

Terms and Conditions for the Purchase of Goods and Services

1. About these Terms

1.1. Parties

About Us **Alexander Dennis Limited**
Country Scotland
Registered Number SC268016
Address 9 Central Boulevard, Larbert, FK5 4RU
In these Terms, “AD”, “us”, “we”, and “our” refers to Alexander Dennis Limited and our affiliates.

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

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

1.2. Key Terms

Terms	AD's terms and conditions of purchase set out in this document.
Contract	The agreement between AD and the Supplier for the sale and purchase of the Goods and/or Services, constituted by an Order(s) and incorporating these Terms and the relevant Order(s).
Delivery Dates	The date(s) set out in an Order (unless alternative dates are agreed by the parties after the Order was submitted).
Delivery Location	The location(s) for delivery of the Goods and performance of the Services as set out in an Order (unless an alternative location is agreed by the parties after the Order was submitted).
Goods	The goods to be supplied by the Supplier to AD in accordance with each Order and these Terms.
Order	A purchase order issued by AD or our affiliates, for Goods and/or Services.
Services	Any services performed by the Supplier to support the supply of the Goods which may include technical support, repairs, warranty coverage and spare parts.

1.3. The Key Terms above and the other definitions and rules of interpretation set out in these Terms, including Clauses 29 and 30 apply to these Terms and each Contract.

1.4. These Terms apply to each Order and form part of each Contract between AD and the Supplier. They supersede any previously issued terms and conditions of purchase or supply. 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 a Contract.

1.5. We may make changes to these Terms at any time. However, the Terms which apply to a 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/terms-conditions/>.

2. Orders

2.1. **Process.** AD may issue Orders for Goods and/or Services to the Supplier at any time. Orders may include a description and Specification of the Goods and/or Services required, Delivery Dates, and any specific terms and/or requirements of AD, or otherwise agreed between the parties, which will apply to that Order.

2.2. **Lead Times.** The lead time(s) for the Goods and/or Services 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.

2.3. **Order.** Once issued, each Order shall constitute a binding obligation on the Supplier to supply the Goods and/or Services in accordance with these Terms, the terms of the Order, and the terms of the Contract thereby formed.

2.4. **Cancellation.** AD may cancel, or reduce the quantity of, an Order by notice to the Supplier. If AD 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 relevant 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 Goods and/or Services 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 these Terms the terms of the Order will take precedence.

2.8. **Stability of supply.** To ensure stability and continuity of the supply of Goods and/or Services by the Supplier to AD at all times, the parties agree that during any price negotiations or disputes between the parties, Orders may still be placed by AD and the Supplier:

2.8.1. must continue to process, complete, fulfil, perform, and deliver all Orders placed by AD in accordance with each 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 28.12 has been exhausted.

2.9. **Change Control.** If either party wishes to change the scope or execution of an Order and/or the Goods and/or Services, 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, AD will not unreasonably withhold or delay consent.

2.9.2. **Our Change Requests.** If AD 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 AD.

2.9.4. **Change Request Disputes.** If a party cannot agree a Change Request, the parties will follow the dispute resolution procedure in Clause 28.12.

2.9.5. **Charges.** Neither party will charge for the time spent on a Change Request.

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. AD 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 AD's normal business hours, unless otherwise agreed in writing.
- 3.1.3. Goods and/or Services shall not be supplied in instalments unless otherwise agreed in writing by AD.

3.2. Delivery Note. The Supplier shall ensure that all Goods and/or Services are accompanied by an accurate delivery note that details:

3.2.1. For both Goods and Services:

- the date of the Order;
- Order number (and contract number if applicable);
- AD and Supplier details;
- any special instructions and other requirements;
- the category, type, and quantity (as applicable); and
- any additional information requested by AD as set out in the Order.

3.2.2. For Goods:

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

3.3. Other documentation

- 3.3.1. **DDR.** AD 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 AD at least 1 hour before delivery of the Goods. AD 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 AD with the following in English before the date of delivery of the Goods and/or Services:

- operator or instruction manuals;
- lists of recommended spare parts;
- supporting literature relating to the Goods and/or Services;
- sufficient information on the use the Goods and/or Services for their intended purpose; and
- 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 AD to write manuals for the operators.

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 AD 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 AD or AD's customer at the Delivery Location and notified to the Supplier. Where the Supplier is notified of a delivery shortage, the remedies available to AD as set out in Clause 7.6 shall be applicable (without prejudice to any rights and remedies we may have under these Terms, any Order, and/or any Contract, and in law, and without liability to the Supplier) 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 Goods.** AD shall have a reasonable period (not less than 14 days) from receipt of the Goods at the Delivery Location to inspect the Goods.

