

Dated February 2024

# DEEP SEA ELECTRONICS LIMITED

## STANDARD TERMS & CONDITIONS OF PURCHASE

# DEEP SEA ELECTRONICS LIMITED ("the Company")

## Terms and conditions of purchase

We, the Company, only purchase goods, rights and services ("Deliverables") on these terms and conditions ("the Terms"). If you accept our order it will be on these Terms and no other standard terms. If you act in a manner calculated to appear as an acceptance of our order, that will act as an acceptance and you will be bound by our Terms, regardless of any inconsistency in your own small print. If you wish to reject our order and make a counter-offer you MUST therefore reply to our order in words explicitly and clearly indicating rejection. Equally, if you make a counter-offer which is not clearly labelled as such (or as a rejection of our order) no subsequent behaviour of ours, in accepting Performance, can be taken to imply any acceptance by us of that counter-offer. These Terms can only be changed, or other terms agreed, in written correspondence signed by a director or other senior officer of the Company. These Terms are important and should be studied carefully.

## 1 The Contract

**1.1** Our contract with you, our supplier, will comprise our express written order, these Terms, anything else we expressly agree under section 1.2, any content imposed by law, but nothing else.

**1.2** If you want us to accept a term of yours, or accept a particular responsibility, or if you wish to rely on a representation we have made, you must therefore obtain our express agreement to that. That means express written agreement, signed by a director or other senior officer of the Company and referring expressly to these Terms. We will deal with you in reliance on these Terms, so be aware that our acceptance of contractual performance by you does not imply acceptance of any terms that are different to our Terms. You must indemnify us against any consequence of your seeking to rely on any contractual terms, or any statement, understanding or representation which is not contractually agreed as set out in this section 1. For purposes of this section, written agreement can be communicated by pre-paid post, fax or e-mail, save that we never accept small print terms communicated by fax, on grounds of uncertain legibility.

**1.3** If any of the terms of the contract conflict with or contradict each other those terms will over-ride each other in the following order of priority: (1) any express written agreement from us; (2) our order; (3) these Terms.

**1.4** We are not contractually bound until we place a formal order and then only to the extent of the issues specifically covered by that order or in writing signed by a director. We will only be contractually bound to you when you accept our order with a formal order acknowledgement in writing or (if later) when we accept Performance by you (see below).

## 2 Price

**2.1** The price of the Deliverables will be as stated in our order and, unless otherwise stated, will be:

**2.1.1** exclusive of any applicable VAT (which will be payable by us subject to receipt of a valid VAT invoice);

**2.1.2** inclusive of all charges for packaging, packing, shipping, carriage, insurance and delivery, commissioning or performance of Deliverables to or at the delivery address, and of any duties or levies other than VAT; or unless otherwise stated in the purchase order.

**2.1.3** payable in pounds sterling or currency of supplying country stated on the order ; and

**2.1.4** fixed for the duration of the Contract.

**2.2** We will be entitled to any discount for prompt payment, bulk purchase or the like normally granted by you in comparable circumstances.

**2.3** If we will be reliant on you for any supplies of maintenance, training, spare parts, consumables or other goods, rights or services to benefit fully from the Deliverables ("Follow-on Deliverables") then you will provide those Follow-on Deliverables or procure them to be provided, for at least 36 months following full Performance, at fair and reasonable prices which take no advantage of our dependence on you for their supply.

### **3 Payment**

**3.1** Invoices for the Deliverables may be sent to us on, or after, completion of Performance (as defined in section 4.1). Each invoice must quote the number of our order. No sum may be invoiced more than six months late.

**3.2** Unless otherwise stated in the order, we will pay the contract price within 60 days of the end of month in which we receive the invoice, unless otherwise stated or agreed in writing.

**3.3** We will be entitled to set off against the price any money owed to us by you.

### **4 Specifications**

**4.1** If we order goods, then unless otherwise stated the order is deemed to include the supply of all relevant documentation and certification, and of any commissioning of those goods, necessary to enable the Company to use them for their intended purposes. If we order services then, unless otherwise stated, our order includes the complete performance of those services including any employee instruction, manuals, explanations or certifications necessary to enable the Company to benefit from them for their intended purposes. If we order goods or services then, unless otherwise stated, our order includes any legal rights necessary to use those goods or services for their intended purposes. As for those intended purposes, see section 10.3. References in these Terms to "Performance" are to complete performance of all your contract obligations as described in these Terms.

**4.2** The quantity, quality and description of Deliverables will be as specified in our order and these Terms or as agreed by us in writing, subject to which then in full accordance with your representations (see section 10.1).

**4.3** You have sole responsibility for complying with all applicable regulations and other legal and regulatory requirements concerning performance of the contract, and for ensuring that we can, in compliance likewise, fully utilise the Deliverables for their intended purposes.

