



# ALEXANDER DENNIS

## TERMS AND CONDITIONS FOR THE PURCHASE OF GOODS AND SERVICES

### 1. ABOUT THESE TERMS

<b>About Us</b>	Name	<b>Alexander Dennis Limited</b>
	Country	Scotland
	Registered Number	SC268016
	Address	9 Central Boulevard, Larbert, FK5 4RU

“ADL”, “us”, “we”, and “our” refers to Alexander Dennis Limited and our affiliates.

You will be referred to as “**Supplier**”, “**you**”, and “**your**” under these Terms.

Together, we will be “**the parties**” and individually a “**party**”.

#### Key Terms

<b>Terms</b>	means ADL’s terms and conditions of purchase set out in this document.
<b>Contract</b>	means the agreement between ADL and the Supplier for the sale and purchase of the Deliverables incorporating these Terms and each Order.
<b>Deliverables</b>	means the Goods or Services or both as the case may be.
<b>Delivery Dates</b>	means the date(s) set out in an Order (unless alternative dates are agreed by the parties after the Order was submitted).
<b>Delivery Location</b>	means the location(s) for delivery of the Goods and performance of the Services as set out an Order (unless an alternative location is agreed by the parties after the Order was submitted).
<b>Goods</b>	means the goods set out in an Order and to be supplied by the Supplier to ADL in accordance with the Contract.
<b>Order</b>	means a purchase order issued by ADL or our affiliates, for the Deliverables.
<b>Services</b>	means the services set out in an Order and to be supplied by the Supplier to ADL in accordance with the Contract;

These are defined terms which are used throughout these Terms and apply to the Contract. The other definitions and rules of interpretation set out in these Terms, including Clauses 30 and 31 apply to the Contract.

These Terms apply to and form part of the Contract between ADL and the Supplier. They supersede any previously issued terms and conditions of purchase or supply. Each Order to is subject to the Contract including these Terms. To the extent legally permitted, these Terms will apply to the exclusion of all other terms (including any terms that you propose to apply). Reference to other terms or conditions endorsed on, delivered with, or contained in a quotation, sales conditions, confirmation of order, specification, or other document, does not mean they are a part of the Contract.

We may make changes to these Terms at any time. However, the Terms which apply to the Contract will be those in force at the time we submitted our order to you. To view our most up to date Terms, visit <https://www.alexander-dennis.com/media/downloads/terms-conditions/>.

### 2. ORDERS

- 2.1. **Process.** ADL may issue Orders for Deliverables to the Supplier at any time. Orders may include a description and specification of the Deliverables required, Delivery Dates, and any specific terms and/or requirements which will apply.
- 2.2. **Lead Times.** The lead time(s) for the Deliverables will be as set out in the Order. The parties may agree to Delivery Dates which are within the lead time(s) and the Supplier will use all reasonable endeavours to meet such Delivery Dates. Any change to the lead time(s) will not affect Clause 2.3.



# ALEXANDER DENNIS

- 2.3. **Order.** Once issued, each Order shall constitute a binding obligation on the Supplier to supply the Deliverables in accordance with the terms of the Order and the Contract.
- 2.4. **Cancellation.** ADL may cancel, or reduce the quantity of, an Order by notice to the Supplier. If ADL cancels, or reduces the quantity of, an Order, we will only be liable to you for payment of irrecoverable and committed costs incurred by you before the cancellation or reduction, unless the cancellation or reduction is caused by your failure to comply with the Contract.
- 2.5. **Non-binding forecast.** We may provide weekly, monthly, or annual forecasts which shall be non-binding.
- 2.6. **Failure to meet forecasts.** If you anticipate that you will not be able to meet our forecasted requirements, you shall inform us as soon as possible. We may agree to an alternative delivery date or obtain Deliverables that you anticipate you will be unable to provide, from an alternative source.
- 2.7. **Order of precedence.** If there is a contradiction between an Order and the Terms the terms of the Order will take precedence.
- 2.8. **Stability of supply.** To ensure stability and continuity of the supply of Deliverables by the Supplier to ADL at all times, the parties agree that during any price negotiations or disputes between the parties, Orders may still be placed by ADL and the Supplier:
- 2.8.1. must continue to process, complete, fulfil, perform, and deliver all Orders placed by ADL in accordance with the Contract; and
- 2.8.2. will not:
- a) suspend production or manufacture of the Goods; or
  - b) withhold or suspend deliveries of the Goods; or
  - c) withhold or suspend performance of the Services;
- in relation to any Orders (whether they are placed before or during such negotiations or disputes).
- In the case of disputes, the terms of this Clause 2.8 apply until the dispute resolution procedure in Clause 29.12 has been exhausted.
- 2.9. **Change Control.** If either party wishes to change the scope or execution of an Order and/or the Deliverables, it must submit details of the requested change to the other ("**Change Request**").
- 2.9.1. **Safety requirements.** If the Supplier makes a Change Request to comply with safety or statutory requirements, and it does not materially affect the nature, scope, or Price, ADL will not unreasonably withhold or delay consent.
- 2.9.2. **Our Change Requests.** If ADL make a Change Request, the Supplier shall within 14 days provide a statement setting out:
- a) time required to implement the change;
  - b) impact on existing Prices;
  - c) impact on timescales for delivery; and
  - d) necessary changes to the Order.
- 2.9.3. **Deemed Acceptance.** If the Supplier does not provide a statement within the 14-day period in Clause 2.9.2, then the Change Request will be deemed to be accepted with effect from the end of the 14-day period, provided that no change to the Prices or the delivery timescales will apply without the explicit agreement of ADL.
- 2.9.4. **Change Request Disputes.** If a party cannot agree a Change Request, the parties will follow the dispute resolution procedure in Clause 29.12.
- 2.9.5. **Charges.** Neither party will charge for the time spent on a Change Request.



# ALEXANDER DENNIS

## 3. DELIVERY AND PERFORMANCE

### 3.1. Delivery

- 3.1.1. **Goods.** The Supplier shall deliver the Goods to the Delivery Location on the relevant Delivery Date. ADL shall have no obligation to accept the Goods before the Delivery Date (but may if we choose). Goods shall be delivered to the Delivery Location in accordance with DAP Incoterms ® 2020 unless stated otherwise on the Order.
- 3.1.2. **Services.** Services shall be performed at the Delivery Location on the relevant Delivery Date during ADL's normal business hours, unless otherwise agreed in writing.
- 3.1.3. Deliverables shall not be supplied in instalments unless otherwise agreed in writing by ADL.

### 3.2. **Delivery Note.** The Supplier shall ensure that all Deliverables are accompanied by an accurate delivery note that details:

#### 3.2.1. **For all Deliverables:**

- a) the date of the Order;
- b) Order number and contract number;
- c) ADL and Supplier details;
- d) any special instructions and other requirements; and
- e) any additional information requested by ADL as set out in the Order.

#### 3.2.2. **For Goods:**

- a) the weight of each item or part excluding packaging;
- b) the total weight of all the Goods plus the packaging;
- c) the total value of the Goods for customs, based on 100% of the Order value of the Goods;

#### 3.2.3. **For Services:**

- a) the category, type, and quantity of Services.

### 3.3. **Other documentation**

- 3.3.1. **DDR.** ADL will issue a Delivery Discrepancy Report ("DDR") for any deliveries with damaged Goods, incomplete deliveries, or when delivery does not comply with the Contract. The Supplier shall action the DDR within 5 Business Days.
- 3.3.2. **Delivery upload file.** If the Supplier uses a delivery upload file, the Supplier must ensure it is accurate and ensure a printed copy is sent with the Goods for signature on delivery. The Supplier shall send a copy of the delivery upload file to ADL at least 1 hour before delivery of the Goods. ADL is entitled to reject deliveries that are missing the delivery upload file and paperwork.
- 3.3.3. **ISIR & PPAP.** Where required, Goods will be delivered with an initial sample inspection report ("ISIR") or a production part process document ("PPAP"). If the ISIR or PPAP are missing, we have the right to refuse to accept the delivery.

