

**STANDARD CONDITIONS OF PURCHASE OF KDC PROJECTS LIMITED
(Hereafter KDC)**

1. DEFINITIONS

Within these Standard Conditions of Purchase, referenced KDC5019, the following definitions shall apply:
 "Agreement" shall mean collectively these Standard Conditions of Purchase and the Order and shall include all documents incorporated by reference and referred to by description;
 "Applicable Law" shall mean all applicable laws, statutes, orders, rules, provisions, regulations, directives and guidelines which have legal effect, whether local, national, international or otherwise existing from time to time, including all Aviation Authority rules, requirements, standards and guidelines;
 "Clause" or "Clauses" shall mean the relevant clause or clauses, as appropriate, as set out in this Agreement;
 "KDC" shall mean Kiwi Design Consultants Limited T/A KDC Group or its subsidiary KDC Projects Limited - Registered Office: Ebenezer House, 5a Poole Road, Bournemouth, Dorset, BH2 5QJ;
 "Operating Address" shall mean Building 307, Aviation Park West, Bournemouth Airport, Dorset BH23 6NW, United Kingdom;
 "Order" shall mean the authorised purchase order, including this Agreement and its Clauses detailed herein, any authorised scheduling document and any subsequent authorised amendment hereto, placed by KDC upon the Supplier for goods and/or services;
 "Sub-Clause" or "Sub-Clauses" shall mean the relevant referenced part or parts of the Clause or Clauses;
 "Supplier" shall mean the contracting party upon whom the Order is placed; and
 "Supplies" shall mean all goods and/or services to be supplied by the Supplier to KDC under the Order.

2. APPLICABLE CONDITIONS

This Agreement shall constitute the entire agreement between the parties and, subject to any prior formal conditions signed by authorised personnel of KDC and the Supplier, shall supersede any prior communications or representations between the parties, including any conditions of sale, or similar document, issued by the Supplier. This Agreement contains the only conditions upon which KDC is prepared to deal with the Supplier.

3. OFFICIAL ORDER

(a) No Supplies will be accepted or paid for unless supplied in accordance with the Order. The Supplier shall reference the Order number on all correspondence entered into with KDC in respect of the Order. Each Order for Supplies placed by KDC upon the Supplier shall be deemed to be an offer by KDC to purchase Supplies subject to these Standard Conditions of Purchase and no Order shall be accepted until the Supplier expressly accepts the offer by giving notice of acceptance by returning an acknowledgement in the form specified in Sub-Clause (b) below or signing and returning the Order acknowledgement or impliedly accepting the offer by fulfilling the Order in whole or in part.
 (b) The Supplier may return any form of acknowledgement of receipt that the Supplier normally issues in response to customer orders provided the contents of any such form are restricted to the acknowledgement of such receipt. It is understood by the Supplier that any standard conditions of sale or similar wording printed or notified anywhere on the Order or other form of acknowledgement, including electronic acknowledgement, issued by the Supplier are deemed to be null and void and will not be binding on the Supplier or KDC.

4. AMENDMENTS

No variation to the Order will be recognised by KDC unless presented in writing and duly authorised by the buyer named on the Order or a suitably authorised representative of KDC.

5. SPECIFICATION

(a) All Supplies under this Order shall conform (where applicable) with Applicable Law, the quality, quality standard and specification stated on the Order, shall be fit for the purpose required by KDC and free from any defect whether actual or latent. KDC's rights under this Order are in addition to the statutory conditions implied in favour of KDC by the Sale of Goods Act 1979 (as amended) the Supply of Goods and Services Act 1982 and any other statute.
 (b) The Supplier confirms that it has met the relevant standards in the table below and be approved by an accredited third party certification body. (e.g. LRQA, BSI, Bureau Veritas)

Standard	Status / Scope
ISO 9001	Defines the requirements for a quality management system.
AS9100 or Internationally recognized standard e.g EN9100	Specifically intended for use by the Aerospace industry and contains extra elements to which particular attention should be given by companies undertaking Aerospace work.
ISO 14001	Environmental Management System. The company intends to flow down this requirement onto its Suppliers and expects them to seek registration
NADCAP	The company expects suppliers to hold, or be actively seeking, NADCAP approval for any "special purposes" undertaken where Aerospace primes mandate this.

6. PACKAGING

All Supplies (where they include goods) under the Order shall be securely, suitably and adequately packed for the transportation requirements to KDC's Operating Address or the destination as stated on the face of the Order, if different to the Operating Address, and the packaging marked with KDC's Order number. All packaging shall be non-chargeable and non-refundable, unless otherwise agreed in writing by KDC whereupon it may be returned at the Supplier's risk and expense.

7. CERTIFICATES OF CONFORMITY/RELEASE NOTES

(a) Where stated in the Inspection Requirements on the Order, one copy of a numbered Certificate of Conformity/Release Certificate detailing KDC's Order number, part number description, serial number and quantities delivered, shall accompany each consignment of Supplies delivered.