**4.4** We will be allowed to inspect any contract goods during (and your premises for) manufacture and storage so long as we request an inspection by reasonable notice. If, as a result of the inspection, we are not satisfied that the quality of the goods or the standards of their manufacture, storage or handling conforms with the contract, you will take such steps as are necessary to ensure compliance. If, after that, we are still not satisfied we can cancel the contract without penalty.

**4.5** If, before Performance has occurred in the relevant respect, we notify you in writing of any change in desired specification (including as to quality and time frame) you will respond as follows. We appreciate that a change may affect the contract price, or may even be unachievable. If the change would reduce your costs, the contract price will reduce to fairly reflect that saving. If the change would increase your costs you may notify us promptly, in writing, of a proposed revision of the contract price fairly and proportionately reflecting any unavoidable such increased cost: you and we will then use our reasonable efforts to agree the revised terms in full, including as to price, pending which the contract variation will not take effect. If the change would for any reason be unachievable you may notify us of that promptly and in writing, with reasons: again, both parties will then use reasonable efforts to reach a mutually acceptable contract variation.

**4.6** Failing notice under one of the two preceding sentences our proposed change will be deemed to have been accepted, and the contract will be deemed to have been varied with immediate effect to reflect the requested specification change with no price increase. What amounts to "prompt" notice for this purpose will depend on feasibility for you and urgency for us, but not in any case later than 48 hours (excluding hours of days which are Saturdays, Sundays or are recognised bank holidays in England) from our notice of proposed change. In no event, agreed or not, will we be liable to you in respect of any contract variation for more than a reasonable and proportionate reflection of such increased costs as you could not reasonably have been expected to avoid. The contract price will not in any circumstance increase except with our express written agreement under, or referring explicitly to, this sub-section.

**4.7** To protect our business we may need, sometimes urgently, information as to precisely how Deliverables were performed, and as to all relevant activities of any suppliers or sub-contractors of yours. You will meet any reasonable such request as soon as reasonably possible, and will keep records adequate for that purpose for at least two years after completion of Performance. Without limitation, these records must provide full traceability for all goods comprised in, or used in making, any contract goods which are in any respect safety-critical. They must also demonstrate compliance of the contract work with all legal or regulatory requirements and with all contractually binding quality and Performance standards.

**4.8** You will comply with any reasonable requirements we may have as regards the packaging and packing of any contract goods, and as to information to be displayed on packaging or included on dispatch documentation and bills of lading. Subject to that, you will ensure that all packaging, packing, labelling and documentation is such as to ensure full compliance with legal requirements throughout the scheduled delivery process.

## **5 Delivery and risk**

**5.1** Any goods will be delivered to, and any services performed at, the address and on the date stated in the order, or else under section 5.2, during usual business hours. If no address is specified, then delivery will be at our usual or main UK premises.

**5.2** If we specify the date or delivery address after ordering, we will give you reasonable notice of the details. Failing a date, supply will be as soon as reasonably possible.

**5.3** The date of delivery of any goods or rights, and the performance of any services, will be of the essence of this contract.

**5.4** A packing note quoting the number of the order must accompany each delivery or consignment of goods and must be displayed prominently.

**5.5** Where Deliverables are to be supplied in instalments, the contract is still to be treated as a single contract. If you fail to deliver or perform any instalment we may treat the whole contract as repudiated.

**5.6** We may reject any Deliverables which are not fully in accordance with the contract. Acceptance does not occur until we have had a reasonable time to inspect or consider the relevant Deliverables following supply and, in the case of latent defect, a reasonable time after the defect becomes apparent.

**5.7** We will not be bound to return to you any packaging or packing material, but if any relevant requirement for packaging recycling applies, you will take materials back free of charge on request.

**5.8** If any Deliverables are not supplied on or by the agreed date then, in addition to any other remedies available to us, we will be entitled to deduct 1% of the overall contract price for those Deliverables, for every week's delay.

**5.9** Risk of damage to or loss of any goods passes to us on acceptance of delivery.

**5.10** Property and ownership of any goods will pass to us on acceptance of delivery unless we have paid in whole or in part for the goods in advance. In that case it will pass to us as soon as the goods have (or, if goods are being assembled for us, each successive component of the goods has) been appropriated to the contract.

**5.11** If we supply any articles to you, e.g. for modification or copying, they remain our property at all times. Those articles must be kept confidential and secure and we can enter your premises at any time on reasonable notice to ensure that this is so. While those articles are in your custody you must not use them, copy them or disseminate them, electronically or otherwise, except in the performance of our contract. We retain copyright and any other available intellectual property rights in any plans, design drawings, computer programs, compilations of data, specifications or the like which we supply to you. You must indemnify us against any loss caused to us, and account to us for any profit which you make, through breach of this provision.