### 3.4. **Manuals and supporting literature.** The Supplier shall provide ADL with the following in English before the date of delivery of the Deliverables:

- 3.4.1. operator or instruction manuals;
- 3.4.2. lists of recommended spare parts;
- 3.4.3. supporting literature relating to the Deliverables;
- 3.4.4. sufficient information on the use the Deliverables for their intended purpose; and
- 3.4.5. detailed information on the conditions and procedures required to ensure safe use and storage of the Goods, specifically a health and safety data sheet.

Each of the items listed above shall be sufficiently detailed and appropriately presented to allow safe installation of the Goods on a Vehicle and for ADL to write manuals for the operators.



# ALEXANDER DENNIS

- 3.5. **Perishable Goods.** If the Goods are perishable, have a fixed term life expectancy, or you are aware of anything that could affect the lifespan of the Goods, you shall inform us in writing of the necessary information. Once we receive this it will form part of the description of the Goods.
- 3.6. **Logistics**
- 3.6.1. **Import and Export.** All Goods must conform with any applicable export or import regulations and be accompanied by all licences, clearances, and other consents that are necessary under applicable laws and regulations for the Supplier to export the Goods to the Delivery Location in accordance with such laws and regulations (including, but not limited to: certificate of origin, export licence or certificate, and transport and customs documents).
- 3.6.2. **Handling Fees.** Where the Supplier uses a haulier for transport and delivery of the Goods, the Supplier shall be responsible for all associated costs including any fees connected with the handover of the Goods to the haulier for clearance.
- 3.6.3. **Separation of Goods.** Goods destined for the UK must be delivered on separate pallets to those destined for any other country and failure to do so shall entitle ADL to reject the delivery, or charge you a handling fee of £100 for each incorrect pallet. Any Goods shipped from the UK to any other country due to your error shall be replaced by you at your cost.
- 3.6.4. **IPPC Mark for China.** Goods delivered on wooden pallets or crates destined for China must be stamped with the International Plant Protection Convention mark ("**IPPC Mark**"). Any Goods that do not include the IPPC Mark will be refused entry into China, and the Supplier shall be liable for all additional costs that the Chinese custom authorities impose.
- 3.6.5. **Shortages.** Where the Delivery Location is outside of the UK, any shortages in delivery quantity will be identified on receipt of the Goods by ADL or ADL's customer at the Delivery Location and notified to the Supplier. Where the Supplier is notified of a delivery shortage, the remedies available to ADL as set out in Clause 7.6 shall be applicable (without prejudice to Clause 17) but in addition, the Supplier shall be liable for the costs of shipping the missing Goods to the Delivery Location.
- 3.6.6. **Packaging.** All Goods must be packaged for the mode of delivery at no additional cost to us. The Supplier shall be responsible for any damage caused by poor packaging. If we notify you of packaging requirements, then you must comply with these.
- 3.6.7. **Loose parts.** Loose parts must be kept with their related assembly or larger kit and under the relevant part number. The Supplier is liable for the payment or reimbursement of any importation tax applied to unidentifiable loose parts.
- 3.7. **Time to inspect.** ADL shall have a reasonable period (not less than 14 days) from receipt of the Deliverables at the Delivery Location to inspect the Deliverables.
- 3.8. **Accepting Delivery and/or Performance.** The Supplier acknowledges that by accepting delivery or performance of the Deliverables, ADL is not agreeing that the Deliverables are compliant with the Contract. In accepting delivery and/or performance ADL does not waive or relinquish any rights or remedies that it may have against the Supplier for failure to comply with the Contract, including its right to reject.
- 4. INSPECTION RIGHTS**
- 4.1. **Inspections and tests.** The Supplier shall, inspect and test the Deliverables during performance or during manufacture or processing before delivery, and ADL may have an authorised representative attend. Should any part of the Deliverables fail you shall advise us accordingly.
- 4.2. **Copies of inspections.** ADL shall be entitled to request you supply certified copies of any inspection reports and tests free of charge and you shall promptly respond to such request.



# ALEXANDER DENNIS

- 4.3. **Premises inspection.** ADL may inspect the Supplier's working practices by attending your premises or any permitted subcontractor's premises at reasonable times.
- 4.4. **Inspection failures.** If any part of the Deliverables fails an inspection or test, ADL have the right to charge the Supplier for our costs of travel and accommodation for subsequent re-inspection and re-testing (where we travel to your premises to attend the inspection or testing).
5. **TITLE AND RISK**
- 5.1. **Title and risk transfer.** Risk in the Goods will pass in line with the Incoterms specified in Clause 3.1.1. Title to the Goods will pass on delivery to ADL (or its representative).
6. **PRICE AND PAYMENTS**
- 6.1. **Price.** Deliverables must have an agreed price before despatched or performed. The price of the Deliverables will be:
- 6.1.1. the price stated on the Order;
  - 6.1.2. exclusive of UK VAT or other local goods and services tax;
  - 6.1.3. inclusive of standard packaging for delivery;
  - 6.1.4. fixed; and
  - 6.1.5. to be paid in Pounds Sterling (GBP, £).
- 6.2. **Invoices.** The Supplier may invoice ADL for the Deliverables after completion of delivery and/or performance. The Supplier shall invoice ADL no less than 30 days before the payment is due (and if you do not, the payment will be delayed by the corresponding number of days it is late). The Supplier shall ensure the invoice includes the date of the Order, Order reference, the invoice number, your VAT number (or equivalent), and your banking details. ADL may require you to confirm your banking details on headed paper as part of our supplier set-up process.
- 6.3. **Payments.** ADL will pay undisputed invoices no later than:
- 6.3.1. where Goods are delivered to ADL in the UK or directly to an export build site outside the UK, 90 days from the end of the month of receipt of the Goods;
  - 6.3.2. where Goods are supplied to ADL in the UK for consolidation into a container for shipping to an export build site outside the UK, 120 days from the end of the month of the receipt of the Goods by ADL in the UK;
  - 6.3.3. in respect of Services, 90 days from the end of the month of completion of the performance of the Services; and
  - 6.3.4. where Goods and Services are provided under the same Order, the later of the periods applicable under Clauses 6.3.1 to 6.3.3 above.
- 6.4. **Incorrect invoices.** If ADL reasonably believes that an invoice is incorrect, ADL shall be entitled to withhold payment of the disputed amount. ADL will notify the Supplier and the Supplier will re-submit the invoice for the undisputed amount. The dispute over the balance of the Supplier's claim for payment will be dealt with in accordance with the dispute resolution procedure in Clause 29.12.
- 6.5. **Interest.** If a party fails to make a payment due, interest will be payable at 2% per annum above the Bank of England base rate. Interest will accrue daily until the overdue amount is paid. Interest on disputed fees is only due from 7 days after the dispute is resolved.
- 6.6. **Records.** The Supplier shall maintain complete and accurate records on the time and materials used for the Deliverables, and you shall allow ADL to inspect these records upon reasonable request.



# ALEXANDER DENNIS

6.7. **Set off.** ADL may at any time set off any of the Supplier's liability to ADL against ADL's liability to the Supplier; and doing so does not affect the other rights or remedies available to us under the Contract. ADL may convert set off liability at a market rate of exchange should it be expressed in different currencies.

## 7. FAILURE TO DELIVER OR PERFORM

7.1. **Failure by Supplier.** If the Supplier fails to deliver or perform the Deliverables by the relevant Delivery Date and/or in accordance with the Contract, ADL may (without prejudice to Clause 17 and without liability to the Supplier):

- 7.1.1. charge or deduct Liquidated Damages in accordance with Clause 7.2 for the period from the Delivery Date to the date of actual delivery or performance, or the date of cancellation of the Order (if we cancel because of your failure to deliver or perform);
- 7.1.2. in the case of Goods, require the Supplier to repay to ADL all sums paid by ADL in relation to the Goods and/or require the Supplier to deliver the Goods or a replacement consignment of the Goods in accordance with the relevant Order at no extra cost and as soon as possible and in any event within the timescales specified by ADL;
- 7.1.3. in the case of Services, require the Supplier to repay to ADL all sums paid by ADL in relation to the Services and/or require the Supplier to perform or re-perform the Services at no extra cost and as soon as possible and in any event within the timescales specified by ADL;
- 7.1.4. in the case of Deliverables which do not conform with any quality requirements of the Contract, suspend any payment obligation in respect of those Deliverables;
- 7.1.5. request the Supplier to cease all future work on the relevant Order and/or any other Orders;
- 7.1.6. refuse to accept, or reject, Deliverables; and
- 7.1.7. terminate the relevant Order (or part of it), purchase alternative Deliverables and reclaim the cost of the alternative Deliverables from you which may include but not be limited to administration costs and extra delivery and labour costs.

