

FILTRONIC CONDITIONS OF PURCHASE FOR GOODS AND SERVICES

1. INTERPRETATION

1.1 In these terms and conditions ("Conditions"):

"Contract" means the Purchase Order, which shall incorporate these Conditions, and the Supplier's acceptance of the Purchase Order;

"Goods" means any goods, materials or articles (including any part or parts of them) to be supplied to the Buyer by the Supplier pursuant to the Contract;

"Group" means, in relation to a Party, any company which is a subsidiary or holding company of that Party or a subsidiary of any such holding company (as the terms "subsidiary" and "holding company" are defined in the Companies Act 2006);

"Intellectual Property Rights" means all inventions, patents, registered designs, design rights, database rights, and copyrights, know-how and trademarks (whether registered or not) and the goodwill attaching to any of them and applications for any of them and any right or forms of protection of a similar nature and having equivalent or similar effect to any of them which may subsist anywhere in the world;

"Party" means either the Buyer or the Supplier as applicable, together being the "Parties";

"Purchase Order" means the Buyer's written instruction to supply the Goods and/or the Services, including any statements of work, specifications, descriptions or other documents attached to, or referred to in, the Purchase Order;

"Buyer" means Filtronic plc, a public limited company, registered in England and Wales whose registered office is at Plexus 1, NETPark, Thomas Wright Way, Sedgefield, County Durham, TS21 3FD or any company in the Filtronic Group as may be identified in the Purchase Order, Agreement or any document making reference to these Conditions.

"Services" means any services or work to be performed by the Supplier pursuant to the Contract; and

"Supplier" means the company, firm or individual named as such on the Purchase Order.

"Mandatory Policies" means the following policies of Filtronic, which are to be found at: <https://filtronic.com/group-policies/>, or as notified from time to time to the Supplier, for which compliance by Supplier to is required: Counterfeit and Grey Goods, Conflict Minerals,

Employment, Modern Slavery and Antibribery and Corruption.

1.2 In the Contract references to: (i) any statute or statutory provision shall, unless the context otherwise requires, be construed as a reference to that statute, regulation, or provision as from time to time amended, consolidated, modified, extended, re-enacted or replaced; (ii) the masculine include the feminine and the neuter and vice versa; (iii) the singular include the plural and vice versa; and (iv) Clauses are references to the clauses set out in these Conditions. The headings to these Conditions will not affect their interpretation.

2. APPLICATION OF CONDITIONS

2.1 These Conditions are the only conditions upon which the Buyer is prepared to deal with the Supplier, and they shall govern the Contract to the entire exclusion of all other conditions. The Supplier waives any right which it might otherwise have to rely on its terms and conditions.

2.2 Unless acceptance of these Conditions by the Supplier expressly occurs at an earlier time, the commencement of work in connection with the supply of the Goods or the performance of the Services by the Supplier shall be deemed to be conclusive evidence of the Supplier's acceptance of these Conditions.

3. QUALITY

3.1 The Goods and Services shall conform in all respects with the requirements of the Contract (including any variations made in accordance with Clause 22).

3.2 The Goods shall be safe, free from defects in design, materials and workmanship, fit for the purpose for which they are supplied and for any other purpose made known to the Supplier by the Buyer in writing, and the Services shall be performed with professional skill and care and in accordance with best industry practice.

3.3 Unless otherwise stated in the Contract, the Goods and Services shall conform to all relevant British and European standards and with the requirements of any applicable statutes, orders, regulations or bylaws from time to time in force.

3.4 If any of the Goods or Services fail to conform to any of the provisions in this Clause, the Buyer shall be entitled to any remedies available at law or under the Contract.

3.5 The Supplier shall at all times during the term of the Contract maintain a suitable quality management system such as one which complies with the principles of ISO 9001.

4. TERM

Subject to any earlier termination in accordance with these Conditions, the term of the Contract shall be as specified in the Purchase Order.