(b) Where applicable, the Supplier, if a stockist, shall provide one copy of the Certificate of Conformity/Release Certificate from the manufacturer of the Supplies and one copy of the Supplier's own release document.

8. DELIVERY

(a) Delivery of the Supplies shall be to KDC's Operating Address; unless otherwise instructed on the face of the Order. Delivery of the Supplies unless otherwise stated on the Order, shall be effected during the following times; Monday to Thursday: 8.00 a.m. to 12.15 p.m.; or 12.45 p.m. to 4.30 p.m.; Friday: 8.00 a.m. to 1.00 p.m.

(b) If, for whatever reason, delivery is not effected in accordance with the Order, then KDC may, without prejudice to any other right or remedy, wholly or partly terminate the Order without incurring liability to the Supplier and may resource the Supplies from a third party of KDC's choosing and charge to Supplier any associated excess costs. Furthermore, KDC does not limit its right to claim liquidated damages in respect of late delivery or any other reason. In no way shall this Sub-Clause be restricted by the operation of Clauses 21 and 22 except insofar as KDC exercises its right to recover wasted administrative effort under said Clauses.

(c) Legal and beneficial title in the Supplies shall pass to KDC on the earlier of delivery or payment of the Supplies.

(d) In the event that KDC is unable to accept deliveries, for whatever reason, KDC shall have the right to suspend, wholly or in part, deliveries under the Order.

(e) In respect of delivery, time shall be of the essence in every event.

(f) Supplies shall be supplied under and displaying KDC's Order number and, where applicable, item number. Attempts to deliver Supplies without such Order number shall entitle KDC to reject such Supplies and, at KDC's sole option, cancel the Order in whole or in part.

(g) Neither delivery, including the signing of a delivery note which purports acceptance, nor the passing of title shall constitute acceptance of the Supplies by KDC nor is it intended to alter the risks and responsibilities of KDC or the Supplier as determined by Sub-Clause 8(a) above or elsewhere within the Agreement.

9. INSPECTION AND REJECTION

(a) Pre delivery inspection requirements shall be in accordance with the provisions on the face of the Order.

(b) KDC shall have the right to avail itself of any one or more of the remedies listed in Clause 29 at any time if any Supplies are not in accordance with the Order or specification or that are otherwise not fit for purpose.

(c) For the avoidance of doubt, any Supplies rejected by KDC for whatever reason, other than the fault of KDC, shall be deemed to be a non-delivery for all purposes.

10. PRICE

(a) Prices shall be as stated on the face of the Order and unless agreed otherwise shall include, but not be limited to: (i) delivery in accordance with Clause 8 above; (ii) VAT; customs duties and taxes; (iii) packaging in accordance with Clause 6; (iv) any special considerations in accordance with Clause 25; and (v) all paperwork, including certificates, necessary for proper administration and to make the Supplies conform to the requirements of this Agreement, including the Order. No alterations will be accepted unless by prior written agreement with the buyer named on the Order or a suitably authorised representative of KDC.

(b) Where the Order is issued to the Supplier showing a zero value such Order shall be made under circumstances where the Order value is not finalised at the time of placement of such Order. Under no circumstances shall such an Order be construed, nor shall the Supplier be entitled to consider the Order, null and void due to a total failure of consideration or for any other reason. Under such circumstances the parties shall negotiate the Order price in good faith and an Order amendment, showing such negotiated price, shall be issued by KDC in accordance with Clause 4 above upon the price being finalised. Notwithstanding the foregoing, in the event that the parties are unable to negotiate final pricing KDC shall be responsible only for work carried out by the Supplier strictly in accordance with the instructions on the face of the Order and the price payable shall be calculated on the basis of prices agreed for similar work in past dealing between the parties or the prevailing best price available in the open market for such work, whichever is the lesser amount.

11. INVOICES AND PAYMENT

(a) Invoices quoting the Order number, Certificate of Conformity/Release Certificate number (where applicable), part numbers, description and quantities of Supplies delivered shall be forwarded at the time of despatch to KDC Accounts Department, Building 307, Aviation Park West, Bournemouth Airport, Dorset BH23 6NW United Kingdom. Failure to detail any of the above information may result in a delay in payments by KDC.

(b) In addition to Sub-Clause 11(a), for consignments of Supplies made from outside the United Kingdom the following information must be clearly displayed on all invoices, advice notes, delivery notes, packing notes and like documents:

(i) the Supplier's V.A.T. registration number, if the Supplier is registered in the United Kingdom for V.A.T purposes;

(ii) KDC's V.A.T. registration number

(iii) country of origin of the Supplies;

(iv) terms of delivery;