ADL cannot exercise any of the remedies set out in this Clause 7.1 where a failure to deliver or perform on time is due to ADL's default or a Force Majeure Event. ADL may also exercise any other rights which it has under relevant laws.

7.2. **Recovering Liquidated Damages.** We may recover Liquidated Damages under Clause 7.1 by (a) issuing an invoice, which you shall pay within 30 days or (b) deducting the amount from any sums due by ADL to the Supplier. The parties recognise that it would be difficult to quantify the loss to ADL if you are late in supplying the Deliverables and the Liquidated Damages are intended to be fair estimate of the loss and are not a penalty. Alternatively, ADL may opt to pursue its general losses, expenses and costs incurred as a result of you supplying any Deliverables late.

7.3. **Our liability to you.** If we exercise our rights under Clause 7.1, we shall only be liable to pay you for satisfactory Deliverables delivered and/or performed up to the date we ask you to cease future work.

7.4. **Fail on fit.** If Goods fail on first-fitting, then they will be deemed to have been non-compliant on delivery unless the Supplier can demonstrate that it is due to ADL's or its agents' actions.

7.5. **Damaged Goods.** If the Supplier delivers Goods which are damaged, ADL shall notify the Supplier. ADL may reject the damaged Goods and (without prejudice to Clause 17) have the following remedies available to it:

- 7.5.1. at the Supplier's earliest opportunity, the Supplier shall collect the damaged Goods from ADL at the Supplier's expense. If the Supplier has not collected the damaged Goods within 30 days of ADL's notification under Clause 7.5, ADL shall have the right to store or destroy the damaged Goods at the Supplier's expense;
- 7.5.2. ADL may suspend any payment obligation in respect of the damaged Goods; and





# ALEXANDER DENNIS

7.5.3. ADL may require the Supplier to immediately repay to ADL all sums paid by ADL in relation to the damaged Goods, or require the Supplier to immediately replace the damaged Goods at the Supplier's expense (in which case such part of the Price attributable to the damaged Goods will only become payable by ADL following delivery and acceptance by ADL of the replacement Goods).

7.6. **Shortages.** Where there are shortages in delivery quantity in the Order (including, for the avoidance of doubt, where Goods are lost in transit) ADL shall notify the Supplier and ADL shall (without prejudice to Clause 17) have the following remedies available to it:

7.6.1. all sums payable by ADL in relation to the missing Goods shall cease to become payable;

7.6.2. the Supplier shall immediately after ADL's notification under Clause 7.6, repay to ADL all sums paid by ADL in relation to the missing Goods, and

7.6.3. the Supplier shall immediately deliver the missing Goods at the Supplier's expense (in which case such part of the Price attributable to the missing Goods will only become payable by ADL following delivery and acceptance by ADL of the missing Goods).

7.7. **Excess Goods.** Where there is an excess of Goods in relation to the Order, ADL may:

7.7.1. reject the excess Goods by notice to the Supplier and ADL shall have the following remedies available to it:

a) at the Supplier's earliest opportunity, the Supplier shall collect the excess Goods from ADL at the Supplier's expense. If the Supplier has not collected the excess Goods within 30 days of ADL's notification under Clause 7.7.1, ADL shall have the right to store or destroy the excess Goods at the Supplier's expense; and

b) no sum shall be due to the Supplier for the excess Goods and in the event that sums are paid to the Supplier for the excess Goods, the Supplier shall repay such sums to ADL immediately; or

7.7.2. accept the excess Goods by notice to the Supplier and the following provisions shall apply:

a) ADL reserves the right to charge an administration fee of up to £250 (exclusive of any VAT) ("**Administration Fee**") to reflect the increased administration time and costs incurred by ADL in processing the excess Goods into stock and production plans;

b) If ADL charges the Administration Fee, it will issue an invoice to the Supplier in respect of the Administration Fee;

c) Without prejudice to ADL's general right of set off in Clause 6.7 the Administration Fee shall be set off against the amount payable by ADL under any invoice from the Supplier which includes the excess Goods; and

d) subject to the other provisions of this Clause 7.7.2, the price of the excess Goods shall be payable by ADL in accordance with Clause 6.

## 8. SUPPLIER SIGN-OFF

8.1. **New Application.** If any Goods are to be installed, applied, or incorporated by ADL for the first time (a) in any Vehicle, or (b) in a different or new vehicle type, model, construction, or version ("**New Application**") then:

8.1.1. the Supplier must provide an installation and handling manual on or before the first delivery. Failure by the Supplier to deliver an installation and handling manual will entitle ADL to refuse to accept the Goods in accordance with Clause 7.1 of these Terms; and

8.1.2. the Supplier shall supervise the New Application in person or, if agreed by ADL, via a live video meeting and:

a) if satisfied with the New Application, the Supplier shall complete and sign ADL's standard Supplier Sign-Off Agreement and return the completed and signed document to ADL within 5 Business Days of the New Application being satisfactorily completed; or



# ALEXANDER DENNIS

- b) if not so satisfied, the Supplier shall raise its concerns with ADL immediately and provide support and do all things necessary to assist ADL with the New Application and supervise each subsequent installation, application, or incorporation until the Supplier is satisfied that it may sign a Supplier Sign-Off Agreement. The Supplier shall then return the completed and signed Supplier Sign-Off Agreement to ADL within 5 Business Days of the New Application being satisfactorily completed;
- 8.1.3. If the Supplier fails to sign-off on the New Application within the 5 Business Day period referred to at Clause 8.1.2 a) or 8.1.2 b), then the Supplier Sign-Off Agreement will be deemed to have been issued by the Supplier for the relevant New Application.

## 9. OUR OBLIGATIONS

### 9.1. **ADL's obligations.** ADL will:

- 9.1.1. co-operate with you on matters relating to the Deliverables;
- 9.1.2. provide accurate information as requested by you for carrying out the Deliverables; and
- 9.1.3. inform you of all health and safety rules and regulations that apply to our premises, where relevant.

- 9.2. **Delay by us.** If we delay in complying with our obligations under Clause 9.1 above, except for a Force Majeure Event or your default, we may (but are not obliged) to grant you an extension.

## 10. SUPPLIER OBLIGATIONS AND WARRANTIES

### 10.1. **Supplier representations and warranties.** The Supplier represents, warrants, and undertakes to us as a condition of each Order and the Contract that:

- 10.1.1. you and any permitted subcontractor has the relevant experience and expertise to design, manufacture, supply and perform the Deliverables, and are properly equipped, financed and capable of performing the Deliverables;
- 10.1.2. you have not entered an agreement that conflicts with the Contract;
- 10.1.3. you are registered with the competent tax and social security authorities and have paid the relevant contributions;
- 10.1.4. you shall always employ sufficient and suitably qualified and trained staff to provide the Deliverables;
- 10.1.5. you hold all licences, permissions, consents, and permits required to deliver and perform the Deliverables; and
- 10.1.6. you shall not infringe any third-party Intellectual Property Rights when delivering or performing the Deliverables.

### 10.2. **Your representations and warranties relating to the Deliverables.** The Supplier represents, warrants, and undertakes that they shall:

#### 10.2.1. **For all Deliverables:**

- a) conform with the Specification (including, without limitation, being capable of any specified standard of performance therein);
- b) be delivered and performed with due speed, care, skill, and diligence;
- c) be fit for the purpose for which they are reasonably required;
- d) use all commercially reasonable endeavours to meet Delivery Dates;
- e) comply with all applicable laws, consents, permissions, and industry standards for the Deliverables; and
- f) hold the necessary export and import licences to comply with government regulations.

