for the Goods;
  - 5.7.3 Manufacturer's affidavits confirming the origin of the Goods;
  - 5.7.4 Documentation of smelt or mill origin (such as smelter or mill certificates) to verify the country(ies) of origin of materials or inputs, including first country of smelt / mill and country of cast / pour; and
  - 5.7.5 Any additional records or declarations required by applicable customs authorities to validate costs and places of origin of the Goods and materials contained therein or used in the performance thereof and support claims for relief from any tariff or duty.
- 5.8 You will retain all documentation in connection with Condition 5.7 for a period of no less than 5 years. You will notify us immediately in writing of any changes to information previously supplied which affects the origin, composition or eligibility of goods for preferential tariff treatment. If you do not comply with Condition 5.7 or this Condition 5.8, this will be a material breach of these Conditions.

## 6. OUR PROPERTY

- 6.1 All patterns, dies, moulds or other tooling or materials, supplied by us or prepared or obtained by you for us at our cost ("**Tooling**"), will be marked with our name or as otherwise specified by us and will be and remain our exclusive property returnable in good condition on demand.
- 6.2 You will insure against all risks any Tooling and also any of your own tooling or property which may be kept on our premises for the purposes of providing Deliverables. You will keep all Tooling safe and in good condition while in your custody and/or under your control. All Tooling will be kept separately from your stock and other inventory.
- 6.3 We reserve the right to charge to you the cost of any Tooling if it is destroyed or damaged or rendered unfit for the purpose for which it was originally manufactured while under your control.

- 6.4 You will not dispose of any Tooling other than in accordance with our prior written instructions. You will not, at any time, use Tooling, nor will you allow Tooling to be used by anyone else for any purpose other than the supply of the Deliverables unless we have previously provided our consent in writing.
- 6.5 We will have the right to enter your premises and remove Tooling at any time without being liable for trespass or for damages of any sort.

## 7. IPR

- 7.1 This **Condition 7** will apply if the Goods are to be made, modified or redesigned to our Specification. Any bespoke Specification or Work Product you create or have created for us will be treated as "Goods" for the purposes of this **Condition 7 (IPR)**.
- 7.2 We will own all present and future IPR (together with all other proprietary rights) in the Goods and our specification. Accordingly, you will not use our specification other than to manufacture the Goods for us. With full title guarantee, you:
- 7.2.1 assign to us all IPR in the Goods which subsist as at the date of the Contract;
- 7.2.2 assign to us (by way of present assignment of the future copyright) all future copyright in the Goods immediately upon their creation; and
- 7.2.3 agree to assign to us all other IPR in the Goods immediately upon their creation.
- 7.3 You will:
- 7.3.1 at your own cost, execute all such documents and do all such acts and things as we may request from time to time in order to secure our full right, title and interest in the IPR in the Goods; and
- 7.3.2 obtain the waiver of all moral rights (and any broadly equivalent rights) in the Goods.
- 7.4 The exception to **Condition 7.2 (IPR)** above is that any IPR in existing products, materials or data used to create Goods ("**Existing Materials**") will continue to belong to you (or your suppliers). You grant (and, where applicable, will ensure that your suppliers grant) to us, our Affiliates and our and their end customers a nonexclusive, perpetual, -royaltyfree-, irrevocable licence to use and to have used Existing Materials which form part of any Goods.
- 7.5 You will indemnify us and our Affiliates against all losses, liabilities and costs (including legal expenses) sustained, incurred or suffered by them as a result of any claim, action or proceeding that our or their use, possession or receipt of the Goods, Deliverables or Services (an "**Infringing Item**") infringes the IPR of any third party.

## 8. PRICE AND PAYMENT

- 8.1 As long as you perform your obligations in accordance with the terms of the Contract, we will pay the Price to you in accordance with this **Condition 8 (Price and Payment)**.
- 8.2 The only sums of money we will pay in connection with the supply of the Deliverables are the Price which will be inclusive of all costs and expenses incurred by you including all packaging, insurance, carriage, duties and delivery costs.
- 8.3 Any sum payable under the Contract is exclusive of value added tax, sales tax, and/or goods and services tax (and any other similar or equivalent taxes) upon any supply made to us which will be payable in addition to that sum in the manner and at the rate prescribed by law from time to time but inclusive of all other taxes, fees and levies imposed from time to time by any government or other authority. Any import duties or tariffs shall not be separately chargeable to us pursuant to Delivery Condition 4.1.
- 8.4 You may invoice us for the Price for the Goods following Delivery and for Services following completion.
- 8.5 Other than as set out in **Conditions 8.7** and **8.9**, invoices will be payable by us within 60 days from the date of receipt by us, plus the number of days until our next payment run. You will send invoices to the address specified in the Order.
- 8.6 No payment made by us will constitute acceptance by us of any Deliverables or otherwise affect any rights or remedies which we may have against you including the right to recover any amount overpaid or wrongfully paid to you.
- 8.7 We may withhold payment of any disputed sum until the dispute is settled.
- 8.8 If any undisputed sum payable under the Contract is not paid when due you may charge us interest daily on that sum at 2% per year above the base lending rate from time to time of Bank of England from the due date until the date of payment (whether before or after judgment).
- 8.9 We may set-off any liability which you have to us against any liability which we have to you.