**5.12** If any Performance occurs on our premises this sub-section will apply. You will ensure that best industry standards are adopted for the health and safety both of your personnel and of any other individuals affected by your actions. We may refuse or terminate access to any individual whom we reasonably consider undesirable to have on our premises. Your personnel

must, while on our premises, comply with our reasonable requirements as to security, health and safety routines, times and areas of access, and otherwise. You will be responsible to us on a full indemnity basis for all damage and injury caused by your staff.

**5.13** If the contract terms refer to terms such as F.O.B and C. & F. which bear defined meanings in the current edition of Incoterms, those defined meanings will apply unless expressly stated otherwise.

**5.14** Any goods provided by us to you on a free issue basis will remain our absolute property throughout, and will be at your risk while the goods are, or are supposed to be, in your possession. You are not to part with possession (save to us) unless with our express prior consent.

**5.15** Any goods supplied by you to us on a consignment basis will be covered by this agreement or a separate consignment stock agreement agreed and signed by both parties.

## **6 Health & Safety**

6.1 The company is committed to conducting its business in compliance with applicable health, safety and environmental laws, rules, and regulations in a manner with high regard for the health and safety of human life and the environment. Each Supplier has the responsibility for maintaining a healthy, safe, and environmentally friendly workplace by following applicable health, safety, and environmental laws, rules, and regulations.

## **7 Conflict Minerals**

**7.1** Supplier recognizes, consistent with the public policy underlying enactment of the Conflict Minerals provision (Section 1502) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"), the significant legal and non-legal risks associated with sourcing tin, tantalum, tungsten and gold (the "Conflict Minerals") from the Democratic Republic of the Congo and adjoining countries ("DRC countries"). Accordingly, Supplier commits to comply with Section 1502 of Dodd-Frank and its implementing regulations. In particular, Supplier commits to have in place a supply chain policy and processes to undertake (1) a reasonable inquiry into the country of origin of Conflict Minerals incorporated into Goods it provides Buyer; (2) due diligence of its supply chain, as necessary, to determine if Conflict Minerals sourced from the DRC countries directly or indirectly support unlawful conflict there, and (3) risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures. Supplier shall take all other measures as are necessary to comply with the Act and its implementing regulations, as they may be amended over time. An RMI /CMRT report will be requested from the supplier every 12 months.

## **8 Modern Slavery Act**

**8.1** Supplier represents and warrants that neither Supplier nor any of its agents or subcontractors has:

**8.1.1** committed a violation of the Modern Slavery Act of 2015 (the “MSA”);

**8.1.2** been notified that it is subject to an investigation relating to an alleged MSA violation;

**8.1.3** is aware of any circumstances in its supply chain that could give rise to an investigation relating to a MSA violation.

**8.2** Supplier agrees that it shall:

**8.2.1** comply with all applicable provisions of the MSA and any MSA reporting requirements required by Buyer; and

**8.2.2** notify Buyer in writing promptly if it becomes aware or has reason to believe that it or any of its agents or subcontractors have breached or potentially breached the MSA. Such notice shall set out full details of the circumstances concerning the breach or potential breach of Supplier’s obligations. Any breach of this paragraph by Supplier shall be deemed a material breach of the Order and shall entitle Buyer to immediately terminate the Order in accordance with paragraph 12 “Termination” herein.

## **9 Labor and Human Rights**

9.1 The Company is committed to upholding human rights in our supply chain, and we expect our suppliers to be aware of and commit to respecting human rights in their own operations and supply chains. Suppliers are expected to comply with the company’s Human Rights Policy, the principal tenets of which include:

a. Anti-Discrimination: Everyone is entitled to the same human rights without discrimination based on race, religion, creed, national origin, ancestry, gender, age, sexual orientation, disability, citizenship, veteran status, or any other legally protected characteristic.

b. Equal Protection: All individuals are entitled to the right to a remedy and equal protection under applicable law if their human rights are violated.

c. Prohibition on Forced Labor & Child Labor: All individuals have the right to safe, fair, ethical, and humane working conditions, including no forced labour, compulsory labour, child labour, modern forms of slavery, bonded labour and any form of human trafficking.

d. Anti-Harassment: The Supplier will not condone any type of harassment or abuse, whether corporal, mental or physical, of an employee by a director, officer or other employee or any partner, customer or supplier of the Supplier.

e. Minimum Living Wage: The Supplier shall be committed to providing a minimum living wage for its employees and contractors involved in its operations by complying with all applicable minimum wage/hour requirements.

## 10 Stakeholder and Community Engagement

10.1 Stakeholder engagement is a vital part of how Generac conduct our business, working in collaboration with our partners. We engage with our stakeholders to understand their challenges and wins, and potential impacts they might have on our supply chain. We expect our Suppliers to do the same within their operations to foster a culture of engagement.