#### 10.2.2. **For Goods:**

- a) be manufactured, assembled, and performed in accordance with best industry practice;
- b) be free from defects in material, design, or workmanship;





# ALEXANDER DENNIS

- c) be safe and fit for purpose;
  - d) be of satisfactory quality (within the meaning of the Sale of Goods Act 1979, as amended); and
  - e) be free of any third-party lien, claim, title, or interest.
- 10.3. **Sale of Goods Act 1979.** ADL's rights are in addition to the statutory conditions implied by the Sale of Goods Act 1979 and any other statute that is in our favour.
- 10.4. **Approvals.** You shall have obtained all relevant systems or approvals for the Deliverables before delivery and/or performance, and at no cost to us.
- 10.5. **Lifecycle Management.** Unless we agree in writing it is not required, you shall for at least the Vehicle Lifecycle:
- 10.5.1. retain all necessary tools for the Goods at no cost to us;
  - 10.5.2. provide support and spare parts for the Goods; and
  - 10.5.3. provide engineering data for the Goods that we may require, if relevant.
- 10.6. **Remedial action.** If you must remedy a defect, replace, or re-perform any of the Deliverables, or carry out any investigation, you shall keep us regularly informed in writing of the progress and cost.
- 10.7. **Description.** You acknowledge and agree that we are submitting each Order on the basis that your description of the Deliverables is accurate, complete, and not misleading.
- 10.8. **Monitoring of your performance.** We will monitor your delivery performance and your quality performance which may involve the use of scorecards. You shall achieve and maintain acceptable levels of delivery and quality performance. If we identify a persistently low level of delivery and/or quality performance, we will contact you and encourage you to improve your performance. Our Supplier Quality Assurance team may assist in developing your systems. If your performance does not improve, you will be de-selected as a supplier.
- 10.9. **Incident Response.** Where a safety related incident occurs in relation to the Deliverables ("**Incident**"), or any investigation or action is initiated either by ADL, or by any governmental, regulatory, or investigatory bodies and authorities ("**Investigation**"):
- 10.9.1. the Supplier shall (at its own cost and expense) promptly provide ADL with:
    - a) all information, cooperation, and assistance to allow such Investigations to take place unhindered and ensure interim containment actions are taken;
    - b) an 8D report showing the root cause analysis and details of corrective action; and
    - c) all other information, cooperation, and assistance ADL requires in the circumstances to:
      - (i) facilitate any inspections of affected Vehicles required by ADL;
      - (ii) ensure compliance with ADL's obligations under all applicable laws; and
      - (iii) co-operate with all governmental, regulatory, or investigatory bodies and authorities.
  - 10.9.2. The Supplier shall be responsible for any recall, or any campaign or other corrective action required, due to any Incident or Investigation, for which the Supplier is responsible.
  - 10.9.3. The Supplier shall indemnify and keep indemnified and hold ADL harmless in respect of all losses, damages, costs, and expenses incurred by ADL under this Clause.
- 10.10. **Language.** All documents including correspondence, reports, service information, invoices, manuals, claims forms, packaging notes must be in business English.



# ALEXANDER DENNIS

10.11. **Updates.** You shall provide, without delay, updated versions of all documentation provided to ADL where this relates to the safe use of the Goods either by us or our customers. You must also provide us, as soon as possible, with updated versions of all documentation provided where this relates to the maintenance, servicing, or use of the Goods by us or our customers.

## 11. RECORDS AND AUDIT

11.1. **Records.** You shall maintain accurate and complete books and records that relate to the performance of your obligations under the Contract including (but not limited to):

11.1.1. your supply chain;

11.1.2. information on risk assessments, product testing, and quality control; and

11.1.3. your compliance with all applicable laws, national and international standards, industry norms, and codes of practice

in each case relating to the Deliverables. ("**Records**").

11.2. **Audit.** You shall:

11.2.1. on reasonable notice, allow us and our third-party representatives to access, inspect, and take copies of your Records and meet with your personnel to audit your compliance with the Contract; and

11.2.2. respond to any requests by ADL and co-operate with ADL in connection with audit requirements in respect of the Contract.

## 12. CONFIDENTIALITY

12.1. **Definition. "Confidential Information"** means all information relating to a party, its business, products, know-how, trade secrets, Intellectual Property Rights, finances, and affairs, in any media or form, which is marked as confidential or would reasonably be considered confidential. This includes information relating to customers and suppliers, employees and officers, products and services, specification, know-how, and the Contract.

12.2. **Confidentiality period.** Each party agrees that it shall not disclose Confidential Information except as allowed in these Terms, for the duration of the Contract and for 3 years after termination or expiry.

12.3. **Permitted disclosure.** Each party may disclose Confidential Information:

12.3.1. to its employees, officers, auditors, affiliates, agents, advisors, consultants, or subcontractors ("**Representatives**") who need to know it for the purposes of the Order. The disclosing party is responsible for ensuring their representatives comply with the confidentiality obligations of this Clause as if they are party to it; and

12.3.2. as required by law, court of competent, governmental, or regulatory authority.

12.4. **Confidentiality obligations.** Only the confidentiality obligations included in these Terms apply to the parties.

12.5. **Exceptions.** Confidential Information does not include information that is:

12.5.1. in the public domain at the time of disclosure; or

12.5.2. required by law or court order to make disclosure.

12.6. **Termination.** Once the Deliverables have been delivered or performed, or the Contract is terminated, each party shall, at the other's request:

12.6.1. promptly return Confidential Information; or

12.6.2. destroy Confidential Information and copies of the same. Upon request, each party shall certify to the other in writing that this has been done.



# ALEXANDER DENNIS

## 13. INTELLECTUAL PROPERTY RIGHTS

13.1. In this Clause 13 and throughout these Terms:

- 13.1.1. **“Intellectual Property Rights”** or **“IPRs”** means patents, know-how, trade secrets, rights to inventions, copyright, trademarks, business and domain names, rights in get-up and trade dress, goodwill, and the right to sue for passing off, rights in designs and computer software, database rights, rights to use, protection of confidential information, and all other intellectual property rights, whether registered or unregistered and applications, renewals, and rights to claim priority from, such rights and protections, in whichever part of the world existing.
- 13.1.2. **“ADL’s IPRs”** means any Intellectual Property Rights of ADL including all our Background IPRs and Foreground IPRs;
- 13.1.3. **“Supplier’s IPRs”** means any Intellectual Property Rights of the Supplier including your Background IPRs and Foreground IPRs;
- 13.1.4. **“Background IPRs”** means any Intellectual Property Rights, which are not Foreground IPRs, owned or controlled by (or licensed to) the relevant party at the Start Date;
- 13.1.5. **“Foreground IPRs”** means any Intellectual Property Rights that are conceived, or developed or acquired by, or licensed to the relevant party during the Contract, excluding the Work Product IPRs;
- 13.1.6. **“Work Product”** means all tangible material, or its intangible equivalent, created or made, exclusively for ADL, in connection with or arising from the supply of the Deliverables under the Contract.
  - a) Work Product includes finished or unfinished: drafts, documents, writings, communications, plans, data, estimates, calculations, test results, specimens, schematics, drawings, tracings, studies, specifications, surveys, photographs, software programs, programs, reports, orders, maps, models, agreements, ideas, concepts, discoveries, inventions, patents, know-how, negative know-how, and improvements;
  - b) All Work Products shall use metric units and be written in the English language. Originals and copies of Work Products shall be of the highest quality, and readable;
- 13.1.7. **“Work Product IPRs”** means all Intellectual Property Rights in the Work Product, other than the Supplier’s IPRs.

### 13.2. **Ownership.**

- 13.2.1. Except as expressly set out in this Clause 13, no Intellectual Property Rights of either party are transferred or licensed as a result of the Contract.
- 13.2.2. The parties shall retain ownership of their Background IPRs and Foreground IPRs.