## 9. DIVESTMENT

- 9.1 Supplier acknowledges that Customer Group may from time to time sell, transfer, restructure, demerge and/or divest any one or more Customer Group Members or a business, division, department or other organisational grouping (or part) within one or more Customer Group Members (a "**Reorganised Business**"). Any such sale, transfer, restructuring, demerger and/or divestment will for the purposes of these Conditions be referred to as a "Reorganisation".
- 9.2 Where there is a Reorganisation, the Supplier will provide the Services to the Reorganised Business, its purchaser (where applicable) and the employees, contractors, sub-contractors and end users of either of the Reorganised Business and its purchaser, together the "**Permitted Users**", at no additional cost or increase in the Charges, from the date of Reorganisation until the date of expiry or termination of the Framework Agreement or any Order (as applicable) (the "**Reorganisation Period**") provided that Customer agrees to be responsible for any breach of the Framework Agreement or Order by Permitted Users. The exclusions and caps on liability in these Conditions that the Customer and/or the Customer Group benefit from will apply to any breaches of these Conditions by the Permitted Users and all resultant losses and liabilities resulting from such breaches will count in aggregate (together with the losses and liabilities of the Customer and the Customer Group), towards the liability caps that the Customer and the Customer Group benefit from.
- 9.3 Without limitation to condition 9.2 (Divestment) above, we may, by giving the Supplier written notice, (a) elect to either make an apportionment, as between the Reorganised Business and the Customer (and the Customer Group), of the right to receive the Services and Deliverables, by way of partial novation OR (b) novate the Framework Agreement or Order in its entirety. In either scenario, (a) the Supplier will enter into a new and separate contract for any relevant Services and Deliverables on the same terms that apply to Customer and Customer Group in the Framework Agreement or Order with the necessary amendments made to reflect the appropriate scope of Services, Deliverables and Charges) with the Reorganised Business (or the purchaser of its business and/or assets (as appropriate)); (b) the parties will (acting reasonably and in good faith) apportion any payment, minimum payment, minimum use and/or any similar obligations as between the Customer (and the Customer Group) and the Reorganised Business and on any failure to agree these the payment, minimum payments, minimum use and similar obligations will be apportioned on a pro rata basis; (c) the parties will agree and enter a variation to the Framework Agreement or Order to effect the changes set out in this condition 9.3.

## 10. OBSOLESCENCE

- 10.1 You will proactively monitor all items and material used in the manufacture of the Deliverables for impending obsolescence issues due to any Deliverable that has been or will be taken out of production, or the production and/or use of which has been or will be restricted or forbidden by any applicable law, regulation or regulatory agency. You agree to provide us with immediate written notice of any actual or potential obsolescence issue that is or becomes known to you, with such notice to include the reason for obsolescence, estimated date the Deliverable will no longer be available, and any proposed alternatives. You shall provide such notice to us at least twelve (12) months prior to ending your supply to us of the existing Deliverable.
- 10.2 You shall provide us a last time buy opportunity at a price not exceeding the then current pricing for such existing Deliverable or (at our choice) a right of first refusal to purchase all or a portion of your remaining inventory for a price not exceeding the then current pricing, and you shall be obliged to accept and fulfil such an order.
- 10.3 In addition, you shall make available to us a replacement Deliverable which is fully consistent with the existing Deliverable's then current Specifications within twelve (12) months prior to ending your supply to us of the existing Deliverable. -If this is not possible, you shall provide all such prompt and

diligent assistance as we may reasonably request to process a Change in accordance with **Condition 3 (Quality Control & Testing)** to our satisfaction, such that the resulting Deliverable is available to us within twelve (12) months prior to ending your supply to us of the existing Deliverable.

## 11. AI SYSTEMS

11.1 If the Supplier provides or uses an AI System in connection with the Services and/or any Deliverables:

11.1.1 the Supplier will comply with all AI Law, Good Industry Practice and have in place all necessary licences, permissions and consents to use such AI System; and

11.1.2 input any Customer Data into any Automation Tool; provide Customer with all reasonable support and information necessary for the Customer and its Affiliates to comply with AI Law in relation to its use of the relevant AI System (if applicable).

11.2 The Supplier will not (and the Supplier will procure that its Affiliates and its and their subcontractors and suppliers will not) without the Customer's prior written consent:

11.2.1 use any AI Systems to perform any element of the Services or to create any of the Deliverables;

11.2.2 input any Customer Data or Customer or Customer Affiliate Confidential Information into any AI System;

11.2.3 create any derivative data using any Customer Data or any Customer or Customer Affiliate Confidential Information.

11.3 If the Customer gives its written consent under condition 11.2 the Supplier must ensure that all Customer Data or Customer or Customer Affiliate Confidential Information is only inputted or used in an AI System strictly for the purpose of providing the Services and Deliverables to the Customer.

11.4 The Supplier shall provide to Customer such information relating to the use of any AI System as Customer may reasonably request from time to time. If Customer reasonably determines that any use of an AI System necessitates changes to the terms and conditions of this Agreement the parties will agree such changes and the Supplier will not unreasonably withhold or delay in providing its consent to such changes.

## 12. TERMINATION

12.1 Without limiting any other right we may have to terminate a Contract, if you commit a material breach of these Conditions we may terminate the Contract and any other existing Contracts immediately with written notice. Any breach of **Conditions 18 (Confidentiality), 21 (Ethical Conduct) or 23.11 (Assignments)** will be deemed to be a material breach.

12.2 Without limiting any other right we may have to terminate a Contract, we may terminate the Contract immediately by giving you written notice if you (a) have a receiver, administrator or liquidator (provisional or otherwise) appointed; (b) are subject to a notice of intention to appoint an administrator or any other resolution on insolvency; (c) pass a resolution for your winding-up; (d) have a winding up order made by a court in respect of you; (e) enter into any composition or arrangement with creditors; (f) cease to carry on business; (g) are the subject of anything similar or equivalent to that set out in (a) to (f) under any applicable laws; or (h) you are subject to any change of Control and you will notify us immediately upon the occurrence of any such event or circumstance.

12.3 Following expiry or termination of the Contract:

12.3.1 any Conditions which expressly or impliedly continue to have effect after expiry or termination of the Contract will continue in force; and

12.3.2 all other rights and obligations will immediately stop but will not affect any of your or our rights, obligations, claims and liabilities which may exist prior to the date of expiry or termination; and

12.3.3 each party will immediately stop using the other party's Confidential Information and will as soon as reasonably possible, if requested to do so, return to the other party all of the other party's Confidential Information (including all copies and extracts) in its possession or control or confirm its secure destruction; and

12.3.4 each party may keep any of the other party's Confidential Information which it has to keep to comply with any applicable law and **Condition 12.3.3** will not apply to such Confidential Information. **Condition 18 (Confidentiality)** will continue to apply to retained Confidential Information.