10.2 We support the communities in which we operate and expect our suppliers to do the same. We encourage Suppliers to partner with local governments and communities to improve the education, cultural, economic, and social well-being of the communities in which they operate.

## 11 Ethical Compliance; Gratuities

To meet the social responsibilities expected by the Company, and to achieve success, Suppliers are expected to uphold high standards when it comes to ethical business practices. The Company expects all applicable international, domestic, and local laws to be adhered to.

Suppliers should be able to demonstrate the existence of procedures or policies regarding:

### 11.1 Anti Bribery and Anti-Money Laundering

Supplier warrants that neither it nor any of its employees, agents, or representatives have offered or given, or will offer or give, any gratuities to Buyer's employees, agents, or representatives for purposes of securing the Order or securing favourable treatment under the Order. If it is found that gratuities (in the form of entertainment, gifts or otherwise) are offered by Supplier, or any agent or representative of Supplier, to any employee of Buyer or its agents or representatives with a view toward securing favourable treatment with respect to the awarding or performing of any Order issued by Buyer to Supplier, Buyer may, by written notice to Supplier, terminate the Order in accordance with Article 15, Termination, in addition to the exercise of any other rights or remedies provided to Buyer by law.

**11.2 Anti-Bribery Law.** Supplier must not violate any Applicable Antibribery Law, which means any bribery, fraud, kickback, or other similar anti-corruption law or regulation of any relevant country, including the Bribery Act and the US Foreign Corrupt Practices Act 1977. The Bribery Act means the UK Bribery Act 2010 (as amended from time to time).

**11.3** Supplier has and must at all times implement adequate procedures designed to prevent it or any Associated Person from engaging in any activity which would constitute an offence under the Bribery Act if it were carried out in the UK, or violate any Applicable Antibribery Law. Employees of the Company are prohibited from accepting anything other than non-monetary items of nominal intrinsic value. Any Supplier that violates this prohibition risks immediate loss of all existing and future Company business.

**11.4** Supplier represents that, in connection with the Order, no improper financial or other advantage has been, will be or is agreed to be given to any person (whether working for or engaged by the Buyer or any third party) by or on behalf of Supplier or its Associated Persons.



**11.5** Supplier has and must at all times implement adequate procedures to prevent it or any Associated Person from engaging in any activity which would constitute an offence under the Criminal Finance Act 2017 and in particular the facilitation of Tax evasion in the UK and in any foreign country.

**11.6** Breach of any of the provisions in this clause or of any Applicable Anti-Bribery Law is a material breach of the Order for the purpose of Termination Clause and, without prejudice to any other right, relief or remedy, entitles Buyer to terminate this Order immediately.

**11.7 Conflicts of Interest:** Nothing our Suppliers do should interfere or appear to interfere with their responsibility towards the Company. Suppliers must disclose any conflict of interest which may interfere, or have the potential of interfering, with the Supplier's responsibilities towards the Company. Suppliers should disclose any relationship (and provide updates from time to time) they may have with any Company employee, officer, director and/or anyone who represents the Company.

The Supplier's responsibility, includes but is not limited to, the following:

Reporting to the Company if a Company employee, family member and/or anyone who represents the Company owns a portion of the Supplier,

Reporting to the Company if a family member of a Company employee will be working for the Supplier on the Company business,

Reporting to the Company if the Supplier has provided anything of more than nominal intrinsic value to any Company employee, officer, director and/or anyone who represents the Company.

**11.8 Competition:** Suppliers shall agree to not share or exchange any price, cost, or other competitive information or engage in any collusive or anti-competitive conduct with any third party with respect to any proposed, pending, or current procurement for or on behalf of the Company.

**11.9 Intellectual Property, Data Security, and Privacy:** Suppliers agree to respect the intellectual and other property rights of the Company and of third parties, including all patents, trademarks, and copyrights. Additionally, all Suppliers agree to:

Respect privacy rights and secure the data of the Company employees, customers, and suppliers in accordance with applicable law and in any case not less than commercially reasonable standards (collectively, "Company Data").

To implement and maintain physical, organizational, and technical measures to ensure the security and confidentiality of Personal and Company Data in order to prevent accidental, unauthorized, or unlawful destruction, alteration, modification, or loss of Company Data, misuse of Company Data, or unlawful processing of Company Data.

Protect Supplier operations and facilities against exploitation by criminal or terrorist individuals and organizations.

Protect any confidential information shared by the Company. Any Supplier who has been given access to confidential information as part of the business relationship should not share this information with anyone unless authorized to do so by the Company. Suppliers should not trade in securities, or encourage others to do so, based on confidential information

received from the Company. If a Supplier believes it has been given access to the Company's confidential information in error, the Supplier should immediately notify its contact at the Company and refrain from further distribution of the information. Similarly, a Supplier should not share with anyone at the Company information related to any other company if the Supplier is under a contractual or legal obligation not to share the information.