5. DELIVERY OF GOODS / PERFORMANCE OF SERVICES

- 5.1 The Goods shall be delivered by the Supplier carriage, insurance and duty paid to the place stated in the Purchase Order or such other place of delivery as is specified by the Buyer in writing prior to delivery of the Goods and in accordance with any additional instructions stated on the Purchase Order. Where no delivery location is specified on the Purchase Order the delivery terms shall be deemed to be DDP (Buyer's principal place of business) Incoterms 2020.
- 5.2 Time for delivery shall be of the essence. The Goods shall be delivered on the date stated on the Purchase Order or, if no such date is stated, within 28 days of the date of the Purchase Order. Buyer may upon written notice to the Supplier, reschedule delivery of the Goods at any time up to one week from the due date stated in the Purchase Order to be delivered within six months on the original due date stated on the purchase order Any Services and associated deliverables shall be performed and delivered by the times specified in the Purchase Order.
- 5.3 Goods shall be delivered to, and only accepted by, the Buyer during the Buyer's normal business hours.
- 5.4 If the Buyer provides any access to premises, labour or equipment in connection with the delivery of, or the performance of any services forming the whole or part of, the Goods, such access shall be provided at the risk of the Supplier.
- 5.5 If Goods are delivered to the Buyer in excess of the quantities ordered, the Buyer shall not be bound to pay for the excess. The excess will remain at the Supplier's risk and will be returnable at the Supplier's expense.

6. LABELLING AND PACKING

- 6.1 The Supplier shall ensure that each delivery is accompanied by a delivery note which shows the Purchase Order number, date of order, number of packages, the net and gross weights of the Goods and contents and, in the case of part delivery, the number of parts and the outstanding balance remaining to be delivered.
- 6.2 The Supplier shall ensure that the Goods shall be packed in accordance with best practice for environmental packaging current from time to time and marked in a proper manner. The details

of the contents shall be clearly marked on each container and all containers of hazardous materials shall bear prominent and adequate warnings in English and must be accompanied by emergency information in English, in the form of written instructions, labels or similar markings. Unless otherwise agreed, no packaging materials will be returned.

7. TITLE AND RISK

The Goods shall remain at the risk of the Supplier until delivery to the Buyer pursuant to Clause 5 is complete. Unless the Goods are rejected pursuant to Clause 8, title to the Goods shall pass to the Buyer at the time of delivery or at the time of payment for the goods if payment occurs earlier than the time of delivery.

8. INSPECTION AND REJECTION

- 8.1 The Buyer shall have the right to inspect and test the Goods and any deliverables associated with the Services prior to or within a reasonable time after their delivery, at such times as the Buyer may reasonably require.
- 8.2 If the Goods or Services do not conform to the Contract including any statements of work, specifications, requirements or descriptions referred to in the Contract, the Buyer shall inform the Supplier in writing. The Supplier, at the Supplier's expense, shall immediately take such action as is necessary to ensure conformity to the reasonable satisfaction of the Buyer.
- 8.3 Notwithstanding Clause 8.2, where any Goods or Services do not conform to the Contract, the Buyer shall be entitled:
- 8.3.1 to reject the Goods (in whole or in part) and return them to the Supplier, at the risk and cost of the Supplier, on the basis that a full refund for the Goods so returned shall be immediately paid by the Supplier; and
- 8.3.2 to refuse to accept or pay for any further deliveries of the Goods or Services but without any liability to the Supplier;
- 8.4 Any omission by the Buyer to undertake, or any approval given during or after, such inspection or testing shall not constitute a waiver of any of the Buyer's rights or remedies in respect of the Goods or Services. Any such inspection or testing shall not diminish or otherwise affect the Supplier's obligations under the Contract.

9. PRICE AND PAYMENT

- 9.1 The price of the Goods and Services shall be as stated in the Purchase Order and shall, unless otherwise agreed in writing by the Buyer, be

exclusive of Value Added Tax but inclusive of all other charges as well as the costs of packaging, insurance and carriage of the goods.

- 9.2 Unless otherwise specified in the Purchase Order, the Supplier shall render an invoice within 6 months of completion of the work, unless a VAT invoice is required to be issued at an earlier time. If the Buyer has to investigate its own records to deal with payment queries after 6 months, the reasonable costs of so doing may be deducted from the amount due.
- 9.3 Unless otherwise specified in the Purchase Order, the Buyer shall pay the price of the Goods and Services which meet the requirements of the Contract, 60 days from receipt of a valid undisputed invoice at the invoice address given on the Purchase Order. The Supplier is not entitled to submit an invoice until the Goods have been delivered and invoices submitted by the Supplier must not bear a date prior to the date on which the Goods are delivered.
- 9.4 The Buyer may at its sole option elect to pay for Goods and Services by credit card.
- 9.5 Any invoice which, when taking into account all other invoices already submitted, is for a cumulative value above that of the Purchase Order will be rejected by the Buyer.
- 9.6 The Buyer cannot guarantee to make payment on time for any invoice which is not sent to its official address as detailed on the Purchase Order.
- 9.7 The Supplier shall not be entitled to claim any payment following the expiry of 2 years after the date of completion of the supply of the Goods or Services to which they relate.
- 9.8 Without prejudice to any other rights or remedies, the Buyer reserves the right to set off any amount owing at any time from the Supplier to the Buyer against any amount due to the Supplier under the Contract.
- 9.9 If the Buyer fails to pay any sum properly due pursuant to the Contract, the Buyer shall, upon written request, pay simple interest to the Supplier on such sum from the due date for payment specified in this Clause at an annual rate equivalent to the base lending rate from time to time of the Bank of England plus 2%. Such interest shall accrue on a daily basis until payment is made.