3.8. **Acceptance.** The Supplier acknowledges that by accepting delivery or performance of the Goods and/or Services, AD is not agreeing that the Goods and/or Services are compliant with the Contract. In accepting delivery and/or performance AD 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.

3.9. **Language.** All documents including correspondence, reports, service information, invoices, manuals, claims forms, packaging notes must be in business English.

3.10. **Updates.** You shall provide, without delay, updated versions of all documentation provided to AD 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.

4. Inspection rights

4.1. **Inspections and tests.** The Supplier shall, inspect and test the Goods and/or Services during performance or during manufacture or processing before delivery, and AD may have

- an authorised representative attend. Should any part of the Goods and/or Services fail you shall advise us accordingly.
- 4.2. **Copies of inspections.** AD 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.
- 4.3. **Premises inspection.** AD 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 Goods and/or Services fails an inspection or test, AD 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. Title to the Goods will pass on delivery to AD (or its representative).
- 6. Price and payments**
- 6.1. **Price.** Goods and/or Services must have an agreed price before despatched or performed. The price of the Goods and/or Services 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. paid in Pounds Sterling (GBP, £).
- 6.2. **Invoices.** The Supplier may invoice AD for the Goods and/or Services after completion of delivery and/or performance. The Supplier shall invoice AD 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. AD may require you to confirm your banking details on headed paper as part of our supplier set-up process.
- 6.3. **Payments.** AD will pay undisputed invoices no later than:
- 6.3.1. where Goods are delivered to AD 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 AD 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 AD 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 AD reasonably believes that an invoice is incorrect, AD shall be entitled to withhold payment of the disputed amount. AD 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 28.12.
- 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 Goods and/or Services, and you shall allow AD to inspect these records upon reasonable request.
- 6.7. **Set off.** AD may at any time set off any of the Supplier's liability to AD against AD's liability to the Supplier; and doing so does not affect the other rights or remedies available to us under any Contract. AD 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 Goods and/or Services by the relevant Delivery Date and/or in accordance with the Contract, AD may (without prejudice to any rights and remedies we may have under these Terms, any Order, and/or any Contract, and in law, 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 AD all sums paid by AD 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 AD;
- 7.1.3. in the case of Services, require the Supplier to repay to AD all sums paid by AD 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 AD;
- 7.1.4. in the case of Goods and/or Services which do not conform with any quality requirements of the Contract, suspend any payment obligation in respect of those Goods and/or Services;
- 7.1.5. request the Supplier to cease all future work on the relevant Order and/or any other Orders;
- 7.1.6. reject, or refuse to accept, the Goods and/or Services; and
- 7.1.7. terminate the relevant Order (or part of it) and/or the Contract, purchase alternative Goods and/or Services and reclaim the cost of the alternative Goods and/or Services from you which may include but not be limited to administration costs and extra delivery and labour costs.
- AD 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 AD's default or a Force Majeure Event. AD 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 AD to the Supplier. The parties recognise that it would be difficult to quantify the loss to AD if you are late in supplying the Goods and/or Services and the Liquidated Damages are intended to be fair estimate of the loss and are not a penalty. Alternatively, AD may opt to pursue its general losses, expenses and costs incurred as a result of you supplying any Goods and/or Services 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 Goods and/or Services 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 AD's or its agents' actions.
- 7.5. **Damaged Goods.** If the Supplier delivers Goods which are damaged, AD shall notify the Supplier. AD may reject the damaged Goods and (without prejudice to any rights and remedies we may have under these Terms, any Order, and/or any Contract, and in law, and without liability to the Supplier) have the following remedies available to it:
- 7.5.1. at the Supplier's earliest opportunity, the Supplier shall collect the damaged Goods from AD at the Supplier's expense. If the Supplier has not collected the damaged Goods within 30 days of AD's