## **12 Environmental Issues**

**12.1** Supplier represents and warrants that it shall perform all obligations under this Agreement in compliance with all applicable national, EU, state/provincial and local environmental, health and safety laws and regulations. From time to time, at Buyer's request, Supplier shall provide certificates to Buyer in a form and substance acceptable to Buyer, indicating compliance with the provisions of this article.

**12.2** Supplier represents and warrants that each chemical substance constituting or contained in Goods is on the list of chemical substances compiled and published by (a) the Administrator of the Environmental Protection Agency pursuant to: the Toxic Substances Control Act (15 USC Section 2601 et seq.) as amended; (b) the European Inventory of Existing Commercial Chemical Substances (EINECS) or the European List of Notified Chemical Substances (ELINCS); or (c) any equivalent lists in any other jurisdictions to which Buyer informs Supplier or Supplier knows the Goods likely will be shipped to or through. Supplier represents and warrants that each chemical substance constituting or contained in Goods is pre-registered if required, and registered if required, under Regulation (EC) No 1907/2006 ("REACH"), is not restricted under Annex XVII of REACH and if subject to authorization under REACH is authorized for Buyer's use.

**12.3** Supplier shall notify Buyer if it decides not to Preregister or Register substances that will be subject to Preregistration or Registration under REACH and are constituting or contained in Goods at least 12 months before their Registration or Registration deadline. Supplier will monitor the publication by the European Chemicals Agency of the list of substances meeting the criteria for Authorization under REACH (the "candidate list") and immediately notify Buyer if any of the Goods contain a substance officially proposed for listing on the candidate list. Supplier shall provide Buyer with the name of the substance as well as with sufficient information to allow Buyer to safely use the Goods or fulfill its own obligations under REACH.

**12.4** Supplier represents and warrants that none of the Goods contain any: (1) RoHS Directive, as amended; (2) chemical restricted under the Montreal Protocol on ozone-depleting substances; (3) substance listed on the candidate list of the REACH legislation (Regulation (EC) No 1907/2006) or restricted under Annex XVII of REACH; or (4) other chemical the use of which is restricted in any other jurisdictions to which Buyer informs Supplier the Goods are likely to be shipped or the Supplier knows the goods are likely to be shipped to or through; unless Buyer expressly agrees otherwise in writing and Supplier identifies an applicable exemption from any relevant legal restriction on the inclusion of such chemicals or hazardous materials in the Goods. Supplier represents and warrants that it has established an effective program to ensure that the activities of any suppliers it utilizes to provide any goods or services that will be

incorporated into the Goods will be conducted in conformance with this article and in line with “1986 California proposition 65”.

**12.5** Suppliers shall have established and operate an Environmental Management System (EMS) in accordance with ISO 14001 (or similar) to meet their commitments to environmental protection and best practice, going above and beyond the minimum standards set by Environmental Legislation and regulation.

The supplier shall manufacture in accordance with this system. DSE reserve the right to audit these systems during the terms of the purchase agreement, and request Key Performance indicators demonstrating how quality and environmental targets are met.

## **13 Governance**

13.1 We understand that procurement performance improvement is a continuous process and recognize the contribution of our Suppliers in our journey to become more sustainable. Suppliers are expected to have a management system designed to ensure compliance with applicable laws, regulations, and customer requirements related to the Suppliers’ operations and products. Suppliers are expected to conduct periodic self-evaluations to ensure conformity to legal and regulatory requirements, the requirements set forth in this Code, and customer contractual requirements related to social and environmental responsibility. Suppliers also agree to periodic audits conducted internally by the company employees, and if necessary, third party auditors

## **14 Traceability**

14.1 This Supplier Code of Conduct is intended to have universal application across all product lines intended for import into the U.S. market. Suppliers shall treat product traceability as a priority issue, internally and externally, in the performance of its business and its obligations to the company . Suppliers shall identify and engage with relevant stakeholders, and information relevant to material provenance closely monitored and continually reviewed. This protocol shall be designed to respond to both audit inquiries and government requests for information.

14.2 Suppliers providing items, equipment, materials and other goods intended for import to the U.S. market have a responsibility to (a) ensure that social, environmental and quality standards are not compromised by its decisions and activities; (b) ensure that all applicable Laws of the U.S. are complied with; and (c) ensure that all raw materials, equipment and components thereof purchased, imported, or manufactured by Supplier for use in the project or for further processing will be able to clear U.S. Customs. Accordingly, Supplier shall be transparent in its decisions and activities that affect the traceability of its products.