12.4 If we terminate a Contract, we may require you to deliver to us any supplies, materials or drawings produced or acquired by you for the terminated part of the Contract and we will agree, in good faith, on the amount payable for the same.

12.5 If we terminate the Framework Agreement or any Order pursuant to condition 12.1 you will provide a pro rata refund of all amounts paid in advance by us under the Framework Agreement and all Orders as at the date of termination.

12.6 If we terminate the Framework Agreement or any Order pursuant to condition 12.2, you will provide a refund of all amounts paid by us to you under the Framework Agreement and all Orders.

## 13. LIABILITY

13.1 You will indemnify us and our Affiliates against all our and their Losses arising from your breach of or negligent performance of or your failure to perform or delay in performing any part of these Conditions. We may, at our discretion, control the defence of any claim in respect of which you are required to indemnify us under a Contract.

13.2 Subject to **Condition 13.3**, we will not have any Liability to you for any (i) loss of profit, goodwill or revenue; or (ii) any indirect, consequential or special loss.

13.3 Nothing in these Conditions or any Contract will operate to exclude or restrict one party's Liability (if any) to the other (including for a person for whom it is vicariously liable):

13.3.1 for death or personal injury resulting from its negligence;

13.3.2 for its fraud or fraudulent misrepresentation;

13.3.3 for breach of its obligations arising under section 12 Sale of Goods Act 1979 or section breach of the term implied by section 2 of the Supply of Goods and Services Act 1982 (title and quiet possession);

13.3.4 for any matter for which it is not permitted by law to exclude or limit its liability;

13.3.5 any breach of **Condition 24.6 (Supplier Personnel)**;

13.3.6 any breach of **Conditions 18 (Confidentiality)**; or

13.3.7 any indemnities given in these Conditions.

13.4 The exclusions from and limitations of liability contained in these Conditions will apply after as well as before the date of expiry or termination of any Contract. The exclusions from and limitations of liability contained in these Conditions will apply after as well as before the date of expiry or termination of any Contract.

13.5 The exclusions from, and limitations of, liability set out in this **Condition 13 (Liability)** will be considered severally. The invalidity or unenforceability of any one sub-clause or clause will not affect the validity or enforceability of any other sub-clause or clause and will be considered severable from each other.

13.6 You will indemnify us and our Affiliates against all losses, liabilities and costs (including legal expenses) sustained, incurred or suffered by us or them as a result of any third party claims, actions or proceedings arising out of or in connection with a breach of this Contract and/or Conditions by you.

## 14. INSURANCE

- 14.1 Supplier at its own cost shall, at all times during the Term and for three (3) years thereafter ("**Insurance Period**") hold and maintain sufficient the insurances as specified within this condition with reputable insurers to ensure compliance with all applicable Laws and to cover its obligations and potential Liabilities under or arising out of these Conditions. The existence of Supplier's insurance policies, or Customer's approval thereof, does not relieve or limit any of Supplier's other obligations under this Agreement.
- 14.1.1 General Liability / Public and Products Liability: Supplier will maintain "General Liability" or "Public and Products Liability" insurance with limits of not less than £5,000,000 per claim (Note to Supplier: increase this to contract indemnity cap if higher than £5m)
- 14.1.2 Employee Injury (Workers Compensation / Employers' Liability) Insurance: Pursuant to relevant laws, Supplier will maintain Workers Compensation or Employers' Liability insurance with limits not less than the statutory limits required by in each applicable territory in which Supplier is providing Services.
- 14.1.3 Professional Liability/Errors and Omissions: If the Supplier is providing professional or consulting services, Supplier will also maintain "Professional Liability" or "Errors and Omissions" insurance with limits of not less than £5,000,000 per claim (Note to Supplier: increase this to contract indemnity cap if higher than £5m), with a retroactive date no later than the date the Services commenced and coverage to continue for a period of not less than three years after all Services are completed.
- 14.1.4 Cyber Liability Insurance: Supplier will also main "Cyber Liability Insurance" insurance with limits of not less than £5,000,000 per claim (Note to Supplier: increase this to contract indemnity cap if higher than £5m). Insurance will include cover for privacy and network security liability, event management, professional liability and media content arising out of any act, error, or omission that results in unauthorized access to the computer systems, transmission of malicious code, or the unauthorized disclosure or misappropriation of confidential information, personally identifiable information, protected health information or a third party's confidential and proprietary business information.
- 14.2 The following provisions apply to the required insurance coverages set forth above:
- 14.2.1 Suppliers will cause each insurance policy to provide that it will remain in effect and that the coverage limits will not be reduced below the minimum amounts required by this agreement or cancelled without at least 30 days prior written notice from Supplier to purchaser.
- 14.2.2 Supplier will cause Customer and its Affiliates, and their respective officers, directors, employees, successors, assigns and agents of Customer and its Affiliates to be named as additional insureds on the General Liability, Professional Indemnity and Cyber Liability Insurances above, with the standard separation of insureds provision or an endorsement for cross-liability coverage.
- 14.2.3 Supplier will cause each of its policies of insurance waive of any right of subrogation on the part of the insurer against Customer, its officers, directors, employees, agents, and contractors (to the extent permitted by Law). The insurance maintained by Supplier pursuant to this Agreement will be primary to, and without any right of contribution from, any other insurance that may be available to purchaser.
- 14.2.4 The Supplier must prior to the commencement of this Agreement and each year on the anniversary will submit certificates of insurance certifying that it has insurances as required by this condition.