- notification under Clause 7.5, AD shall have the right to store or destroy the damaged Goods at the Supplier's expense;
- 7.5.2. AD may suspend any payment obligation in respect of the damaged Goods; and
- 7.5.3. AD may require the Supplier to immediately repay to AD all sums paid by AD 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 AD following delivery and acceptance by AD 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) AD shall notify the Supplier and AD shall (without prejudice to any rights and remedies we may have under these Terms, any Order, and/or any Contract, and in law, and without liability to the Supplier) have the following remedies available to it:
- 7.6.1. all sums payable by AD in relation to the missing Goods shall cease to become payable;
- 7.6.2. the Supplier shall immediately after AD's notification under Clause 7.6, repay to AD all sums paid by AD 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 AD following delivery and acceptance by AD of the missing Goods).
- 7.7. **Excess Goods.** Where there is an excess of Goods in relation to the Order, AD may (without prejudice to any rights and remedies we may have under these Terms, any Order, and/or any Contract, and in law, and without liability to the Supplier):
- 7.7.1. reject the excess Goods by notice to the Supplier and AD shall have the following remedies available to it:
- a) at the Supplier's earliest opportunity, the Supplier shall collect the excess Goods from AD at the Supplier's expense. If the Supplier has not collected the excess Goods within 30 days of AD's notification under Clause 7.7.1, AD 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 AD immediately; or
- 7.7.2. accept the excess Goods by notice to the Supplier and the following provisions shall apply:
- a) AD 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 AD in processing the excess Goods into stock and production plans;
- b) If AD charges the Administration Fee, it will issue an invoice to the Supplier in respect of the Administration Fee;
- c) Without prejudice to AD's general right of set off in Clause 6.7 the Administration Fee shall be set off against the amount payable by AD 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 AD in accordance with Clause 6.
8. **Supplier sign-off**
- 8.1. **New Application.** If any Goods are to be installed, applied, or incorporated by AD 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 AD 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 AD, via a live video meeting and:
- a) if satisfied with the New Application, the Supplier shall complete and sign AD's standard Supplier Sign-Off Agreement and return the completed and signed document to AD within 5 Business Days of the New Application being satisfactorily completed; or
- b) if not so satisfied, the Supplier shall raise its concerns with AD immediately and provide support and do all things necessary to assist AD 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 AD 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. **AD's obligations.** AD will:
- 9.1.1. co-operate with you on matters relating to the Goods and/or Services;
- 9.1.2. provide accurate information as requested by you for carrying out the Goods and/or Services; 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 Contract that:
- 10.1.1. you and any permitted subcontractor has the relevant experience and expertise to design, manufacture, supply and perform the Goods and/or Services, and are properly equipped, financed and capable of performing the Goods and/or Services;
- 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 Goods and/or Services;
- 10.1.5. you hold all licences, permissions, consents, and permits required to deliver and perform the Goods and/or Services; and
- 10.1.6. you shall not infringe any third-party Intellectual Property Rights when delivering or performing the Goods and/or Services.
- 10.2. **Your representations and warranties relating to the Goods and Services.** The Supplier represents, warrants, and undertakes that they shall:
- 10.2.1. **For all Goods and/or Services:**
- 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 Goods and/or Services; 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;
 - 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.** AD'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 Goods and/or Services before delivery and/or performance, and at no cost to us.
- 10.5. **Specification.** You acknowledge and agree that we are submitting each Order on the basis that your description of the Goods and/or Services is accurate, complete, and not misleading. The Supplier agrees that the approval by AD of any design or Specification provided by the Supplier shall not relieve the Supplier of any of its obligations under the relevant Contract.
- 10.6. **Remedial action.** If you must remedy a defect, replace, or re-perform any of the Goods and/or Services, or carry out any investigation, you shall keep us regularly informed in writing of the progress and cost.
- 10.7. **Lifecycle management.** Unless we agree in writing it is not required, from the relevant Delivery Date you shall for at least the Vehicle Lifecycle:
- 10.7.1. retain all necessary tools for the Goods at no cost to us;
 - 10.7.2. provide support and spare parts for the Goods; and
 - 10.7.3. provide engineering data for the Goods that we may require, if relevant.
- 10.8. **Incident response.** Where a safety related incident occurs in relation to the Goods and/or Services ("**Incident**"), or any investigation or action is initiated either by AD, or by any governmental, regulatory, or investigatory bodies and authorities ("**Investigation**"):
- 10.8.1. the Supplier shall (at its own cost and expense) promptly provide AD 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 AD requires in the circumstances to:
 - (i) facilitate any inspections of affected Vehicles required by AD;
 - (ii) ensure compliance with AD's obligations under all applicable laws; and
 - (iii) co-operate with all governmental, regulatory, or investigatory bodies and authorities.
 - 10.8.2. 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.
 - 10.8.3. The Supplier shall indemnify and keep indemnified and hold AD harmless in respect of all losses, damages, costs, and expenses incurred by AD under this Clause 10.8.
- 10.9. **Health and Safety.**
- 10.9.1. The Supplier shall:
 - a) 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
 - b) notify AD as soon as you become aware of a health and safety hazard in relation to the Goods and/or Services.
 - 10.9.2. **Your compliance.** You undertake and warrant that you shall carry out all action required to eliminate health and safety risks relating to the Goods and/or Services, and you shall inform us in writing of any information that affects health and safety once an Order is issued by us. We have the right to request proof that you are complying with this obligation.
 - 10.9.3. **Access to premises.** We will only grant access to our premises when it is necessary for the supply of the Goods and/or Services, and we may refuse your personnel access to our premises.
- 10.10. **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.
- 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 each 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 Goods and/or Services. ("**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 each Contract; and
 - 11.2.2. respond to any requests by AD and co-operate with AD in connection with audit requirements in respect of each 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, Specifications, know-how, and each 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 each 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 relevant Contract. The disclosing party is responsible for ensuring their representatives comply with the confidentiality obligations of this Clause 12 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 Goods and/or Services have been delivered or performed, or a 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.
- 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. **"AD's IPRs"** means any Intellectual Property Rights of AD 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;
 - 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 a Contract, excluding the Work Product IPRs;
 - 13.1.6. **"Work Product"** means all tangible material, or its intangible equivalent, created or made, exclusively for AD, in connection with or arising from the supply of the Goods and/or Services under a 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 any 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 Goods and/or Services and otherwise perform our obligations and exercise our rights under each Contract. We may sublicense this to our affiliates and customers.
 - 13.3.2. AD grant to the Supplier a limited, non-transferable, non-exclusive licence to use AD's IPRs solely and as necessary to allow you to perform your obligations under each Contract and supply the Goods and/or Services.
- 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.
 - 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. AD materials**
- 14.1. **AD Materials.** Any materials which AD supply to you relating to the Goods and/or Services, including jigs, tools, equipment, reports, documents, drawings, data, and Specifications ("**AD Materials**") shall remain AD's property. You are only permitted to use AD Materials for the purposes of supplying the Goods and/or Services.
- 14.2. **Risk.** The risk of loss or damage to AD Materials shall be borne by the Supplier while AD Materials are in the Supplier's possession. The Supplier will indemnify AD and keep AD indemnified in respect of all of the costs of replacing or repairing any AD Materials which become lost or damaged while they are at the Supplier's risk.
- 14.3. **Retention.** The Supplier will ensure that all AD Materials will be properly and securely retained and identified as the property of AD. The Supplier will not part with possession of any AD Materials or make them available to any other person.
- 15. Software and cyber security**
- 15.1. **Software.** This Clause 15.1 will apply to all Contracts where any software is supplied with the Goods.
- 15.1.1. **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.
 - 15.1.2. **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.
 - 15.1.3. **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 each 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.
 - 15.1.4. **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.