- (v) consignment value and currency;
 - (vi) net and gross consignment weight; and
 - (vii) commodity codes each as designated in H. M. Revenue and Customs tariff.
- (c) Time for payment shall not be of the essence of this Agreement. Payment will normally be made on KDC's next scheduled payment run 45 (forty five) days nett monthly from the later of the following:
- (i) scheduled delivery date of the Supplies;
 - (ii) actual delivery date of the Supplies being supplied in accordance with the Order; and
 - (iii) the true and correct invoice for the Supplies is received by KDC.
- (d) Without prejudice to any other right or remedy, KDC reserves the right to set off any amount owing at any time from the Supplier to KDC against any amount payable by KDC to the Supplier under this Agreement.
- (e) If any sum under this Agreement is not paid when due then, without prejudice to the parties' other rights under this Agreement, that sum shall bear interest from the due date until payment is made in full, both before and after any judgement, at 3% per annum over Santander Bank plc's base rate from time to time. The Supplier agrees and specifically accepts and acknowledges that such interest is a substantial and valuable contractual remedy for the late payment of a debt, accordingly the Supplier shall not be entitled to suspend deliveries of the Supplies or any performance due under the Order as a result of any sums being outstanding. In the event any interest becomes due through the operation of this Sub-Clause, such entitlement shall forever lapse if the Supplier fails to communicate formally signifying its intention to request such interest within 30 (thirty) calendar days of such interest becoming due. The Supplier shall not be entitled to suspend deliveries and/or performance of the Supplies as a result of any sums being outstanding.

12. INDEMNITY

- (a) KDC hereby gives notice to the Supplier that the business of KDC is such that any defect in the Supplies caused by the Supplier may give rise to serious financial loss and/or serious physical injury.
- (b) In respect of the Order and the Supplies (and each of them), the Supplier hereby agrees to indemnify and hold harmless KDC against all claims, damages, liabilities, costs, expenses and losses whatsoever (whether direct or indirect) including any interest, fines, legal and other professional fees and expenses awarded against or incurred or paid by KDC as a result of or in connection with:
- (i) any damage, loss, death or injury caused by any act, negligence or omission of the Supplier, any of its sub-contractors or any of its agents;
 - (ii) any alleged or actual infringement of any intellectual property right(s), (including without limitation any patent, utility model, design right, copyright, trade mark, right in confidential information (including know-how), in each case whether registered or unregistered), in existence or pending anywhere in the world at the date of the delivery of the Supplies, relating howsoever to the Supplies to the extent that they are not of KDC's design; and
 - (iii) defective workmanship, quality and/or materials.

13. KDC FURNISHED EQUIPMENT

- (a) The Supplier shall not acquire nor assume any legal or beneficial interest in any free issue material, specifications, designs, drawings, notes, data, documents, samples, jigs, tools or patterns supplied by KDC or manufactured for KDC by the Supplier in connection with the Order "KDC Furnished Equipment" and whilst under bailment to the Supplier shall remain the property of KDC throughout and:
- (i) shall only be used strictly for the purposes of the Order;
 - (ii) shall be adequately insured by the Supplier to a minimum of its total replacement value;
 - (iii) shall be clearly marked as the "Property of KDC Projects Limited" or "Property of Kiwi design Consultants Ltd T/A KDC Group"
 - (iv) shall be maintained in a reasonable condition (fair wear and tear excepted) at the Supplier's premises and entirely at the risk of the Supplier;
 - (v) shall not be copied or communicated to any other party or used for any work other than that detailed on this Order, without the prior express written consent of KDC;
 - (vi) shall not be moved from the Supplier's premises without the prior express written consent of KDC; and
- (b) KDC shall at all times have property in any scrap resulting from free issue material, and the sole discretion as to its disposal.
- (c) On completion of the Order or such portion of the work for which the KDC Furnished Equipment was required or at any other time KDC may request the return of KDC Furnished Equipment whereupon the Supplier shall promptly return the same to the Operating Address or such other address as KDC may require, in each case at the risk and expense of the Supplier.
- (d) Where necessary and upon reasonable written notice by KDC to the Supplier, KDC shall have the right to enter the Supplier's premises in order to recover any of the KDC's Furnished Equipment.

14. INTELLECTUAL PROPERTY RIGHTS

- (a) All intellectual property rights (including without limitation patents, utility models, design rights, copyrights, trademarks, rights in confidential information (including know-how), in each case whether registered or unregistered and including all applications (or rights to apply) for such rights) in any and all free issue material, specifications, designs, drawings, notes, data, documentation, samples, jigs, tools or patterns information and other intellectual property that:
- i. are supplied by or on behalf of KDC to the Supplier, and/or
 - ii. arise from the performance of work in pursuance of an Order; and/or
 - iii. are included in the Supplies,
- shall (in the case of (i) above) remain and (in the case of (ii) and (iii) above) be deemed to be the property of KDC and the Supplier shall promptly take all necessary steps and do all necessary acts (at Supplier's sole expense) to vest such intellectual property rights in KDC. Such intellectual property and intellectual property rights shall not be used by Supplier except to the extent required for the purposes of the Order, nor copied or communicated by Supplier to any other party, without the prior express written consent of KDC.
- (b) All such specifications, designs, drawings, notes, data, documentation, information and other intellectual property referred to in (a) above shall be returned/provided (together with all copies thereof) to KDC

immediately upon request or (in any event) on completion (or termination of) the Order or upon termination of this Agreement.