## 15. INFORMATION SECURITY

The Supplier acknowledges that:

- 15.1 The Customer is an important entity and/or essential entity as defined under the NIS 2 Directive and is subject to specific statutory duties related to:
- 15.1.1 maintaining the security of its network and information systems in accordance with Article 21 NIS 2 Directive, including measures in respect to its supply chain security;
- 15.1.2 timely notification of significant incidents to relevant authorities, in accordance with Article 23 NIS 2 Directive; and
- 15.1.3 ensuring compliance with guidance and standards issued by or on behalf of competent authorities, as well as meeting any additional regulatory requirements.
- 15.2 The Supplier undertakes to provide the Services in a manner that ensures the Customer can fulfil these obligations, with the understanding that any failure to meet these duties will result in potential loss or damage to the Customer's business. The Supplier will at all times:
- 15.2.1 comply with any Security Requirements provided in any Framework Agreement or Order. This includes the Supplier preparing, implementing, testing and continually reviewing an Information Security Management System plan which complies with, as a minimum, the Security Requirements set out in any Framework Agreement or Order;
- 15.2.2 ensure that the Supplier can invoke their Information Security Management System plan immediately and at any time if a Cyber Security Incident occurs; and
- 15.2.3 ensure that their Information Security Management System plan as a minimum reflects Good Industry Practice, complies with ISO:IEC 27001, all applicable law and includes all necessary measures to restore any such part of such IT infrastructure following any loss of or loss of access to any part of it.
- 15.3 The Supplier will indemnify the Customer against the Information Security Rectification Expenses arising out of or in connection with any breach by the Supplier or any subcontractor of any obligations under this condition 15 (Information Security) (including any failure or delay in performing, or negligent performance or non-performance of, any of those obligations) or any act or omission by the Supplier or a subcontractor that causes the Customer to breach any obligation under Cybersecurity Requirements (other than any obligation under Data Protection Laws).
- 15.4 Supplier will indemnify all Customer Group Members from and against any and all losses, liabilities, fines, penalties, charges, damages, actions, costs and expenses, professional fees (including legal fees actually incurred) and disbursements and costs of investigation, litigation, settlement, judgment, interest and penalties, suffered or incurred by the Customer Group Members arising from or in connection with any breach by Supplier or any Sub-Processor, of its or their obligations under any Data Protection and Security Requirements provided in any Framework Agreement or Order.
- 15.5 The Supplier will comply with any Data Protection and Security Requirements provided in any Framework Agreement or Order and any breach by Supplier or any Sub-Processor of such Schedules will be a material breach of the Agreement which is not capable of being remedied, irrespective of whether any financial loss or reputational damage arises, and irrespective of the level of any financial loss or deprivation of benefit arising, as a consequence of such breach.

## 16. CYBER SECURITY INCIDENT

- 16.1 You shall notify us immediately once becoming aware of any Cyber Security Incident and respond without delay to all queries and requests for information from us regarding any incident, whether discovered by you or us, bearing in mind the extent of any regulatory and legal reporting obligations we and/or any Affiliates may have to comply with in a timely manner.
- 16.2 You shall use reasonable commercial endeavours to ensuring business continuity for us and any Affiliates at all times.
- 16.3 You agree to co-operate with us and any Affiliates in relation to:
- 16.3.1 all aspects of its compliance with its cybersecurity requirements;
- 16.3.2 any requests for information, or inspection, made by any regulator (including in connection with cybersecurity requirements);
- 16.3.3 any request for information made;
- 16.3.4 any incident.
- 16.4 You shall and warrant and represent that you shall at all times, in accordance with Good Industry Practice operate and adhere to an incident management process which shall enable you as a minimum to discover, assess and mitigate incidents. You shall provide copies of all relevant policies promptly on request by us.

16.5 You shall indemnify us against any loss or damage suffered by us and any Affiliates in relation to any breach by you of your obligations under these Conditions.

## 17. BACKUP AND DISASTER RECOVERY

17.1 The Supplier will:

- 17.1.1 have in place, and maintain throughout the duration of the Agreement, [ISO27001 certification]; [Note to Supplier: This should reflect your current data security certifications.];
- 17.1.2 at all times, maintain, keep up to date (including to reflect any changes to this Agreement) and comply with the Business Continuity Plan in accordance with Good Industry Practice;
- 17.1.3 ensure that it is able at all times to implement the Business Continuity Plan immediately upon the occurrence of a Disaster;
- 17.1.4 on request, provide a copy of the Business Continuity Plan to the Customer;
- 17.1.5 comprehensively test the Business Continuity Plan once in every rolling six month period during the [Term] and will, within [14] days of any test, provide the Customer with a written report detailing the results of that test and any actions it proposes to take to address those results;
- 17.1.6 notify the Customer immediately if a Disaster occurs;
- 17.1.7 implement the Business Continuity Plan immediately if a Disaster occurs and take all steps necessary to mitigate the impact of that Disaster; and
- 17.1.8 at all times comply with Customer Security Schedule and Data Protection Agreement.