### 13.3. **Licence.**

- 13.3.1. You grant us a fully paid-up, worldwide, non-exclusive, royalty-free, perpetual, and irrevocable licence to use the Supplier’s IPRs for the purposes of and to the extent necessary to receive, install, use, sell, maintain, and repair the Deliverables and otherwise perform our obligations and exercise our rights under the Contract. We may sublicense this to our affiliates and customers.
- 13.3.2. ADL grant to the Supplier a limited, non-transferable, non-exclusive licence to use ADL’s IPRs solely and as necessary to allow you to perform your obligations under the Contract and supply the Deliverables.

### 13.4. **Assignment.**

- 13.4.1. You assign to us (by way of present and, where appropriate, future assignment) all rights, title, interest and guarantee to any Work Product IPRs upon their creation.
- 13.4.2. You shall obtain waivers of any moral rights in Work Products which an individual may be entitled to under the Copyright Designs and Patents Act 1988, or a similar provision in any jurisdiction.



# ALEXANDER DENNIS

- 13.4.3. Upon our request and at our expense, you will carry out all acts and execute all relevant documents as necessary to confirm our title to any Work Product IPRs. If you fail to do so, we have the right to perform these acts and take any proceedings in your name and on your behalf as your attorney.
- 13.4.4. You must notify us immediately if you are legally unable to assign to us any IPR in Work Products and agree to procure for us a perpetual, irrevocable, royalty-free, transferable, worldwide, non-exclusive licence to use, modify and develop non-assignable IPRs from you or a third party for any purpose.

13.5. **Use of trademarks.** You must follow our written instructions if your or our trademarks, trade names, service marks or symbols are to be used or affixed to any Goods.

## 14. ADL MATERIALS

14.1. **ADL Materials.** Any materials which ADL supply to you relating to the Deliverables, including jigs, tools, equipment, reports, documents, data, and specifications ("**ADL Materials**") shall remain ADL's property. You are only permitted to use ADL Materials for the purposes of supplying the Deliverables.

14.2. **Risk.** The risk of loss or damage to ADL Materials shall be borne by the Supplier while ADL Materials are in the Supplier's possession. The Supplier will indemnify ADL and keep ADL indemnified in respect of all of the costs of replacing or repairing any ADL Materials which become lost or damaged while they are at the Supplier's risk.

14.3. **Retention.** The Supplier will ensure that all ADL Materials will be properly and securely retained and identified as the property of ADL. The Supplier will not part with possession of any ADL Materials or make them available to any other person.

## 15. SOFTWARE AND CYBER SECURITY

15.1. **Licence to software.** On delivery you shall grant us and our affiliates a non-exclusive, irrevocable, royalty-free, perpetual, worldwide licence to use all software necessary for the use, monitoring, repair, and maintenance of the Goods.

15.2. **Bespoke software.** You shall assign to us all IPR relating to bespoke software or any software which was specially commissioned or developed for us. On our request you shall execute the necessary documentation to finalise the assignment without cost to us.

15.3. **Updates to software.** You shall provide us with all manuals, a copy of the software in machine-readable object code, all new releases, and updates of the software during the Contract, and any source code for bespoke software. Updates must not be applied without our prior written approval. You will provide reasonable cooperation while we carry out compatibility checks in relation to any software and any updates. Where Goods include software, they must be delivered with the relevant version number according to the Specification.

15.4. **Your warranty.** You warrant that all hardware and software shall be capable of its intended use and of maintenance and amendment by a reasonably qualified external software engineer at no cost to us, and with no recourse to any additional codes or materials.



**A L E X A N D E R  
D E N N I S**

15.5. **Cyber Security and Software Updates.** The parties agree that where the UN Regulations apply to the Goods the terms of this Clause 15.5 shall apply.

15.5.1. In this Clause 15.5:

- a) **"Approval Authority"** means for the UK, the Vehicle Certification Agency, and for countries outwith the UK who are party to the UN Regulations shall be the authority appointed by that country to carry out assessment, monitoring, and certification under the UN Regulations;
- b) **"Cybersecurity Development Interface Agreement (CDIA)"** means an agreement required under ISO/SAE 21434:2021 (en) Road vehicles — Cybersecurity engineering;
- c) **"Cyber Security Management System (CSMS)"** means a systematic risk-based approach defining organisational processes, responsibilities, and governance to treat risk associated with cyber threats to vehicles and protect them from cyberattacks;
- d) **"R155"** means UN Regulation No. 155 - Cyber security and cyber security management system;
- e) **"R156"** means UN Regulation No. 156 - Software update and software update management system;
- f) **"Software Update Management System (SUMS)"** means a systematic approach defining organizational processes and procedures to comply with the requirements for delivery of software updates according to this Regulation;
- g) **"UN Regulations"** means R155 and R156 together;
- h) References to "cyber security", "software", and "software update" shall have the same meaning in the UN Regulations as applicable; and
- i) References to Goods shall include all replacements of the Goods.

15.5.2. You shall always provide ADL with such information, co-operation and other assistance as ADL requires to ensure that the use of the Goods in Vehicles is at all times compliant with the UN Regulations and to allow ADL to (without limitation):

- a) Implement and manage a CSMS and SUMS;
- b) Implement appropriate cyber security measures to protect Vehicles against any risks identified by ADL and implement mitigation measures;
- c) Ensure Vehicles and their functions are protected from cyber threats to electrical or electronic components;
- d) Monitor for, detect, and respond to cyber-attacks, cyber threats and vulnerabilities and put in place processes to assess whether the cyber security measures implemented are still effective in the light of new cyber threats and vulnerabilities that have been identified;
- e) Implement arrangements and procedures to properly manage the software update processes required for the safe and continued operation of the Vehicle; and
- f) Maintain all records and submit all applications required under the UN Regulations and by the Approval Authority.

15.5.3. You shall (without prejudice to your other obligations under the Contract) promptly:

- a) Notify ADL where you become aware of actual or potential cyber-attacks, cyber threats or vulnerabilities which has or may affect the Goods supplied by you to ADL;
- b) Complete all questionnaires, checklists, risk assessments, and other documents required by ADL relating to this Clause;
- c) Respond to all requests by ADL for information or documentation relating to this Clause; Provide relevant production/installation/activation related cyber security information to ADL;
- d) Provide all information to ADL required to satisfy ADL's obligations under the UN Regulations, including (but not limited to) co-operating with and providing information to the Approval Authority as required;
- e) Comply with ADL's cyber security policies and procedures (including all audit and monitoring requirements and mitigation measures) notified to you from time to time; and
- f) Advise ADL of any updates to: any responses to requests, questionnaires, checklists,



# ALEXANDER DENNIS

risk assessments, or similar; or any other information or documentation; provided by you to ADL under this Clause.

- 15.5.4. You shall not at any time:
- a) Make any modifications to the Goods affecting cyber security or software updates without prior notification to ADL;
  - b) By any action, or inaction, compromise the cyber security of any Goods, the effectiveness or integrity of any software updates, or the ability for software updates to be deployed; and
  - c) Cause ADL to be in breach of the UN Regulations.
- 15.5.5. Without prejudice to your other obligations in the Contract, you confirm that all information provided to us under this Clause is accurate, complete, and not misleading.
- 15.5.6. Where reasonably required by ADL, the parties will enter into a Cybersecurity Development Interface Agreement.

## 16. INSURANCE

- 16.1. **Insurance.** During the Contract and for 6 years after expiry or termination, you shall maintain insurance with reputable companies for the below:
- 16.1.1. public liability insurance: £10 million per claim;
  - 16.1.2. professional indemnity insurance (if applicable): £1 million per claim and £5 million total in each year;
  - 16.1.3. product liability insurance: £20 million per claim;
  - 16.1.4. employer's liability insurance; and
  - 16.1.5. general business cover for at least the value of the Goods when the risk lies with you.
- If asked by ADL, the Supplier must provide copies of all insurance documentation.