(c) The Supplier represents and warrants that the purchase, use, sale and/or other exercise of the Supplies by KDC will not infringe any intellectual property right(s), (including without limitation any patent, utility model, design right, copyright, trade mark, right in confidential Information (including know-how), in each case whether registered or unregistered), in existence or pending anywhere in the World at the date of delivery of the Supplies.

15. UK GOVERNMENT CONTRACT CONDITIONS

(a) In the event that it is indicated on the face of the Order that Supplies are required for a Government Contract then the Order shall be subject to such Government conditions as specified on the face of the Order.

(b) The Supplies delivered, including but not limited to information such as intellectual property and/or technical data, may be subject to the provisions of certain trade compliance laws and regulations (including export and import regulations) of various countries.

KDC and the Supplier acknowledge that licences may be required before the parties may disclose or deliver such information and/or Supplies hereunder and that such licences may impose further restrictions on use or further disclosure of such information and/or Supplies. KDC and the Supplier agree to comply with all applicable governmental regulations as they relate to the import, export and re-export of information and/or Supplies under this Agreement.

16. WORK ON SITE

(a) The Supplier accepts that if any work in pursuance of the Order is carried out by or on behalf of the Supplier at any KDC site, whether at the Operating Address or otherwise, then such work shall be subject to KDC's 'General Conditions of Work on Site' or such document that shall be in force from time to time, copies of which are available on request.

(b) It is the Supplier's responsibility to ensure the areas used for such work are kept in a clean and tidy state at all times as such work allows. If the Supplier fails to leave such area in a clean and tidy state or substantially as the Supplier found such area, KDC may employ persons to remedy the situation and set off the cost incurred from the Supplier's account.

17. ASSIGNMENT AND SUB-CONTRACTING

(a) The Supplier shall not be entitled to assign this Order or any part of it without the prior written agreement of KDC. KDC may assign this Order or any part of it to any person, firm or company.

(b) When the Supplier determines that certain operations or processes under the Order are to be undertaken by a sub-contractor, the Supplier must ensure that the sub-contractor is approved by KDC in writing, prior to the placement of each order so sub-contracted.

(c) The Supplier shall continue to produce Supplies to best commercial practices and incorporate into its own procedures and instructions to the extent and intent required by KDC's supplier quality requirements as referenced in Clause 5 above and ensure such intent is flowed down to all the Supplier's sub-contractors, and such sub-contractors' sub-contractors as applicable.

18. CONFIDENTIALITY

(a) The parties shall observe and be bound by the terms and conditions of any and every agreement concerned with confidentiality in force between the parties from time-to-time relating to the Supplies. In the event no relevant agreement of confidentiality shall exist at the relevant time or such agreement or relevant provision of confidentiality fails for whatever reason, the remaining provisions of Clause 18 shall apply. The Supplier shall keep in strict confidence all specifications and other information (including without limitation the terms of each Order and all technical and/or commercial know-how, specifications, inventions, processes or initiatives) which have been disclosed to the Supplier by KDC or its agents and any other confidential information concerning KDC's business or its products which the Supplier may obtain and the Supplier shall restrict disclosure of such confidential material (and any of it) to such of its employees, agents or sub-contractors as need to know the same for the purpose of discharging the Supplier's obligations to KDC under this Agreement and/or the relevant Order and shall ensure that such employees, agents or sub-contractors are subject to like obligations of confidentiality as bind the Supplier; The Supplier shall indemnify KDC in full against all costs, expenses (including without limitation legal and other professional fees), damages and other loss directly or indirectly arising from the unauthorised disclosure of any such confidential material referred to above.

(b) The Supplier shall not make any news release or public announcement referring to this Agreement or any Order nor shall it use, reproduce or imitate for any purpose whatsoever any of the filed or registered trade marks of KDC or its affiliates, including company names, associated logos and programme names or logos associated with the Supplies, except where KDC has provided express prior written consent.

19. PARTIAL INVALIDITY AND WAIVER

Any provision of this Agreement including, but not limited to, the Order subsequently found to be invalid, void, voidable, unenforceable or unreasonable shall be deemed severable and shall not in any way affect the validity or enforceability of the remainder of the Agreement and/or Order. Any failure or delay by KDC to enforce any provision of the Agreement and/or Order shall not be construed as a waiver of that or any other provision. Any waiver by KDC of any breach of, or any default under, any provision of this Agreement and/or Order by the Supplier shall not be deemed a waiver of any subsequent breach or default and shall in no way affect the other terms of this Agreement and/or Order.

20. NOTICES

Any Notice(s) or other communication(s) issued pursuant to this Order shall be in writing and sent either by hand, registered post, courier or by fax to the address of the party specified on this Order.