## 18. CONFIDENTIALITY

18.1 Each of the Customer and the Supplier hereby undertakes to the other to:

- 18.1.1 keep all Confidential Information given by one party (the "Disclosing Party") to the other party (the "Recipient") or otherwise obtained by the Recipient confidential;
  - 18.1.2 safeguard the Confidential Information and comply with any reasonable security requirements specified by the Disclosing Party from time to time;
  - 18.1.3 implement rigorous security practices against any unauthorised copying, use, disclosure, access, damage or destruction of the Disclosing Party's Confidential Information;
  - 18.1.4 not, without the prior written consent of the Disclosing Party, disclose Confidential Information in whole or in part to any other person save those of its employees, agents and sub-contractors involved in the provision or receipt of the Services (or services related to the Services) and who need to know the Confidential Information in question;
  - 18.1.5 use the Confidential Information solely in connection with the provision or receipt of the Services (or services related to the Services);
  - 18.1.6 immediately notify the Disclosing Party if the Recipient suspects or becomes aware of any unauthorised access, copying, use or disclosure in any form or if the Recipient is required by law to disclose any of the Disclosing Party's Confidential Information; and
  - 18.1.7 without limiting any of the foregoing, treat the Confidential Information with at least the same degree of care that it uses for its own confidential information.
- 18.2 Each of Customer and Supplier hereby undertakes to the other to make all relevant employees and sub-contractors aware of the confidentiality of the Confidential Information belonging to the other and the provisions of this condition 18 (Confidentiality) and, without limitation to this condition 18.2, to take all such steps as will from time to time be necessary to ensure compliance by its employees, agents and sub-contractors with the provisions of this condition 18 (Confidentiality).
- 18.3 Each of the Customer and Supplier shall indemnify the other and such other party's Affiliates against all losses, liabilities and costs (including legal expenses) sustained, incurred or suffered by them as a result of any breach of this condition 18 (Confidentiality).
- 18.4 The obligations set out in this condition 18 (Confidentiality) will not apply to Confidential Information which the receiving party can demonstrate:
- 18.4.1 is or has become publicly known other than through breach of this condition 18 (Confidentiality);
  - 18.4.2 was in possession of the receiving party prior to disclosure by the other party;
  - 18.4.3 was received by the receiving party from an independent third party who has full right of disclosure;
  - 18.4.4 was independently developed by the receiving party; or
  - 18.4.5 was required to be disclosed by governmental authority, provided that the party subject to such requirement to disclose gives the other party prompt written notice of the requirement.
- 18.5 Nothing in this condition 18 (Confidentiality) will be deemed or construed to prevent the Customer from disclosing any Confidential Information obtained from the Supplier to any consultant, contractor or other person engaged by Customer, provided that Customer will have obtained from the consultant, contractor or other person a signed confidentiality undertaking on substantially the same terms as are contained in this condition 18 (Confidentiality).

## 19. STEP IN

19.1 If:

- 19.1.1 we have the right to terminate a Contract;
  - 19.1.2 you are late in performing or do not perform all or part of the Service or your other obligations under a Contract for a period of more than thirty (30) days;
  - 19.1.3 we are instructed by a regulatory authority or are required by applicable law to exercise our rights under this Condition 19;
  - 19.1.4 you have suffered a Force Majeure Event and are unable to perform part or all of the Services or your other obligations at all or in accordance with a Contract for a period of more than thirty (30) days;
- we will be entitled, by giving written notice to that effect to you ("**Step-in Notice**"), to require you to suspend the affected Services or obligations; and/or take-over, manage and/or supervise performance of the affected Services or obligations (either ourselves and/or via a nominated third party).

19.2 The exercise of our rights under this Condition 19 will be without prejudice to any other rights that we have under a Contract.

19.3 We will include the following in any Step-in Notice:

- 19.3.1 details of the action we wish to take;
- 19.3.2 the date that we wish to exercise our Step-in Rights from;
- 19.3.3 details of known premises and systems access required by us and any known nominated third parties; and
- 19.3.4 to the extent reasonably practicable, details of the estimated impact on you and your obligations to provide the Services and your other obligations during the period that the Step-in Rights will be exercised in.

19.4 If we require you to suspend performance of affected Services and/or obligations under **Condition 19.1**, you will suspend performance of the relevant Services and obligations until such time as we give written notice to you to recommence performance of those Services and/or obligations. During the period of suspension you will continue to perform all other Services and obligations in accordance with the relevant Contract. We will not be liable to pay Charges in respect of any suspended Services or obligations during the period of suspension.

19.5 If we exercise our Step-in Rights, you will (without any charge to us):

- 19.5.1 permit us (or our nominated third party), for the purpose of exercising the Step-in Rights, to use any resources, equipment, software, premises, personnel and the benefit of contracts (including subcontracts), in each case that were used or were planned to be used by or on behalf of you and/or your sub-contractors in connection with the Services or the performance of your other obligations;

- 19.5.2 comply, and will procure that your sub-contractors and your and your sub-contractors' personnel will comply, with all instructions given by us (or our nominated third party) in connection with the exercise of the Step-in Rights;
  - 19.5.3 provide and procure that your sub-contractors and your and your sub-contractors' personnel provide all co-operation, information and assistance that we (or our nominated third party) or our or their personnel or contractors may require in connection with the exercise of the Step-in Rights; and
  - 19.5.4 use all reasonable endeavours to bring to an end any circumstances that gave rise to our rights to serve a Step-in Notice;
  - 19.5.5 continue to perform, in accordance with the relevant Contract, any Services and obligations that are not Step-in Services and all your other obligations under the relevant Contract.
- 19.6 If we exercise the Step-in Rights, we:
- 19.6.1 will continue to pay the Charges, in accordance with the relevant Contract, in respect of any Services and obligations that are not Step-in Services;
  - 19.6.2 will not be liable to pay Charges in respect of any Step-in Services; and
  - 19.6.3 will use reasonable endeavours to limit the amount of incremental cost incurred by us in exercising our Step-in-Rights.
- 19.7 You will reimburse all Step-in Expenditure to us and will pay the Step-in Expenditure within thirty (30) days of receipt of an invoice for the same.
- 19.8 You will resume performance of the Step-in Services if:
- 19.8.1 we give not less than seven (7) days' written notice to you that we require you to resume performance of the Step-in Services; or
  - 19.8.2 you give not less than fourteen (14) days' written notice to us that you wish to resume performance of the Step-in Services (such notice to set out details of the measures put in place to ensure that you are capable of performing the Step-in Services in accordance with the provisions of the applicable Contract) and we give written notice to you confirming that we agree to your resuming performance of the Step-in Services, and in each case you will resume performance of the Step-in Services on the date specified in our notice.
- 19.9 The exercise by us of our rights under this **Condition 19 (Step In)** will not result in us or our Affiliates (or our or their nominated third party) assuming the status of employer in respect of any Supplier Personnel and you will continue to be responsible for all employment costs including salaries and other emoluments including accrued but untaken holiday pay, taxation and National Insurance contributions and contributions to retirement benefit schemes relating to the Supplier Personnel. You will indemnify us and our Affiliates (and our and their nominated third parties) against all losses, liabilities and costs (including legal expenses) sustained, incurred or suffered by them as a result of any claim or allegation made by any member of Supplier Personnel that we or any of our Affiliates (or our or their nominated third party) are that individual's employer.