## 17. INDEMNITY

- 17.1. **Supplier's indemnity.** The Supplier shall indemnify ADL against all liabilities, costs, expenses, damages, and losses awarded against, incurred, or paid by ADL in connection with:
- 17.1.1. defective workmanship, quality, or materials;
  - 17.1.2. your breach of an Order and/or the Contract;
  - 17.1.3. alleged or actual infringement of third party IPRs;
  - 17.1.4. third party claims for breach, negligent performance, failure, or delay in the performance by you, your employees, agents, or subcontractors; and
  - 17.1.5. fraud, dishonesty, misrepresentation, or wilful default by the Supplier.

## 18. LIMITATION OF LIABILITY

- 18.1. **Liabilities.** Nothing in the Contract will limit either party's liability for:
- 18.1.1. death or personal injury caused by negligence;
  - 18.1.2. fraud or fraudulent misrepresentation;
  - 18.1.3. liability that cannot be limited or excluded under law; or
  - 18.1.4. your liability for indemnities.
- 18.2. **Liability caps.** Subject to Clause 18.1:
- 18.2.1. neither party shall have liability to the other for indirect or consequential loss;
  - 18.2.2. your total liability to us will be limited per claim to a minimum of (i) £2,000,000 and (ii) five times our average annual spend with you; and
  - 18.2.3. our total liability to you shall be limited to the total Price for the relevant Order.





# ALEXANDER DENNIS

18.3. **Exclusions to your liability cap.** The agreed amounts or awards under Clause 17 shall be excluded from your liability cap.

## 19. TERMINATION

19.1. **Termination for convenience.** ADL may terminate any Order by giving you at least 3 months written notice.

19.2. **Consequences of Termination.** On termination or expiry of an Order:

19.2.1. ADL shall pay the Supplier all amounts due for Deliverables supplied prior to the date of termination or expiry except for any amounts you owe us;

19.2.2. the Supplier shall immediately destroy or, at our request, return all ADL information and materials in its control to ADL;

19.2.3. The Supplier shall immediately return to ADL any ADL Materials provided by ADL to the Supplier; and

19.2.4. The licence (if any) of any ADL's IPRs to the Supplier shall terminate immediately.

19.3. **Warranty.** The Supplier shall continue to comply with Clauses 25 (Aftermarket Warranty), 26 (Warranty Claims Process), 27 (Reliability and Campaigns), and 28 (Serviceability and Support), following termination of an Order until the expiry of the Warranty Period for all Vehicles.

19.4. **Survival.** On termination of the Contract, Clauses 12 (Confidentiality), 17 (Indemnity), 18 (Limitation of Liability), 29.12 (Dispute Resolution Procedure), and 29.15 (Governing Law and Jurisdiction) shall continue in force.

## 20. FORCE MAJEURE

20.1. Neither party (or any person acting on its behalf) shall have any liability or responsibility for failure to fulfil any obligation under an Order or the Contract so long as, and to the extent to which, the fulfilment of such obligation is prevented, frustrated, hindered, or delayed as a consequence of a Force Majeure Event.

20.2. A party claiming Force Majeure under this Clause shall, as soon as reasonably practicable after the occurrence of a Force Majeure Event:

20.2.1. notify the other party of the nature and extent of such Force Majeure Event; and

20.2.2. use all reasonable endeavours to remove any such causes and resume performance under all affected Orders and these Terms as soon as feasible.

20.3. For the purposes of this Clause, a "**Force Majeure Event**" means an event beyond the control of a party (or any person acting on its behalf), which by its nature could not have been foreseen by such party (or such person), or, if it could have been foreseen, was unavoidable, and includes acts of God, storms, epidemic, floods, riots, fires, sabotage, civil commotion or civil unrest, interference by civil or military authorities, acts of war (declared or undeclared) or armed hostilities, or other national or international calamity, or one or more acts of terrorism, or failure of energy sources.

## 21. MODERN SLAVERY AND HUMAN RIGHTS

21.1. In this Clause "**Relevant Laws**" means all child labour and human rights laws adopted by the International Labour Organisation, including the Minimum Age Convention, European Convention on Human Rights, and the Modern Slavery Act 2015.



## ALEXANDER DENNIS

- 21.2. The Supplier undertakes, warrants, and represents that:
- 21.2.1. neither the Supplier nor any of its officers, employees, agents, or subcontractors has:
- (a) committed an offence under any Relevant Laws ("**MSA Offence**"); or
  - (b) been notified that it is subject to an investigation relating to an alleged MSA Offence or prosecution under any Relevant Laws (including any equivalent investigation or prosecution in any other jurisdiction); or
  - (c) become aware of any circumstances within its supply chain that could give rise to an investigation relating to an alleged MSA Offence or prosecution under any Relevant Laws;
- 21.2.2. it shall comply with Relevant Laws; and
- 21.2.3. it shall notify ADL immediately in writing if it becomes aware or has reason to believe that it, or any of its officers, employees, agents, or subcontractors have breached or potentially breached any of the Supplier's obligations under Clauses 21.2.1 and 21.2.2. Any notice under this Clause 21.2.3 shall set out full details of the circumstances concerning the breach or potential breach of the Supplier's obligations.
- 21.3. Any breach of this Clause 21 by the Supplier shall be deemed a material irremediable breach of the Contract and shall entitle ADL to terminate the Contract with immediate effect.
- 21.4. If ADL agrees that the Supplier may subcontract its obligations, the Supplier shall ensure it has the ability to audit its sub-contractor to ensure compliance with Relevant Laws.
- 21.5. The Supplier shall during the term of the Contract and for the period of six years thereafter maintain such records relating to Deliverables supplied to ADL under the Contract as may be necessary to trace the supply chain of such Deliverables and to enable ADL to determine the Supplier's compliance with this Clause.
- 21.6. ADL (or a third party acting on its behalf) shall have the right from time to time at its own cost to conduct an audit of the Supplier's operations, facilities and working conditions and its quality, environmental, ethical and health and safety procedures and systems to ensure the Supplier has the appropriate facilities, procedures, systems and personnel appropriate to and as may be required for the Supplier to supply Deliverables in accordance with the Contract and Relevant Laws and for that purpose shall be entitled to have access to the Supplier's premises and to any premises of its sub-contractors or agents during normal working hours on giving reasonable notice to the Supplier.
- 21.7. Where ADL is unable to carry out an audit under Clause 21.6 it shall be entitled to require the Supplier to carry out an annual audit to monitor its compliance with the Contract and provide a complete copy of the audit report to ADL within 45 days of ADL's request.
- 21.8. The Supplier shall, at its own cost, perform appropriate remediation actions to address any issues or failures identified by an audit carried out under this Clause 21 within such timescales as are agreed with the Supplier. The nature of the remediation action to be taken is at the discretion of ADL but such action must address the relevant findings of the audit.
- 21.9. The Supplier shall prepare and deliver to ADL no later than 31 December each year, an annual slavery and human trafficking report setting out the steps it has taken to ensure slavery and human trafficking is not taking place in any of its supply chains or in any part of its business.
- 21.10. The Supplier shall conduct a programme of regular training for its officers, employees, agents, subcontractors, and other members of its supply chain to ensure compliance with Relevant Laws. The Supplier shall keep a record of all training offered and completed and shall make a copy of such records available to ADL on request.



# ALEXANDER DENNIS

## 22. ANTI-CORRUPTION

- 22.1. Both parties represent that they shall comply with all applicable anti-bribery laws and regulations, including the US Foreign Corrupt Practices Act and the UK Bribery Act 2010. The Supplier shall comply with NFI's Anti-Corruption Policy (available at <https://www.nfigroup.com/esg/documents-charters>) as updated from time to time.
- 22.2. Both parties warrant that they shall not give, offer, or make (either directly or through a third party) the payment of any financial or other advantage to any third parties, which would cause the other party to be in violation of any applicable anti-corruption laws, including the US Foreign Corrupt Practices Act and the UK Bribery Act 2010.
- 22.3. The Supplier shall notify ADL as soon as possible if it is investigated by, convicted by, or otherwise reaches an agreement with the relevant authority in connection with any corruption offence.
- 22.4. Each party shall disclose to the other party all payments it (and/or its Affiliates, representatives, agents, sub-contractors, suppliers, and employees) has made, is obligated to make, or intends to make to any agents, brokers, intermediaries or other third parties in connection with the awarding of or maintenance of the Order.
- 22.5. Breach of this Clause 22 shall be deemed an irremediable material breach and shall entitle either party to terminate an Order.