21. LIQUIDATED DAMAGES FOR ADMINISTRATION DUE TO EARLY OR LATE DELIVERY

With regard to delivery, on time delivery of conforming Supplies is of the essence in every event. Without prejudice to KDC's rights or remedies under this Agreement or at law KDC reserves the right to levy against the invoice of late or early delivered Supplies from the Supplier a financial sum of £75 (seventy five pounds sterling), for each occurrence of late delivery or early delivery where such early delivery is more than 7 (seven) days prior to the scheduled delivery date. This fairly reflects administrative resources only wasted, rescheduled or incurred as a direct result of each such late or early delivery. Such sum levied in accordance with this Clause against Suppliers account for the late or early delivered Supplies may be made on communication to Supplier of discovery of such late or early delivery. This Clause shall apply to administration charges only in respect of late or early delivery and, for the avoidance of doubt, in no event shall this Clause operate to limit the effect of KDC's right to claim under Sub-Clause 8(b) above.

22. LIQUIDATED DAMAGES FOR ADMINISTRATION DUE TO DEFICIENT QUANTITY OR QUALITY

Without prejudice to KDC's rights or remedies under this Agreement or at law, KDC reserves the right to levy against the account of the Supplier a financial sum, agreed as follows by Supplier, for each occurrence of deficient quantity or quality, that reflects fairly administrative resources only wasted as a direct result of one or both of the following deviations relating to Supplies: Delivery of deficient quantity of Supplies: £75 (seventy five pounds sterling); Delivery of deficient quality of Supplies: £100 (one hundred pounds sterling). Such sum or sums levied against Supplier's account in accordance with this Clause may be made on communication to Supplier of discovery of such deviation. This Clause shall apply to administration charges only in respect of a delivery of deficient quantity or quality and, for the avoidance of doubt, in no event shall this Clause operate to limit the effect of KDC's right to claim under Sub-Clause 8(b) above.

23. TERMINATION

(a) For Convenience: KDC shall have the right to terminate the Agreement and/or Order in whole or in part at any time, by serving on the Supplier written notice of termination. Upon receipt of such notice of termination all terminated work shall be discontinued and KDC shall pay to the Supplier such sum as is fair and reasonable in respect of work-in-progress at the time of termination but such compensation shall not include loss of anticipated profits or any consequential loss and the Supplier agrees to accept such sum in full and final satisfaction of all claims arising out of such termination.

In the event of termination of the Order the Supplier shall use its best endeavours to mitigate the loss arising from such termination. In no case shall the amount payable by KDC for the terminated work exceed the price that would have been payable if the work had been completed. KDC reserves the right to recover any part-completed work, including any relevant jigs, tools, fixtures or documentation.

(b) For Default: KDC shall notify the Supplier of any breach or default of these conditions. If the Supplier is unable to remedy such breach or default within a period of 30 (thirty) days from the notice being given, then KDC reserves the right to terminate the Order in whole or in part without incurring liability to the Supplier. Without prejudice to KDC's rights and remedies under this Agreement or at law KDC reserves the right to claim from the Supplier additional costs incurred by KDC in connection with the Supplier's breach or default, including, but not limited to the procurement of the Supplies at additional cost from another supplier.

(c) For Insolvency: KDC may suspend or terminate this Order without liability to the Supplier immediately on giving notice to the Supplier if:

(i) an order is made or a resolution is passed for the winding up of the Supplier, or circumstances arise which entitle a court of competent jurisdiction to make a winding-up order of the Supplier; or

(ii) an order is made for the appointment of an administrator to manage the affairs, business and property of the Supplier, or documents are filed with a court of competent jurisdiction for the appointment of an administrator of the Supplier, or notice of intention to appoint an administrator is given by the Supplier or its directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986); or

(iii) a receiver is appointed of any of the Supplier's assets or undertaking, or circumstances arise which entitle a court of competent jurisdiction or a creditor to appoint a receiver or manager of the Supplier, or if any other person takes possession of or sells the Supplier's assets; or

(iv) the Supplier makes any arrangement or composition with its creditors, or makes an application to a court of competent jurisdiction for the protection of its creditors in any way; or

(v) the Supplier ceases, or threatens to cease, to trade; or

(vi) the Supplier takes or suffers any similar or analogous action in any jurisdiction in consequence of debt.

(d) For Aircraft Specific Programme Interruption: In the event that KDC's work with its customer is terminated or suspended (whether in whole or in part) due to an interruption of such customer's programme (other than where such interruption is due solely to KDC), the Supplier agrees that it shall not be entitled to recover any unpaid amounts due for such Supplies nor shall the Supplier otherwise claim against KDC in respect of such programme until KDC has agreed termination or suspension terms with its customer and been paid by such customer in respect of termination and/or suspension of the customer's programme (a "Customer/KDC Settlement"). Specifically, and for the avoidance of doubt, the Supplier agrees not to initiate or threaten to initiate court or other legal proceedings for the recovery of any unpaid amounts in respect of Supplies delivered or in the course of manufacture until after a Customer/KDC Settlement nor shall the Supplier take any action to withdraw performance under any other contract with KDC on account of such unpaid amounts.