14.3 Supplier shall, on request, disclose in a clear, accurate and complete manner, and to a reasonable and sufficient degree, the policies, decisions, and activities for which it is responsible in connection with compliance with this Code. Supplier certifies that the materials

incorporated in their respective product(s) comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business

14.4 Such requested compliance information shall include information and records with respect to (a) the purpose, nature, and location of Supplier business activities; (b) the nature, origin, and characteristics of the materials in all products and components; (c) how decisions are made, implemented, and reviewed, including the definition of the roles, responsibilities, accountabilities, and authorities across the different functions in Supplier's organization; (d) standards and criteria against which Supplier evaluates its own performance and its suppliers' performance relating to transparency in the supply chain; (e) performance on relevant and significant issues of transparency; (f) known and likely impacts of Supplier's decisions and activities on the company ; and (g) the foregoing information with respect to its suppliers, as applicable, and the criteria and procedures used to identify, select, and engage such suppliers.

14.5 Supplier shall maintain the following information with respect to itself and its suppliers: (a) legal name of the company; (b) length of time in business; (c) company structure; (d) organizational chart; (e) importer status, when relevant; (f) name and address of registered agent or equivalent; and (g) information related to the ownership interests of each entity, where available.

14.6 Supplier shall at all times maintain, and provide to the company upon request, at a minimum, the following documents related to the transactions throughout the supply chain that resulted in the product being supplied under the Agreement: (a) transaction details, e.g., purchase order(s) and contracts between and among the links in the supply chain, associated commercial invoice(s) between and among the links in the chain, and proofs of payment against said invoices; (b) U.S. Customs and Border Protection ("CBP") entry documents, e.g., CBP Form 7501; (c) freight forwarder notice of arrival; (d) International Bill of Lading/Packing List with shipper and product description; (e) Foreign inland freight documentation from the manufacturer to the Port of Export for any inter- or intra-link transaction that includes transportation across an international border; and (f) Customs broker instructions.

## **15 Warranties and liability**

**15.1** You promise that:

**15.1.1** the quantity, quality, description and specification for the Deliverables will be those set out in our order, apart from which then of the best standards reasonably to be expected in the market for that kind of Deliverable; and

**15.1.2** any goods will be free from defects in materials and workmanship; and

**15.1.3** any Deliverables will comply with all statutory requirements and regulations, and with all normally applicable quality standards, relating to their sale or supply; and

**15.1.4** all claims made by you about any Deliverables, and all apparently serious claims in your advertising and promotional material, are correct and can be relied upon; and

**15.1.5** any services will be performed by appropriately qualified and trained personnel; and

**15.1.6** neither the sale and supply of any Deliverable, nor its proper use by us for an intended purpose, will breach any property rights in or about that Deliverable, including intellectual property rights, of any other person.

**15.2** All warranties, conditions and other terms implied by statute or common law in our favour will apply to any Deliverables bought from you.

**15.3** It is your responsibility to find out from us the purposes that we intend the Deliverables to be put to (including any applicable deadline affecting us). You promise that they will be suitable for those intended purposes, save only for any unsuitability which you have, as soon as might reasonably have been expected of you (and in any case before starting Performance) expressly notified to us.

**15.4** You will indemnify us and keep us indemnified immediately upon our written demand against any cost, claim, expense or liability arising from any risk for which you are responsible under this contract.

**15.5** If you fail to comply with any obligation under the contract we will be entitled, at our discretion, to reject any Deliverable and you will not be entitled to receive payment for that Deliverable.

**15.6** If any contract goods do not comply with all contract requirements we can demand that you repair them or supply replacement goods within seven days or, at our sole discretion, we can reject the goods and demand the repayment of any sum already paid for them.

**15.7** We will not be liable to you for any delay or failure to perform any of our obligations under this contract if the delay or failure was due to a cause beyond our reasonable control.

**15.8** If any contract goods or rights were bought or obtained by you from a third party then any benefits or indemnities that you hold from that other party, in respect of those items, will be held on trust for us.

**15.9** You will insure yourselves, and keep insured until Performance is complete, against all normal insurance risks relevant to your work for or with us, on terms and for amounts consistent with normal business prudence. You shall name us as an additional insured under your insurance policy. You agree to waive any and all rights of subrogation against us. You will demonstrate to us the terms and currency of any such insurance on request.

## **16 Rights**

**16.1** Any rights which you are contracted to supply must be provided to us in accordance with sections 11.2 or 11.3 as applicable.

**16.2** This sub-section will apply to the following types of contract right: where the contract expressly identifies particular rights as covered by it; where the rights in question are evidently not unique to our Deliverable (for instance you evidently supply the same thing, in the relevant respect, to others); or if those rights evidently derive from a third party of whom the same would be true (for instance you supply software on what you have told us is a proprietary third party platform). In those cases we are not to expect full ownership of those rights. You will however validly licence those rights to us, or procure them to be validly licensed to us, on the following terms: assignable; royalty-free; covering usage for any likely intended purpose; and

free of any obligation on us save such as we expressly agree in the contract or as are the minimum reasonably necessary for the maintenance of the right in question.