## 20. FORCE MAJEURE

- 20.1 A party who becomes aware of a Force Majeure Event which gives rise to, or which is likely to give rise to, any failure or delay in performing its obligations under this Agreement will forthwith notify the other in writing and will inform the other in such notification of the period for which it is estimated that such failure or delay will continue. The affected party will:
- 20.1.1 take all reasonable steps to mitigate the effect of the Force Majeure Event;
  - 20.1.2 keep the other party regularly informed in writing of all developments relating to the Force Majeure Event; and
  - 20.1.3 continue to perform all of its obligations under this Agreement in accordance with their terms, the performance of which are not affected by the Force Majeure Event.
- 20.2 The Customer will have no liability to pay for any Services or Deliverables or pay any Charges to the Supplier in respect of any Services or Deliverables which the Supplier does not supply or which are delayed as a result of the Force Majeure Event. The Supplier will immediately refund to the Customer any amount that the Customer has paid as advance payment for any Services or Deliverables not delivered or supplied as a result of the Force Majeure Event.
- 20.3 The Customer may terminate this Agreement (and or any or all Statements of Work) immediately at any time by written notice to the Supplier if the Supplier has been subject to a Force Majeure Event for a continuous period of more than thirty (30) days.

## 21. ETHICAL CONDUCT

- 21.1 You will conduct your business ethically and lawfully and in accordance with our Supplier Code of Business Ethics (<http://www.smiths.com/responsibility-supplier-code-of-business-ethics.aspx>) or an equivalent code of ethics.
- 21.2 You represent and warrant that you and your subcontractors and suppliers do not use or permit unacceptable labour practices, such as child or forced labour, or unsafe working conditions and comply with all applicable labour and employment laws, regulations, standards and conventions, including the Modern Slavery Act (2015), the UN's Guiding Principles on Business & Human Rights and the International Labor Organization's Conventions.
- 21.3 You hereby acknowledge that you are aware of, and agree to comply with all applicable anti-bribery and anticorruption laws, including but not limited to the UK Bribery Act and the Foreign Corrupt Practices Act (FCPA) (and related regulation and guidance).
- 21.4 You represent and warrant that you only supply minerals to us and our Affiliates from sources that do not (i) contribute to conflict; and/or (ii) benefit or finance armed groups in the Democratic Republic of Congo or any adjoining country. You have adopted, and require your suppliers of minerals to adopt, conflict mineral policies and management systems.
- 21.5 You will permit us, and any person nominated by us, to have such access to your premises, personnel, systems, books and records as we may require to verify your compliance with this **Condition 21 (Ethical Conduct)**. We also reserve the right to inquire and investigate your conduct to satisfy our self of your compliance with this **Condition 21 (Ethical Conduct)** and to discontinue a business relationship with you if you or any of your officers, directors or employees is found to have breached any part of this **Condition 21 (Ethical Conduct)**.
- 21.6 We are required to demonstrate that our products and our use of certain materials comply with laws and regulations (including environmental laws and regulations) and international standards. You will promptly provide us with information and declarations that we may reasonably request to enable us to comply with all applicable laws, regulations and standards, including but not limited to IEC 62474 - Material Declaration for Product of and for the Electrotechnical Industry.
- 21.7 You agree to at all times comply with and procure that your officers, employees, agents and subcontractors and other persons who perform services or any other obligations for or on behalf of you comply with, our anti-slavery policy as amended from time to time by us.

## 22. NOTICES

- 22.1 Notices and other communications provided for the purposes of a Contract will be in writing, in English and delivered by courier or by hand to the relevant party's address as specified on the Order (or such other address which is notified to the other party in writing from time to time), in the case of a notice to us, marked for the attention of such person as we specify.

## 23. EXPORT / IMPORT / ECONOMIC SANCTIONS CONTROLS

- 23.1 You agree to comply with all applicable export controls and import and economic sanctions laws and regulations, including those of the United States of America, and your country of incorporation, from where the Goods will be supplied, where the Goods will be received and any other relevant jurisdiction. You will also obtain, as required, and comply with all applicable government authorizations and their provisos in supplying the Goods. Without limiting the foregoing, you will not transfer any export controlled item, data or services provided by us in relation to the Contract, to include transfer to any persons, including those persons employed by or associated with, or under contract to you or you lower-tier suppliers, without the authority of an applicable license, exemption or exception.

- 23.2 You are responsible for exporting the Goods and for importing the Goods into the United States, including the payment of any tariffs or duties on the imported merchandise.
- 23.3 You will provide to us all information necessary to support any regulatory or government authorization requirements we have regarding the Goods.
- 23.4 You will indemnify us and our Affiliates for all Losses arising out of any breach by you of this **Condition 23 (Export / Import / Economic Sanctions Controls)**.