10. WARRANTY

- 10.1 Unless otherwise specified in the Purchase Order, the Goods and any deliverables associated with the Services shall comply with the requirements of the Contract for 12 months from putting into service or 18 months from the date of delivery in

accordance with Clause 5, whichever shall be the shorter.

- 10.2 If the Buyer, within the warranty period or within 30 days thereafter, gives written notice to the Supplier of any defect in any Goods or deliverables arising during the warranty period under proper and normal use, the Supplier shall, without prejudice to any other rights or remedies which the Buyer may have, immediately take such action as is necessary to remedy the defects (whether by repair, replacement or re-performance as the Buyer shall elect) at the Supplier's expense. The Supplier shall be liable for logistics costs associated with such repair, replacement or re-performance.

11. INTELLECTUAL PROPERTY

- 11.1 All Intellectual Property Rights in any statements of work, specifications, instructions, plans, drawings, patterns, models, designs or other material furnished to or made available to the Supplier by the Buyer shall, subject to the rights of third parties, remain vested solely in the Buyer.
- 11.2 The purchase price for the Goods and Services includes all the irrevocable, perpetual, royalty-free rights for the Buyer to use all Intellectual Property Rights incorporated in the Goods for its own purpose and in its business anywhere in the world.
- 11.3 The Supplier shall keep the Buyer indemnified in full against all liability, actions, suits, claims, demands, losses, charges, costs and expenses (including legal and other professional fees and expenses) incurred by the Buyer as a result of or in connection with any infringement or alleged infringement of any Intellectual Property Rights caused by the use, manufacture or supply of the Goods and/or Services (as applicable).

12. TERMINATION

- 12.1 The Buyer shall have the right at any time to terminate the Contract (in whole or in part) for convenience by giving the Supplier not less than 30 days written notice, whereupon all work on the Contract shall be discontinued. The Supplier will take all reasonable steps to mitigate the effects of termination. Upon termination under this Clause the Buyer shall pay to the Supplier fair and reasonable compensation for work-in-progress at the time of termination but such compensation shall not include loss of anticipated profits or any indirect or consequential loss. Title in all Goods and any deliverables associated with the Services shall pass to the Buyer on such payment, and (if not already delivered) shall be delivered to the Buyer at that time.

12.2 Either Party shall have the right to terminate at any time by giving the other Party written notice to terminate the Contract immediately if:

12.2.1 the other Party commits a material breach of the Contract which (if capable of remedy) it fails to remedy within 30 days of receipt of written notice of the same;

12.2.2 any distress, execution or other process is levied upon any of the assets of the other Party;

12.2.3 the other Party enters into any compromise or arrangement with its creditors, commits any act of bankruptcy or if an order is made or an effective resolution is passed for the other Party's winding up (except for the purposes of amalgamation or reconstruction as a solvent company), or if a petition is presented to Court, or if a receiver/manager, administrative receiver or administrator is appointed in respect of the whole or any part of the other Party's undertaking or assets;

12.2.4 the other Party ceases or threatens to cease to carry on its business; or

12.2.5 the financial position of the other Party deteriorates to such an extent that, in the reasonable opinion of the non-defaulting Party, the capability of the other Party to adequately fulfil its obligations under the Contract has been placed in jeopardy.

12.3 The expiry or termination of the Contract, however arising, will be without prejudice to the rights and obligations of the Parties which have accrued prior to expiry or termination. The provisions of Clauses 10, 11, 13, 15, 17, 18, 19, 22 and 26 shall survive expiry or termination of this Contract howsoever arising.

13. REMEDIES

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

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

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

14. HEALTH AND SAFETY AND INSURANCE

14.1 The Supplier shall ensure that the Goods are designed and/or constructed and/or supplied so as to be safe and without risk to the health and safety of persons using or affected by the same.