**16.3** This sub-section will apply to all contract rights to which section 11.2 does not. In that case you will transfer to us, or procure to be transferred to us, with full title guarantee the ownership of those rights to the full extent (including as to territory) that we reasonably need them for our intended purposes, and to the full extent of any wider rights available to you. You will execute any documents and make any declarations reasonably required by us, now or in future, to transfer those rights, you will not exploit those rights save for us or with our written consent, and you will (to the extent not yet legally transferred) hold all such rights on trust for us absolutely for the maximum permitted period of eighty years. We have your irrevocable power of attorney to execute any such documents and make any such declarations on your behalf if you fail to do so promptly on request.

**16.4** If you carry out any development work at our request and wholly or primarily at our expense we will own all intellectual property rights generated by that work, and section 11.3 will apply to those rights. Further, Supplier agrees that, where it undertakes, whether alone or jointly with Buyer, any research, development and/or design activities relating to Deliverables using or derived from Confidential Information provided by Buyer, Buyer shall own all rights in any resulting intellectual property. Supplier agrees to promptly disclose to Buyer such intellectual property and hereby irrevocably transfers, conveys and assigns to Buyer all of its worldwide right, title, and interest in and to such intellectual property. Buyer shall have the exclusive right to apply for or register any patents, mask work rights, copyrights, and such other proprietary protections, with respect to such intellectual property, on a worldwide basis, and to require the incorporation of such intellectual property into the Deliverables at no additional charge.

**16.5** You will do anything reasonably required by us, during or after Performance, to perfect any transfer or licence of rights to us under this section or to assist us in registering or authenticating (but not at your cost enforcing or defending) those rights.

## **17 Termination**

**17.1** If goods have been offered by you as, or if they are, standard or stock items we can, by notice to you, at any time up to delivery cancel our commitment to buy them. Any other commitment of ours to receive and pay for Deliverables may be cancelled by us as follows. We will be bound to reimburse you for all irrecoverable costs incurred, or unavoidably committed, by you up to the point of cancellation. By "costs" is meant for this purpose the direct costs to you of Performance, to an aggregate amount not exceeding 80% of the purchase price for the cancelled commitment. We will be entitled, if we wish it, to the benefit of the part-finished Deliverables in question.

**17.2** We may suspend performance of, or cancel, or suspend and then at any subsequent time cancel, the contract without any liability to you if you breach its terms, or if your business fails.

**17.3** Your business will be treated for this purpose as having failed if:

**17.3.1** you make any voluntary arrangement with your creditors;

**17.3.2** (being an individual or firm) you become bankrupt;

**17.3.3** (being a company) you become subject to an administration order or go into liquidation;

**17.3.4** any third party takes possession of, or enforces rights over, any of your property or assets under any form of security ;

**17.3.5** you stop or threaten to stop carrying on business;

**17.3.6** you suffer any process equivalent to any of these, in any jurisdiction; or

**17.3.7** we reasonably believe that any of the events mentioned above is about to occur and we notify you accordingly.

**17.4** Any right of cancellation or suspension under this section is additional to any rights available to us under the law of any relevant jurisdiction.

## **18 Enforcement**

**18.1** You will keep strictly confidential all information which you learn about us or our customers, and use that information only for the performance, in good faith, of your contractual obligations to us. By way of illustration only, you may not use such information to help our competitors, poach our staff or disparage our reputation. This restriction will apply until the fifth anniversary of the contract date, and does not apply to information which was demonstrably public knowledge at the time of usage by you.

**18.2** Our relationship is as independent contractors only, not as partners or as principal and agent. The contract is non-assignable by you. It is assignable by us only to a group company that is a company in the same ultimate beneficial ownership. You may sub-contract or delegate Performance in particular respects but not generally and not as regards your responsibility to us, nor your direct contact with us, in any respect.

**18.3** You will procure that none of your associates behaves in a way which, had the behaviour been yours, would have breached the contract. We hold the contract on trust for ourselves and all associates of ours, and the contract is made for the benefit of all of them so that you will be liable for damage caused to our associates as well as ourselves. Our respective associates for this purpose are any parent company or ultimate controlling shareholder and any company owned by either.

**18.4** No waiver by us of any breach of contract by you will be considered as a waiver of any subsequent breach of the same or any other provision, or as a release of the provision which you breached. No delay by us in enforcement, and no toleration shown by us, is to imply any waiver or compromise of our rights.

**18.5** If any provision of these Terms is held by competent authority to be invalid or unenforceable in whole or in part the validity of the other Terms and of the remainder of the provision in question will not be affected. Every provision is severable from every other.