## 23. HEALTH AND SAFETY

- 23.1. **Health and Safety.** The Supplier shall:
- 23.1.1. ensure that all your personnel observe all applicable health and safety rules and other reasonable security requirements (and if you are in breach of any of your other obligations as a result of complying with the above obligation, you shall not be held liable for such breaches); and
- 23.1.2. notify ADL as soon as you become aware of a health and safety hazard in relation to the Deliverables.
- 23.2. **Your compliance.** You undertake and warrant that you shall carry out all action required to eliminate health and safety risks relating to the Deliverables, and you shall inform us in writing of any information that affects health and safety once an Order is issued by us or after the Deliverables are supplied. We have the right to request proof that you are complying with this obligation.

- 23.3. **Access to premises.** We will only grant access to our premises when it is necessary for the supply of the Deliverables, and we may refuse your personnel access to our premises.

## 24. CODE OF CONDUCT

- 24.1. The Supplier shall comply with NFI Group Supplier Code of Conduct (as may be updated from time to time) in supplying the Deliverables. The Supplier Code of Conduct may be found at <https://www.nfigroup.com/esg/documents-charters>.

## 25. AFTERMARKET WARRANTY

- 25.1. **Warranty of Goods.** The Supplier warrants that the Goods shall be free from any defects in design (if applicable), workmanship and materials for the Warranty Period ("the **Warranty**"). The Warranty covers parts and labour.



# ALEXANDER DENNIS

- 25.2. **Warranty Period.** “Warranty Period” means:
- 25.2.1. Original Equipment Goods: 36 months from when the relevant Vehicle (into which the Goods have been incorporated) goes into service; and
  - 25.2.2. Aftermarket Goods: 12 months from the earlier of (a) the date of delivery of the Goods by ADL to ADL’s customer, and (b) 6 months after the date of delivery of the Goods by the Supplier to ADL,
  - 25.2.3. any different warranty period stated on the Order.
- 25.3. **Warranty Repair.** In the event of a Warranty defect the Supplier shall within 24 hours of ADL reporting the defect, either remedy the defective Goods or provide a satisfactory replacement at its own cost. If the Supplier is unable to remedy the defect, or fails to repair it within the 24-hour period then ADL may carry out or instruct the work ourselves. The Supplier must provide all parts required by ADL in order or complete the Warranty repair and ADL will charge the Supplier for:
- 25.3.1. any work reasonably carried out, at ADL’s then current hourly rate;
  - 25.3.2. the cost of any spare parts purchased, freight, or dismantling and reassembly costs;
  - 25.3.3. travel costs; and
  - 25.3.4. an administration cost.
- 25.4. **Availability of Parts.** The Supplier:
- 25.4.1. must deliver all parts required for Warranty repairs to ADL’s service network to ensure 97% of all failures can be repaired in 24 hours from notification to the Supplier; and/or
  - 25.4.2. shall provide ADL with the parts required to carry out Warranty repairs. ADL shall determine a minimum stock holding based on field population, and this imprest stock will be held at our facilities or customers’ premises. The geographical locations for imprest stock will be agreed between us. The Supplier is responsible for supplying all parts in sufficient time to ensure that the agreed minimum stock holding is held by ADL at all times.
- 25.5. **Charges for diagnostic support.** If ADL carries out service diagnostic support, ADL shall have the option to charge the Supplier at ADL’s then current hourly rate and travel expenses.
- 25.6. **Qualified technicians.** Only ADL technicians who have completed appropriate training are permitted to carry out Warranty repairs.
- 25.7. **Repair time.** Repair times should take no more than 8 hours to complete, to ensure that Vehicles are returned to service prior to the next day’s run out.
- 25.8. **Recovery Cost.** The Supplier will reimburse ADL for any Vehicle recovery cost which ADL incurs, or which ADL is required to pay to its customers as a result of a Warranty defect in the Goods.
26. **WARRANTY CLAIMS PROCESS**
- 26.1. **Warranty claims.** ADL will have 6 months from the date of failure of the Good(s) to submit a claim under the Warranty (“Warranty Claim”).
- 26.2. **Warranty Claim document.** The Supplier will adjudicate any Warranty Claims within 30 days from receipt of ADL’s warranty claim document. The Supplier will accept ADL’s standard documentation for submission of Warranty Claims.
- 26.3. **Returning defective Goods.** The Supplier will accept photographic evidence from ADL to substantiate any Warranty Claim. If the Supplier requests that defective Goods are returned to them for inspection and ADL agrees to return any defective Goods, then the Supplier will be responsible for



# ALEXANDER DENNIS

the cost of carriage, packaging, handling, custom charges and duties, and freight for returned defective Goods. The Supplier shall make payment within 30 days from ADL's invoice being received.

- 26.4. **Claim Reimbursement.** The Supplier shall make payment within 30 days from ADL's invoice being received. The Supplier will reimburse the cost of the Warranty Claim by (credit/bank transfer) only.

## 27. RELIABILITY AND CAMPAIGNS

- 27.1. **Assessment.** In the event of a suspected defect in the Goods affecting Vehicles, the Supplier shall provide an initial failure assessment within 1 week of a request by ADL.

- 27.2. **Containment.** For any defect with two or more instances the Supplier shall, within 2 weeks of ADL reporting the second incident, provide to ADL:

- 27.2.1. an 8D report showing the root cause analysis and details of the field and production fix; and
- 27.2.2. a detailed action plan (to be approved by ADL) including reasonable timescales to containment and to a full solution available for both production and campaigning in service vehicles.

- 27.3. **Campaign.** If the failure rate of Goods in a Fleet exceeds 10% during the Warranty Period, the Supplier shall campaign the field population with upgraded components at the Supplier's cost. ADL will identify the process for implementing this to minimise the impact on the operator.

- 27.4. **Fleet. "Fleet"** means all vehicles which include any Goods affected or which may be affected by the defect(s) in question.

## 28. SERVICEABILITY, SUPPORT AND TRAINING

- 28.1. **Service maintenance schedule.** The Supplier shall provide a service maintenance schedule detailing the expected service requirements and operations in line with usual bus operating service intervals (monthly, quarterly, bi-annually, and annually).

### 28.2. Service documentation.

- 28.2.1. The Supplier shall provide:

- (a) comprehensive operations guide;
  - (b) comprehensive parts literature; and
  - (c) comprehensive service and maintenance literature.
- (the "**Service Documentation**")

- 28.2.2. The Supplier shall notify ADL of any update(s) to the Service Documentation as soon as reasonably practicable after the update(s) takes effect.

### 28.3. Service details required.

In the Service Documentation, the Supplier shall detail:

- 28.3.1. expected times for completion and execution of diagnostics and repairs, and/or repair and replacement of parts (including installation and removal times), that are to be agreed by both parties;
- 28.3.2. parts and materials required for servicing and maintenance;
- 28.3.3. recommended procedures for repair, removal, replacement, and refit of components;
- 28.3.4. recommended procedures for all service requirements;
- 28.3.5. any health and safety requirements needed to work safely with the Goods;
- 28.3.6. diagnostic equipment (software and hardware) and tooling required for each service, as well as costs and the source of all specialist tooling for maintenance, service, repair, removal, and refit of components; and
- 28.3.7. a detailed list of service replacement parts, including fitting times, service part costs, and the



# ALEXANDER DENNIS

expected reliability and durability. There should be sufficient detail to enable ADL to calculate the total cost of ownership for the Vehicle Lifecycle.