14.2 The Supplier represents and warrants that the Supplier has made available to the Buyer adequate health and safety information about the Goods and about any conditions necessary to ensure that when put to use the Goods will be safe and without risk to health.

14.3 Where any access to the Buyer's premises is necessary in connection with delivery, performance or installation, the Supplier and its sub-contractors shall at all times comply with any security and health and safety regulations currently in force, which may include if necessary, obtaining security clearance from the Buyer.

14.4 A breach of this Clause 14 shall be deemed to be a material breach of the Contract.

14.5 During the term of the Contract and for a period of six years thereafter, the Supplier shall maintain in force, with a reputable insurance company, professional indemnity insurance, product liability insurance and public liability insurance to cover the liabilities that may arise under or in connection with the Contract, and shall, on the Buyer's request, produce both the insurance certificate giving details of cover and the receipt for the current year's premium in respect of each insurance.

15. CONFIDENTIALITY

15.1 Save for information which is in the public domain (otherwise than by a breach of this Clause), each Party shall keep confidential and not disclose or use other than for the purpose of this Contract any technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed by one Party to the other Party or its representatives and any other confidential information concerning the other Party's business or its products which the other Party may obtain or learn.

15.2 Each Party shall restrict disclosure of such confidential material belonging to the other Party, to such of its employees, agents or sub-contractors as need to know the same for the purpose of discharging the its obligations or exercising its rights under the Contract and shall ensure that such employees, agents or

subcontractors are subject to like obligations of confidentiality as are contained in this Clause.

16. ASSIGNMENT AND SUB-CONTRACTING

- 16.1 The Supplier shall not be entitled to transfer its rights or obligations under the Contract, or subcontract the Contract or any part of it, without the prior written consent of the Buyer (which shall not be unreasonably withheld).
- 16.2 The Buyer has the right to transfer its rights and obligations under the Contract or any part of it upon written notice to the Supplier and may without notice transfer the benefit of

17. DISPUTE RESOLUTION

- 17.1 If any dispute arises out of or in connection with this Contract ("Dispute") the Parties undertake that they will seek to have the Dispute resolved amicably by use of an alternative dispute resolution procedure acceptable to both Parties. Either Party will be entitled to initiate the process by written notice to the other.
- 17.2 If the Dispute has not been resolved to the satisfaction of either Party within 30 days of initiation of the procedure pursuant to Clause 17.1 or if either Party fails or refuses to participate in or withdraws from participating in the procedure then either Party may refer the Dispute to the Courts in accordance with Clause 26.
- 17.3 Nothing in this Clause 17 shall restrict or prevent either Party from seeking injunctive relief at any time.

18. PUBLICITY

Neither the Supplier nor the Buyer shall, for publicity purposes without the prior written consent and approval of the other Party: (i) make use of the other Party's name or the name of that Party's personnel, customers or agents; or (ii) refer to the other Party or the Contract in any advertisement announcement or notice, except to the extent required by law or any competent regulatory body.

19. NOTICES

- 19.1 A notice given under or in connection with the Contract must be in writing and delivered by hand or sent by first class post or by confirmed facsimile to the address of the Buyer or (as the case may be) to the address of the Supplier shown on the Purchase Order or to such other address as either the Supplier or the Buyer (as the case may be) may substitute by written notice to the other Party.
- 19.2 Notice shall be deemed given: (i) if sent by first class post or international overnight courier,

three days after posting or sending by courier excluding the day of posting or sending; or (ii) if delivered by hand, on the day of delivery.

20. COMPLIANCE ROHS REGULATIONS

The Supplier shall be responsible for ensuring that any Goods, and all components forming part of any Goods, shall comply with the requirements of the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment Regulations 2006 ("RoHS Regulations"). In respect of all Goods supplied under the Contract, the Supplier shall, upon the Buyer's request, provide a certification in a form acceptable to the Buyer that the Goods supplied are in compliance with RoHS Regulations.

21. COMPLIANCE WITH WEEE REGULATIONS

In supplying any Goods the Supplier shall, at its own expense, comply with the requirements of the Waste Electrical and Electronic Equipment Regulations 2006 to the extent that they apply to any Goods being supplied. The Supplier shall be responsible for the collection and disposal of any such Goods at the end of their life and for any cost associated with such collection and disposal including, where requested by the Buyer, in respect of the collection and disposal of Goods from any end user that the Buyer sells those Goods on to. Upon commencement of the Contract, the Supplier shall provide the Buyer with details of the arrangements it has in place for the collection and disposal of such Goods.