#### 24. GENERAL

- 24.1 The Contract constitutes the entire agreement between the parties and supersedes any prior agreement or arrangement in respect of its subject matter and:
- 24.1.1 neither party has entered into the Contract in reliance upon, and it will have no remedy in respect of, any misrepresentation, representation or statement (whether made by the other party or any other person and whether made by the first party or any other person) which is not expressly set out in the Contract; and
- 24.1.2 nothing in **Condition 24.1** will limit or exclude the liability of any person for fraud or fraudulent misrepresentation.
- 24.2 A party's delay in exercising, partial exercising or failure to exercise a right or remedy under the Contract will not constitute a waiver of, or prevent or restrict future exercise of, that or any other right or remedy. A waiver of any right, remedy, breach or default will only be valid if it is in writing and signed by the party giving it.
- 24.3 If any term of the Contract is found by any court or body or authority of competent jurisdiction to be illegal, unlawful, void or unenforceable, such term will be deemed to be severed from the Contract and this will not affect the remainder of the Contract which will continue in full force and effect.
- 24.4 Except to the extent otherwise specified in these Conditions, variations to the Contract must be agreed in writing and signed by both parties.
- 24.5 No partnership, agency or joint venture between the parties will be created by the Contract.
- 24.6 Each party agrees that it is an independent contractor and is entering into the Contract as principal and not as agent for or for the benefit of any other person. Nothing in any Contract will make any individuals employed or engaged by you or any of your sub-contractors ("**Supplier Personnel**") an employee, worker, agent or partner of us or any of our Affiliates.
- 24.7 You will accordingly be responsible for:
- 24.7.1 remunerating or procuring that the relevant sub-contractor remunerates (including all emoluments, benefits and bonuses) the Supplier Personnel; and
- 24.7.2 making, or procuring that the relevant sub-contractor makes, appropriate PAYE deductions for tax and National Insurance contributions from the remuneration paid to the Supplier Personnel.
- 24.8 You will indemnify us and our Affiliates against all losses, liabilities and costs (including legal expenses) sustained, incurred or suffered by us and/or them as a result of any claims that may be made by the relevant authorities against us and/or them in respect of income tax or primary Class 1 National Insurance or similar contributions relating to the remuneration of the Supplier Personnel.
- 24.9 Each of our Affiliates will be entitled to enforce in their own capacity, as express third party beneficiaries, the terms of any Contract under which that Affiliate receives a benefit and we shall also be entitled to enforce such terms on their behalf.
- 24.10 Save as provided in **Condition 24.9**, the parties do not intend that any third party will be the beneficiary of, or entitled to enforce, any term of a Contract.
- 24.11 You may not assign, transfer, charge, hold on trust for any person or deal in any other manner with any of your rights under the Contract or sub-contract any of your obligations under the Contract. We may assign a Contract to our Affiliates.

#### 25. ANTI-BRIBERY & CORRUPTION & ETHICS

- 25.1 The Supplier hereby acknowledges that it is aware of and agrees to comply with all applicable anti-bribery and anti-corruption laws, including but not limited to the UK Bribery Act and the Foreign Corrupt Practices Act (FCPA) (and related regulation and guidance) (the "Anti-Corruption Laws"). If the Supplier, in connection with or relating to its obligations under this Agreement (including under any Contract), is asked to partake in any activity that is or could be construed to be in violation of any Anti-Corruption Laws or becomes aware of any such conduct the Supplier shall immediately report the details of this to the Customer.
- 25.2 The Supplier shall:
- 25.2.1 communicate to its employees and representatives its commitment to preventing bribery by its workforce and other people under its control;
- 25.2.2 ensure that it has adequate procedures in place to perform due diligence on parties with which it has a business relationship, where that relationship is relevant to the products and/or services provided under these Conditions;
- 25.2.3 implement appropriate policies and procedures to prevent bribery by its workforce or by people under its control; and
- 25.2.4 regularly monitor and review compliance with such policies and procedures.
- 25.3 The Supplier shall promptly inform the Customer of any action or measure taken or allegation made against the Supplier in connection with claims based on corruption or the violation of any Anti Corruption Law. The Supplier shall promptly provide the Customer with information that the Customer may request either generally or in response to a reasonable concern about the Supplier's compliance with its obligation under this Condition 25.3 and the Supplier shall cooperate with any investigation by the Customer into compliance with the provisions of this Condition 25.3 and/or any applicable Anti-Corruption Laws.
- 25.4 The Customer and its Affiliates are committed to conducting their business ethically and lawfully. The Customer maintains a Code of Business Ethics (the "Code") and a process to report unethical or unlawful conduct. If the Supplier has cause to believe that the Customer or any of its Affiliates, employees or agents have behaved in a manner that violates the Code, the Supplier is strongly encouraged to report such behaviour to the Customer or to Smiths Group plc. The Code and the process to report potential violations are available on [www.smiths.com](http://www.smiths.com).
- 25.5 The Customer also expects that the Supplier will conduct its business ethically and lawfully. Smiths Code of Business Ethics and Smiths Supplier Code of Business Ethics (the "Supplier Code") establish minimum standards for ethical conduct. The Supplier agrees to adhere to and be bound by the Supplier Code (available at <http://www.smiths.com/responsibility-code-of-business-ethics.aspx> and upon request) or to provide evidence that they have a code of business ethics that contains provisions at least as onerous as those set out in the Supplier Code. The Supplier further agrees to at all times comply with and procure that its officers, employees, agents and subcontractors and any other persons who perform services for or on behalf of it in connection with this Agreement comply with, the Customer's anti-slavery policy as amended from time to time by the Customer.
- 25.6 The Supplier shall permit the Customer, and any person nominated by the Customer, to have such access on demand to the Supplier's premises, personnel, systems, books and records as the Customer may require to verify the Supplier's compliance with this Condition 25.6. The Customer also reserves the right to inquire and investigate the Supplier's conduct to satisfy itself of the Supplier's compliance with this Condition 25.6 and to discontinue a business relationship with the Supplier if the Supplier or any of its officers, directors or employees is found to have breached any part of this Condition 25 (**Anti-Bribery & Corruption & Ethics**).
- 25.7 The Supplier represents and warrants that: (i) it supplies minerals to Customer from socially and environmentally responsible sources that do not directly or indirectly contribute to conflict and that do not benefit or finance armed groups in the Democratic Republic of Congo or any adjoining country; (ii) it has adopted conflict mineral policies and management systems; and (iii) it requires its suppliers to adopt similar policies and systems.
- 25.8 The Customer is required to demonstrate that its products and use of certain materials comply with laws and regulations (including environmental laws and regulations) and international standards. The Supplier shall promptly provide the Customer with such information and declarations that the Customer or any member of the Customer Group may reasonably request to enable the Customer and/or any member of the Customer Group to comply and

demonstrate compliance with all applicable laws, regulations and standards, including but not limited to IEC 62474 Material Declaration for Product of and for the Electrotechnical Industry.