24. CONSEQUENCES OF TERMINATION

(a) For the purposes of this Clause 24:

"Employees" means a person who is, or alleges he is, employed, engaged or seconded by the Supplier to perform any services under this Agreement;

"Liabilities" means any costs, losses, claims, damages, penalties, compensation awards or expenses (including but not limited to any liability for unfair dismissal compensation, statutory redundancy pay and any contractual severance pay, failure to inform and consult pursuant to the Transfer Regulations increased pension costs, pay in lieu of any period of notice, and pay in respect of accrued holiday); and

"Transfer Regulations" means the Transfer of Undertakings (Protection of Employment) Regulations 2006 as may be amended from time to time.

If, as a result of termination of this Agreement (or any part thereof), any contract of employment of any Employee has effect or is alleged to have effect as if originally made between KDC or a subsequent third party supplier on the one hand and an Employee on the other, then KDC or the subsequent third party supplier (as the case may be) shall be entitled to terminate the employment of any such Employee(s) at any time without prejudice to the indemnity contained in this paragraph. In the event that Transfer Regulations apply or are alleged to apply to the termination of this Agreement (or any part thereof), the Supplier shall indemnify KDC and any subsequent third party supplier from and against any and all Liabilities to or in relation to any Employees including any claims made or brought by or on behalf of former Employees and which KDC or the subsequent third party supplier may incur as a result of succeeding to the Supplier pursuant to the Transfer Regulations or otherwise in relation to the contracts of employment of Employees (including, without limitation, any dismissal or alleged dismissal of such person by KDC or any subsequent third party supplier).

(b) All Clauses contained herein which, by their nature, should survive the expiry or termination of this Agreement and/or Order, as the case may be, including, but not limited to, provisions of confidentiality and warranty, shall remain in force and full effect after such expiry or termination.

(c) On termination of this Agreement for any reason, the Supplier shall:

(i) immediately after termination deliver to KDC all Supplies that it has agreed to supply under this Agreement and which exist at the date of termination, whether or not complete and for which payment has been received from KDC. Until they have been delivered, the Supplier shall be solely responsible for their safe-keeping;

(ii) assist KDC and/or the replacement supplier to the extent reasonably required to facilitate smooth migration to the replacement supplier; and

(iii) immediately after termination repay KDC any amount that it has been paid in advance for Supplies not provided or procured by the Supplier at the date of termination.

25. SUPPLIES REQUIRING SPECIAL CONSIDERATIONS

25.1 KDC may require the delivery of Supplies requiring specific storage and/or transportation instructions due to the unusual or special nature of the Supplies. Where applicable, unless the Order expressly states otherwise, and in addition to any and all statutory requirements, the Supplier shall observe the Sub-Clauses below:

(a) Supplies consisting of or containing hazardous substances, that is substances classified as hazardous or dangerous by law or regulation from time to time or otherwise known or recognised by the Supplier due to the Supplier's special knowledge or expertise to consist of or contain hazardous substances, must be accompanied by a transport emergency card, also known as a "TREM card" whether those Supplies are transported by road, rail, air or sea detailing at least the following information: (i) class of substance; (ii) product name; (iii) nature of hazard; (iv) emergency action (in the event of spillage or fire or if first aid is required); (v) any additional information appropriate to the specific hazardous substances being transported; and (vi) telephone number of supplier together with such further information as may be required by law or regulation from time to time.

(b) The Supplier shall ensure that Supplies which require refrigerated delivery conditions are accompanied by a temperature recording device which shall accurately measure and record the temperature maintained throughout the delivery process required by Clause 8 above.

(c) Supplies and removable parts of Supplies which have a gross weight, including any packaging, in excess of 13kgs (thirteen kilograms) shall be clearly identified with its weight for each part and, where applicable, each removable part. If it is known or normally expected by the Supplier that the Supplies are to be kept boxed the weight shall also be clearly stated on its box.

(d) If the Supplies have a determinable shelf life, the Supplier shall advise KDC of the storage conditions recommended to obtain the longest possible shelf life and the minimum/maximum (as appropriate) duration thereof.

(e) By prior agreement or where KDC requires due to the nature of the Supplies the Supplier shall submit samples of the Supplies for approval by KDC and the manufacture of the bulk of the supplies shall not be started unless and until KDC has provided the Supplier with written approval of such samples or where KDC gives specific instruction to the Supplier to start manufacture of the bulk without such approval. In the event samples are provided KDC may retain such samples free of charge until the whole of the consignment of Supplies has been delivered by the Supplier and accepted by KDC.

25.2 Registration, Evaluation, Authorisation and Restriction of Chemicals

(a) The Supplier represents, warrants and undertakes that the supply of products to KDC is in compliance with the European Union Regulation Number 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH") (as may be amended and supplemented from time to time); and

(b) The Supplier:

(i) guarantees that all supplied chemicals to KDC (whether such chemicals are supplied on their own, as part of a preparation (as defined in REACH) or within any supplied article (as defined in REACH)) have been registered with, authorised by or notified to the European Chemicals Agency as required by REACH whether that be by the Supplier, by the Supplier's supplier (or in the case of a non-European Community supplier by the supplier's "only representative" pursuant to Article 8 of REACH);

(ii) undertakes to cooperate with KDC and the European Chemicals Agency to ensure that any registration, authorisation or notification is made to the European Chemicals Agency in accordance with REACH;

(iii) guarantees that for all chemicals supplied by the Supplier to KDC (whether such chemicals are supplied on their own, as part of a preparation (as defined in REACH) or within any supplied article (as defined in REACH)), KDC's usage of such chemical substances is covered by any REACH registration or REACH authorisation and is included in any safety data sheets or exposure scenarios for such chemical substances; and

(iv) shall procure that its suppliers are in compliance with this Clause 25.2 in respect of any chemical substances which the Supplier subsequently supplies (whether such chemicals are supplied on their own, in preparations (as defined in REACH) or within any supplied article (as defined in REACH)) to KDC.