22. MISCELLANEOUS

- 22.1 Failure or delay by the Buyer in enforcing any provision of the Conditions shall not be a waiver of any of the Buyer's rights under the Contract or of the right at any time subsequently to enforce that provision or any other provision of the Contract.
- 22.2 No amendment or variation to this Contract shall be binding on the Buyer unless it is agreed by the Parties in writing and issued as a written Purchase Order amendment by the Buyer.
- 22.3 A person who is not a Party to the Contract shall have no right under the Contracts (Rights of Third Parties) Act 1999 shall not apply to this Contract to enforce any term of the Contract, provided that any member of the Buyer's Group which is involved in procuring Goods or Services from the Supplier under this Contract shall have the right to enforce any of the Conditions to the extent that it applies to the Goods or Services which it procures. The Parties shall not be under any obligation to seek the consent of any member of the Buyer's Group in relation to any amendment

to the Contract. This Clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

22.4 If any provision of these Conditions is held by any competent authority to be illegal, unenforceable or unreasonable in whole or in part it shall, to that extent, be deemed severable and the validity of the other provisions of these Conditions and the remainder of the provision in question shall not be affected.

22.5 If either party is affected by Force Majeure it shall promptly notify the other party of the nature and extent of the circumstances in question. Force Majeure means in relation to either party, circumstances beyond the reasonable control of that party (including without limitation, an Act of God, war, terrorism, insurgence, fire that is not due to negligence, but excluding pandemic). Neither party shall be in breach of this Contract for any delay in or non-performance of its obligations under this Contract to the extent that the delay or non-performance is due to any Force Majeure of which it has notified the other party and the time for performance shall be extended accordingly to the extent that is reasonable. No extension of time shall enable the affected party to any increase in his price or to any additional payments of any nature.

23. SUSTAINABILITY AND TRACEABILITY

23.1 The Supplier shall maintain a documented traceability system to track all raw material from delivery, and inspection through to final completed parts/components, testing and tracing.

23.2 The Supplier shall work with the Buyer if requested by the Buyer to identify opportunities to improve sustainability in the delivery of Goods and Services

24. COMPLIANCE WITH LAWS, MANDATORY POLICIES, BUSINESS ETHICS, SANCTIONS AND MODERN SLAVERY

24.1 In performing its obligations under the Contract, the Supplier (and its subcontractors) shall comply with all applicable laws, statutes, regulations from time to time in force; and comply with the Mandatory Policies (see Clause 1.1). In addition, the Supplier (and its subcontractors) shall comply with the principles of the Buyer's 'Code of Ethics' (part of the Management Policy), which can be viewed on the Buyer's website: <https://filtronic.com/group-policies/>

24.2 The Supplier shall and shall procure that any organisation in the Supplier's Group shall comply with the trade, export control, financial or other

sanctions regime in place in the jurisdictions in which they operate.

24.3 A breach of this Clause 24 shall be deemed to be a material breach of the Contract.

25. DATA PROTECTION

25.1 In performing the Services and/or its obligations under this Contract, the Supplier shall comply with and ensure that its staff, contractors, subcontractors and agents comply with the principles of the General Data Protection Regulation 2018 and the Data Protection Act 1998 as amended ("the Act").

26. GOVERNING LAW AND JURISDICTION

26.1 This Contract and any dispute or claim arising out of or in connection with it (whether such disputes are contractual or non-contractual in nature, such as claims in tort, for breach of statute or regulation, or otherwise) shall be governed by and construed in accordance with English law.

26.2 Each Party hereby irrevocably submits to the non-exclusive jurisdiction of the English courts.

27. Special Conditions relating to the supply of Goods for any Aerospace contracts awarded to Filtronic

27.1 Right of Access – Supplier will grant the Buyer, Buyer's customer, or Regulatory Authority access to their QMS, Records, Process Facilities and supply chain.

27.2 Records – Supplier must retain the manufacturing records for a minimum of 10 years or as defined in the contract.

27.3 Flow-down – Supplier must inform (flow-down) their supply chain of the applicable requirements as stated here in under Traceability.

27.4 The Supplier shall ensure that all product to be identified by Lot/Batch code, visible on delivery note and or product label. This information should be traceable to product manufacture.

27.5 Non-conforming Product – Supplier will notify Buyer of any supplied product known to be non-conforming by the Supplier.