## 26. ESG AND MODERN SLAVERY

- 26.1 You acknowledge that we and our Affiliates have a strong commitment to protect the environment and an environmental policy with objectives that include the protection of the environment and the minimisation of waste, water and the promotion of ethical business including without limitation its biodegradability impact.
- 26.2 You further acknowledges that we and our Affiliates have a strong commitment to eliminating human rights violations, including modern slavery, in our supply chains.
- 26.3 Accordingly, in performing your obligations under the Contract, you will, and will procure that your sub-contractors will:
- 26.3.1 comply at all times with the Customer ESG Policies and all laws and regulations relating to ESG;
  - 26.3.2 at all times, use all reasonable endeavours to minimise, reuse and recycle waste, minimise energy consumption and improve energy efficiency, minimise water consumption, increase the efficient use of resources and consumables and minimise greenhouse gas emissions;
  - 26.3.3 at all times, use all reasonable endeavours to assess, identify, and take action required to eliminate modern slavery within your and their business, including hereby representing and warranting that you and they and yours and their subcontractors and suppliers do not and will not use or permit unacceptable labour practices, such as child or forced labour, or unsafe working conditions and comply with all applicable labour and employment laws, regulations, standards and conventions, including the Modern Slavery Act (2015), the UN's Guiding Principles on Business & Human Rights and the International Labor Organization's Conventions;
  - 26.3.4 put in place and implement appropriate processes to identify, manage and mitigate the impact of climate-related risk, being risks related to the transition to a lower-carbon economy and/or to the physical impact of climate change;
  - 26.3.5 where possible, source all consumables used or provided under or in connection with a Contract from sustainable and ethical sources;
  - 26.3.6 not do or omit to do anything which will or could prevent or delay us or our Affiliates from achieving any of our or their ESG or carbon emission targets or commitments which includes us and our Affiliate's target to reach net zero carbon by 2040;
  - 26.3.7 not do or omit to do any act or thing which constitutes or may constitute a breach of and/or an offence under any law or regulation relating to ESG or that may cause us or any of our Affiliates to breach or commit an offence of any such law or regulation; and
  - 26.3.8 conduct your and their business in an ethical and fair manner.
- 26.4 The Supplier will throughout the duration of this Agreement subscribe and maintain membership to the Customer designated ESG platform (or such other ESG accreditation platform required by the Customer from time to time) and at the Supplier's own costs and expense undergo the appropriate ESG scoring questionnaire. In the event of a score not reaching the minimum standards of the Customer designated ESG platform (or any other applicable threshold), the Supplier will submit an improvement plan to the Customer setting out how it will increase its score to meet the minimum standards for the next annual assessment and will take all steps in such improvement plan.
- 26.5 You will not engage in any practice that amounts to and you will procure that your officers, employees, agents and subcontractors and any other persons who perform services for or on behalf of you will not engage in any: (a) slavery or servitude (each as construed in accordance with Article 4 of the Convention for the Protection of Human Rights and Fundamental Freedoms of 4 November 1950, as amended); (b) forced or compulsory labour (as defined by the International Labour Organisation's Forced Labour Convention 1930 (No. 29) and Protocol); (c) human trafficking; or (d) the arrangement or facilitation of the travel of another person with a view to that person being exploited.
- 26.6 You will promptly provide us and our Affiliates with all information required to demonstrate its compliance with this **Condition 26** or required for us or our Affiliates to comply with any ESG or anti-slavery related legal obligation to which it is subject from time to time, together with any other ESG or slavery related information that we or our Affiliates may reasonably request from time to time.
- 26.7 You will immediately give written notice to us of the occurrence of a breach or suspected breach of any of your obligations under this **Condition 26**.

## 27. MEDIATION

- 27.1 If any dispute arises out of or in connection with this Agreement (including (without limitation) in relation to any non-contractual obligations) (a "**Dispute**") the parties will attempt to settle it by mediation in accordance with the [CEDR Model Mediation Procedure]. Either party may initiate a mediation by serving a written notice (a "**Mediation Notice**") on the other party identifying the Dispute it believes has arisen and requesting that Dispute be referred to mediation. The mediation will take place in London, UK and the language of the mediation will be English.
- 27.2 Unless a mediator has been agreed upon by the parties and has confirmed his appointment within [10] days of the date of service of the relevant Mediation Notice, a mediator will, at the written request of either party, be nominated by [CEDR]. The parties will use all reasonable endeavours to procure that the mediation will start within 30 days of the date of service of the Mediation Notice.
- 27.3 If EITHER the mediation has not commenced within [60] days of the Mediation Notice OR the Dispute is not resolved within [60] days of the date of service of the Mediation Notice, either party may commence proceedings in accordance with condition **28.1**. (Governing Law and Jurisdiction).
- 27.4 Subject to condition 27.4, the procedures set out in conditions 27.1 to 27.3 will be followed prior to the commencement of proceedings by either party in relation to a Dispute.
- 27.5 Conditions 27.1 to 27.4 will not prevent or delay either party from (a) seeking orders for specific performance, interim or final injunctive relief; (b) exercising any rights it has to terminate this Agreement; or (c) commencing any proceedings where this is necessary to avoid any loss of a claim due to the rules on limitation of actions.]

## 28. GOVERNING LAW AND JURISDICTION

- 28.1 The Contract and any non-contractual obligations arising in connection with it are governed by the law of the State of Delaware excluding its laws governing conflicts of laws. The federal and state courts in the State of Delaware have exclusive jurisdiction to determine any dispute arising in connection with the Contract and each party irrevocably waives any objection to venue or inconvenient forum. This Contract shall not be governed by the United Nations Convention on Contracts for the International Sale of Goods.