26 ZERO-RATED V.A.T. SUPPLIES (exemption of payment):

(a) Where appropriate and when stated on the face of the Order the parties agree that if some or all of the Supplies are of a kind normally installed or incorporated in and are to be installed or incorporated in the general structure of:

(i) a qualifying aircraft (i.e. an aircraft which is used by an airline operating chiefly for reward on international routes; or an aircraft which is used by a State institution and is of a weight of not less than 8,000kgs and is neither designed nor adapted for use for recreation or pleasure) and KDC has confirmed to the Supplier that the Supplies are in relation to such a qualifying aircraft; or

(ii) a qualifying ship (i.e. (a) a ship of gross tonnage of not less than 15 tons, not being a ship designed or adapted for use for recreation or pleasure; or (b) a hovercraft not being a hovercraft designed or adapted for use for recreation or pleasure); then the price payable by KDC shall be exclusive of V.A.T.

(b) if subsequent to placement of an Order on which no V.A.T. is deemed payable under Sub-Clause 26(a) above, H.M. Revenue and Customs determines that V.A.T. is payable on such Supplies (and all rights of appeal against such decision have been exhausted or KDC does not require the Supplier to pursue such appeals) then KDC undertakes to pay the Supplier the V.A.T. that then becomes due on production of a valid V.A.T. invoice.

27. FORCE MAJEURE

Neither party shall be liable to the other as a result of any delay or failure to perform its obligations under the Order if and to the extent such delay or failure is caused by an event or circumstance which is beyond the reasonable control of that party which by its nature could not have been foreseen by such a party or if it could have been foreseen was unavoidable. If such event or circumstances prevent the Supplier from delivering any of the Supplies for more than twelve weeks, KDC shall have the right, without limiting its other rights or remedies, to terminate this Agreement and/or Order with immediate effect by giving written notice to the Supplier.

28. GENERAL

(a) The headings in these Standard Conditions of Purchase are for convenience only and shall not affect the interpretation of these Standard Conditions of Purchase.

(b) The parties to this Agreement do not intend that any term of this Agreement shall be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person that is not a party to it.

(c) Nothing in this Agreement is intended to, or shall operate to, create a partnership between the parties, or to authorise either party to act as agent for the other, and neither party shall have authority to act in the name or on behalf of or otherwise to bind the other in any way (including the making of any representation or warranty, the assumption of any obligation or liability and the exercise of any right or power).

(d) Nothing in any Clause or Sub-Clause of this Agreement shall operate to limit or exclude any liability or remedy for fraud.

29. REMEDIES

If any Supplies are not supplied in accordance with, or the Supplier fails to comply with, any terms of this Agreement, KDC shall be entitled (without prejudice to any other right or remedy) to exercise any one or more of the following rights or remedies:

(a) to rescind this Agreement; or

(b) (i) to refuse to accept the provision of any further Supplies by the Supplier (without incurring any further liability to the Supplier,) and

(ii) where goods form part of or all of the Supplies, then reject the Supplies (in whole or in part) and return them to the Supplier at the risk and cost of the Supplier; and

(iii) to require the immediate repayment by the Supplier of all sums previously paid by KDC to the Supplier under this Agreement; or

(c) at KDC's option, either

(i) to require the Supplier (without charge to KDC) to carry out such additional work as is necessary to correct the Supplier's failure; or

(ii) where goods form part of or all of the Supplies, then to supply replacement Supplies; or

(iii) to procure the Supplies from a third party at the Supplier's cost; and

(d) in any case, to claim such damages as it may have sustained in connection with the Supplier's breach or breaches of this Agreement not otherwise covered by the provisions of this Clause 29.

30. INSURANCE

(a) Without prejudice to KDC's rights and remedies under the Agreement or at law the Supplier shall, where appropriate and at its own cost, effect and maintain with an insurer of good repute throughout the duration of this Agreement product liability insurance, general third party liability insurance, aviation and air-side insurance, employer's liability insurance and property on care or custody insurance for loss and damage all and each of them at a level commensurate to the potential loss and damage sustainable due to the work envisaged to be carried out by the Supplier pursuant to this Agreement.

(b) The Supplier shall provide copies, without charge to KDC, of any and all current and active certificates of insurances specified in Sub-Clause 30(a) above upon any reasonable request made by KDC to the Supplier.