**18.6** Any written notice under these Terms will be deemed to have been sufficiently served if posted by pre-paid official postal service, or if sent by fax then on receipt of successful answerback, or if sent by e-mail (but in this case only on evidence of successful transmission and only if the parties have regularly communicated on contract matters by that e-mail route).

**18.7** The contract will be governed by the law of [England], and you submit to the exclusive jurisdiction of the English courts.

## **19 GENERAL INDEMNIFICATION**

**19.1** Supplier will fully defend, indemnify, hold harmless and reimburse Buyer, its officers, directors, shareholders, affiliates, subsidiaries, employees, agents, customers and assigns from and against all claims, suits, actions, proceedings, damages, losses and expenses, including legal fees, arising out of, related to, or resulting from: (a) any breach of any representation, warranty, certification, covenant or agreement made by Supplier in the Purchase Agreement; (b) any negligence or wilful misconduct of Supplier or its agents or subcontractors in connection with performance under the Purchase Agreement; (c) any litigation, proceeding or claim by any third party relating to the obligations of Supplier under the Purchase Agreement; (d) any violation of law by Supplier, its employees, agents, affiliates, contractors or subcontractors and (e) Supplier's use, control, ownership, or operation of its business and facilities, except to the extent caused by the negligence of Buyer. Supplier agrees to include this Indemnification provision in any subcontracts issued hereunder.

## **20 LIMITATION OF LIABILITY**

**20.1** Limitation of liability. Notwithstanding any other provision of this agreement to the contrary, and irrespective of any fault, negligence, or gross negligence of any kind, in no such event shall we or any of our directors, officers, employees or agents be liable to supplier for special, incidental, consequential, reliance, punitive or indirect damages.

## **21 Supplier Responsibility**

**21.1** It is your responsibility as a Supplier to uphold the company's standards throughout our value chain. Suppliers should be able to demonstrate compliance and certification with the Code at the request and satisfaction of Generac through ad-hoc assessments, audits, and policies. Suppliers shall cooperate with any such audit by Generac or its agents. Suppliers acknowledge that the company may at any time modify the existing principles and requirements of this Supplier Code of Conduct or add new principles or requirements.

**21.2** The company has a secure and anonymous communication channel to enable Suppliers to confidentially raise concerns on compliance matters. Any misconduct or potential misconduct should be reported in confidence to Generac through the options below:

Anonymously via [www.reportit.net](http://www.reportit.net) Username: Generac Password: gnrc

Anonymously via the Hotline at +1 (877) 778-5463 In writing: Generac Holdings, Inc. Attn:

Compliance Committee Chair S45W29290 Highway 59 Waukesha, WI 53187

Note:



*Generac does not tolerate retaliation of any kind against a person making a report or complaint of a violation of our Supplier Code or the reporting of any other unethical or illegal conduct.*

## **22 Supplier Code of Conduct & Sustainable Procurement Policy**

22.1 The company is Powering a Smarter World. A core foundation of accomplishing our mission is our relationship with our suppliers. The company's Supplier Code of Conduct & Sustainable Procurement Policy ("Code" or "Code of Conduct") provides a guideline for the company's Suppliers as defined under this Code.

22.2 In formulating our Supplier Code of Conduct, we considered international norms and fundamental principles for human rights as reflected in a wide range of recognized commitments, standards, and codes, including the Responsible Business Alliance Code of Conduct, the United Nations ("UN") Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, various International Labor Organization conventions, the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, ISO 26000 and 20400 standards on sustainable procurement and social responsibility.

22.3 By signing the company's Supply Agreement, which incorporates this Code, suppliers certify their compliance with this Code to help ensure that Generac's values are transmitted throughout our supply chain. For purposes of the Code, "Supplier" means any party that sells, or seeks to sell goods or services to Generac, including such Supplier's employees, agents, sub-contractors, and other representatives. Suppliers are fully responsible for ensuring compliance by any such employees, agents, subcontractors, or other representatives as if it were the Supplier itself. The Code expects that Suppliers' plants shall operate in full compliance with the laws of their respective countries and with all other applicable laws, regulations, rules, and in full compliance with this Code

## **23 Supplier Certification of Compliance**

23.1 By agreeing to perform work with or on behalf of the company or any of its subsidiaries, the Supplier acknowledges its acceptance of the Supplier Code of Conduct & Sustainable Procurement Policy and its intention to comply with its requirements.

Officer Signature: \_\_\_\_\_

Officer Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company Name: \_\_\_\_\_

Date: \_\_\_\_\_

Note: This Code contains general requirements applicable to all the company's suppliers. Particular supplier contracts may contain more specific provisions addressing some of these same issues. Nothing in this Code is meant to supersede any more specific provision in a particular contract, and to the extent there is any inconsistency between this Code and any other provision of a particular contract, the other provision will control.