- 28.4. **Technical support.** The Supplier shall provide:
- 28.4.1. technical support to assist ADL during ADL's normal business hours within 12 hours from reporting by ADL;
  - 28.4.2. a second line service support in the form of a dedicated helpline and email address to provide analysis of fault files, field reports or photos of failed parts. You shall respond within 12 hours from reporting by ADL; and
  - 28.4.3. access, free of charge and at all times, to all websites and other online, cloud based, server based, or remote systems required for use by ADL under this Clause 28.4.
- 28.5. **Diagnostics.** If applicable, diagnostics shall be capable of identifying a failed component in no more than 1 hour with 99% accuracy.
- 28.6. **Training**
- 28.6.1. **Free of Charge Installation Training and Build Support.** The Supplier will shall provide ADL with free of charge training and support during installation, commissioning, and homologation of the Goods in Vehicles sufficient to ensure ADL technicians are able to carry out such installation, commissioning, and homologation to the standards required by ADL. This training and support will be provided in person, at ADL's site, unless ADL agrees that it can be done remotely. This training and support will be repeated, free of charge, each time ADL incorporates a new product from the Supplier into a Vehicle or into a different Vehicle model.
  - 28.6.2. **Free of Charge Aftermarket Training.** Supplier will provide ADL with free of charge training sufficient to ensure trained technicians are deemed qualified by both the Supplier and by ADL as follows:
    - (a) in relation to new product introductions;
    - (b) in relation to upkeep of knowledge over time
    - (c) for ADL's new hires coming into the organization who work directly with the Goods supplied by the Supplier.
    - (d) to ADL's UK service network to enable us to provide first line service support
    - (e) for ADL's training team and technicians for the purpose of vehicle production, warranty repairs, and customer support where needed.Both parties should seek to minimize expenses related to training and unless otherwise agreed these are the responsibility of the supplier.
  - 28.6.3. **Free of Charge Diagnostic Equipment.** Supplier will provide ADL with all service tooling and diagnostic equipment (software and hardware) free of charge required for production/commissioning, repairs, and servicing of products supplied. A sufficient amount of equipment should be provided to ensure ADL is able to install the Goods into Vehicles and provide aftermarket support to all Vehicles in all locations. ADL is responsible for the equipment provided by the Supplier and will reimburse any loss and damage to the equipment on a cost basis.
- 28.7. **Point of contact.** The Supplier will liaise with ADL's Aftermarket team in all matters relating to this Clause 28.

## 29. GENERAL

- 29.1. **Assignment.** Neither party may assign their rights or obligations under these Terms or any Order without the prior written consent of the other party. Consent will not be unreasonably withheld or delayed.





# ALEXANDER DENNIS

- 29.2. **Variation.** Any variation to the Contract must be agreed in writing by both parties.
- 29.3. **Your compliance.** You shall comply with all applicable laws.
- 29.4. **Waiver.** No delay or failure by either party to exercise any right or remedy under these Terms shall mean the party has waived the right.
- 29.5. **Rights and remedies.** Termination or expiry of an Order shall not affect the parties' rights, remedies, obligations, or liabilities that have accrued up to that date. The rights and remedies in these Terms are in addition to any rights or remedies provided by law.
- 29.6. **Severance.** If any part of these Terms is held to be illegal, invalid, or unenforceable, the rest of these Terms shall remain enforceable and valid.
- 29.7. **Business Recovery Plan.** If requested by us, you shall give us your current business continuity plan 14 days after we request a copy. This will include details of your business continuity, recovery plan, and timescales for restarting business. You shall ensure we always have the most up to date version and shall implement any recommendations or amendments that we make.
- 29.8. **Entire Agreement.** The Contract is the entire agreement between us, and it supersedes any previous agreements or negotiations. The parties agree that they shall have no remedy for representations or warranties that are not in the Contract, and they have no claim negligent misrepresentation of any statement in the Contract.
- 29.9. **Relationship between the parties.** The Contract does not constitute, establish, or imply any partnership, joint venture, agency, or employment relationship between the parties.
- 29.10. **Third party rights.** No parties outside of the Contract shall have any right to enforce obligations.
- 29.11. **Notices.**
- 29.11.1. **Notices to us.** All required communications and notices from you to us shall be in writing via email, which in the case of notices to us shall be sent to [notices@alexander-dennis.com](mailto:notices@alexander-dennis.com). Notices will be deemed as received at the time of transmission if sent by 4pm GMT on a business day; otherwise on the next business day.
- 29.11.2. **Notices to you.** All required communications and notices from us to you shall be in writing via email (if provided by you), or the address of your registered office or place of business. If notices are sent by email, they will be deemed as received at the time of transmission if sent by 4pm GMT on a business day, otherwise on the next business day. If notices are posted, they shall be deemed as received on the second business day after posting.
- 29.12. **Dispute resolution procedure.** Should a dispute on the performance, validity, or enforceability of these Terms arise ("**Dispute**"), the parties shall:
- 29.12.1. give notice of the Dispute setting out full details and the relevant documents ("**Dispute Notice**") and on receipt of this, the senior managers of both parties shall act in good faith to resolve the Dispute;
- 29.12.2. if the Dispute cannot be resolved by the senior managers within 60 days of the Dispute Notice, then the Dispute will be referred to the parties' directors who shall act in good faith to resolve it;
- 29.12.3. if the Dispute cannot be resolved by the directors within 15 days, the parties shall attempt to settle it by the CEDR Model Mediation Procedure. To start this process, a party must service notice on the other party requesting mediation ("**ADR Notice**") and the mediation will begin 10 days from this notice;



# ALEXANDER DENNIS

- 29.12.4. the parties may begin court proceedings 45 days after the ADR Notice; and
- 29.12.5. if the Dispute is not resolved within 90 days from the ADR Notice, either party fails to participate in the mediation, or the mediation terminates before the 90 days; then the Dispute shall be resolved by the courts of the Jurisdiction.

- 29.13. **Non-solicitation.** During each Order and for 12 months afterwards, neither party will directly nor indirectly solicit an employee of the other party, unless the employee has applied to a general job advert.
- 29.14. **Publicity.** Neither party shall make an announcement in connection with the Contract without the prior consent of the other party. The Supplier must not use ADL's company name, logo, or other Intellectual Property Rights in any advertising, marketing, or promotional materials, without the prior and explicit written consent of ADL.
- 29.15. **Governing Law and Jurisdiction.** The Contract shall be governed by, and construed in accordance with, the laws of England and Wales. The parties irrevocably agree that the courts of England and Wales will have exclusive jurisdiction to settle any dispute or claim arising out of, or in connection with, the Contract, their subject matter or formation (including non-contractual disputes or claims).

## 30. RULES OF INTERPRETATION

- 30.1. **Headings.** Clause headings shall not affect the interpretation of these Terms.
- 30.2. **Entities.** A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality). A reference to a company shall include any company, corporation, or other body corporate, wherever and however incorporated or established.
- 30.3. **Singular/Plural.** Unless the context otherwise requires, words in the singular shall include the plural and, in the plural, shall include the singular.
- 30.4. **Successors.** This Contract shall be binding on, and inure to the benefit of, the parties to these Terms and their respective personal representatives, successors and permitted assigns, and references to any party shall include that party's personal representatives, successors and permitted assigns.
- 30.5. **Statutes.** A reference to a statute or statutory provision is a reference to it as amended, extended, or re-enacted from time to time. A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 30.6. **Writing.** A reference to writing or written includes email, but excludes fax.
- 30.7. **Obligation.** Any obligation on a party not to do something includes an obligation not to allow that thing to be done.
- 30.8. **Illustrative terms.** Any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 30.9. **References.** A reference to the Contract includes these Terms and any Order.



# ALEXANDER DENNIS

## 31. DEFINITIONS

- 31.1. **Business Day.** A “Business Day” means a day excluding Saturdays and Sundays and any day which is a public holiday in Scotland.
- 31.2. **Liquidated Damages.** 0.3% of the relevant Order value per day of delay up to a maximum of 10% of the relevant Order value.
- 31.3. **Specification.** The Supplier’s standard specification for the relevant part number unless otherwise stated.
- 31.4. **Vehicles.** Any vehicle into which the Goods are incorporated.
- 31.5. **Vehicle Lifecycle.** The following periods, commencing on the date of registration of the relevant Vehicle: 15 years for UK and Europe; 18 years for Asia-Pacific.