31. COMPLIANCE WITH APPLICABLE LAW

(a) The Supplier, including its members, Employees, representatives, officers, directors, agents or attorneys, shall ensure its compliance and the compliance of the Supplies with all Applicable Law (including but not limited to those dealing with labour, health and safety, export control, prohibition of corrupt practices such as OECD regulations and their incorporation in national systems of law), and with the requirements of the relevant Aviation Authorities and shall not take or engage in any action or be a willing or a passive party in any practice which would cause either itself or KDC to contravene best-practice codes of conduct or policies in ethical standards including, but not limited to, anti-corruption, financial impropriety and money laundering, environmental damage controls, including but not limited to disposal of waste of any country that might be

applicable to the activities of the Supplier pursuant to this Agreement. The Supplier shall notify KDC immediately if it has any information or suspicion that there may be a contravention of any law or best practice as described above in connection with the performance of its obligations under this Agreement. Within this Clause 31 the term Employee shall have the same meaning as set out in Clause 24(a).

(b) The Supplier shall indemnify the Purchaser on demand against all loss, damage, costs or expenses suffered, incurred, awarded against or agreed to be paid by any of them as a consequence of any failure by the Supplier to comply with Applicable Law or any failure of any Supplies to comply with the requirements of Applicable Law.

(c) Without limiting its obligations under the Agreement or at law, the Supplier undertakes that it shall comply with all environmental laws and regulations applicable to the Supplies.

32. COMPLIANCE WITH RELEVANT REQUIREMENTS

(a) The Supplier shall:

(i) comply with all applicable laws, statutes, regulations and codes relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010 ("Relevant Requirements");

(ii) comply with KDC's Ethics, Anti-bribery and Anti-corruption Policies as outlined on website at www.kdc-group.co.uk

(iii) have and shall maintain in place throughout the term of this Agreement its own policies and procedures to ensure compliance with the Relevant Requirements and will enforce them where appropriate;

(iv) promptly report to KDC any request or demand for any undue financial or other advantage of any kind received by the Supplier in connection with the performance of this Agreement;

(v) within one (1) month of the date of this Agreement, and annually thereafter should this agreement remain in force, certify to KDC in writing signed by an officer of the Supplier, compliance with this Clause 32 by the Supplier and all persons associated with it under Clause 32(b). The Supplier shall provide such supporting evidence of compliance as KDC may reasonably request.

(b) The Supplier shall ensure that any person associated with the Supplier who is performing services or providing goods in connection with this Agreement does so only on the basis of terms equivalent to those imposed on the Supplier in this Clause 32 ("Relevant Terms"). The Supplier shall be responsible for the observance and performance by such persons of the Relevant Terms, and shall be directly liable to KDC for any breach by such persons of any of the Relevant Terms,

33. RIGHTS OF ACCESS

Further to Clause 5(b) and upon KDC providing reasonable notice, the Supplier shall (and procure that its agents and sub-contractors shall) at no additional cost to KDC or KDC's customer:

- (a) allow KDC and persons authorised by KDC (which may include KDC's customer or regulatory authorities) access to the Supplier's premises (and those of its agents and sub-contractors) as are being used to carry out work on the Supplies in order to inspect and audit the facilities, processes and procedures used in manufacturing the Supplies;
- (b) provide to KDC adequate data relating to progress of work on the Supplies and their quality; and
- (c) provide all necessary assistance (including, where appropriate, access to office accommodation, telephone and fax facilities) to enable the above-referenced rights to be fully exercised.

34. DISPUTE RESOLUTION

(a) In the event of any dispute, controversy or claim (Dispute") arising out of or in connection with this Agreement or Order including any question regarding its existence, validity or termination, either party may notify such Dispute to the other party and the parties shall make every effort to resolve the Dispute amicably within a period of three (3) months after the said notification is issued.

(b) If the parties fail to resolve amicably the Dispute within such three months period such Dispute shall be referred and finally determined and settled by arbitration under the Rules of the London Court of International Arbitration, which Rules are deemed to be incorporated by reference into this Clause 34. The number of Arbitrators shall be one and the seat, or legal place, of arbitration shall be London, England.

(c) During a Dispute the Parties agree to proceed diligently with the performance of their respective obligations hereunder, including the delivery of the Supplies, unless otherwise instructed by KDC, pending resolution of such Dispute. Where the resolution of the Dispute leads to a modification of this Agreement or the Order the Parties shall proceed with and effect the relevant amendment.

(d) Nothing in this Clause shall prevent either party at any time from seeking any interim or injunctive relief in a court of competent jurisdiction.

35. PRECEDENCE

In the event of any conflict between this Agreement and any document incorporated herein by reference the order of precedence between them shall be:

1. The Order without the conditions set forth in this Agreement;
2. This Agreement without any documents incorporated herein by reference; and
3. Any other document incorporated herein by reference.

36. APPLICABLE LAW

This Agreement and any Order between KDC and Supplier shall be subject to and interpreted in accordance with the Laws of England and the Supplier hereby submits to the jurisdiction of the English Courts.