15.2. **Cyber security.** The parties agree that where the UN Regulations apply to the Goods the terms of this Clause 15.2 shall apply.

15.2.1. In this Clause 15.2:

- a) **"Approval Authority"**: the authority appointed by countries who are party to the UN Regulations to carry out assessment, monitoring, and certification under the UN Regulations;
- b) **"Cybersecurity Development Interface Agreement (CDIA)"**: an agreement required under ISO/SAE 21434:2021 (en) Road vehicles — Cybersecurity engineering;
- c) **"Cyber Security Management System (CSMS)"**: 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"**: UN Regulation No. 155 - Cyber security and cyber security management system;
- e) **"R156"**: UN Regulation No. 156 - Software update and software update management system;
- f) **"Software Update Management System (SUMS)"**: a systematic approach defining organisational processes and procedures to comply with the requirements for delivery of software updates according to this Regulation;
- g) **"UN Regulations"**: 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.

15.2.2. You shall always provide AD with such information, co-operation and other assistance as AD requires to ensure that the use of the Goods in Vehicles is at all times compliant with the UN Regulations and to allow AD 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 AD 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.

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

- a) Notify AD 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 AD;
- b) Complete all questionnaires, checklists, risk assessments, and other documents required by AD relating to this Clause 15.2;
- c) Respond to all requests by AD for information or documentation relating to this Clause 15.2; Provide relevant production/installation/activation related cyber security information to AD;
- d) Provide all information to AD required to satisfy AD'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 AD'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 AD of any updates to: any responses to requests, questionnaires, checklists, risk assessments, or similar; or any other information or documentation; provided by you to AD under this Clause 15.2.

15.2.4. You shall not at any time:

- a) Make any modifications to the Goods affecting cyber security or software updates without prior notification to AD;
- 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 AD to be in breach of the UN Regulations.

15.2.5. Without prejudice to your other obligations in the relevant Contract, you confirm that all information provided to us under this Clause 15.2 is accurate, complete, and not misleading.

15.2.6. Where reasonably required by AD, the parties will enter into a Cybersecurity Development Interface Agreement.

16. Insurance

16.1. **Insurance.** For the duration of each 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. product liability insurance: £20 million per claim;
- 16.1.3. where the Supplier has design responsibility in respect of the Goods, or is providing Services, professional indemnity insurance: £1 million per claim and £5 million total in each year;
- 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 AD, the Supplier must provide copies of all insurance documentation.

17. Indemnity

17.1. **Supplier's indemnity.** The Supplier shall indemnify AD against all liabilities, costs, expenses, damages, and losses awarded against, incurred, or paid by AD in connection with:

- 17.1.1. defective workmanship, quality, or materials;
- 17.1.2. your breach of an Order and/or any 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 any 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.

18.3. **Exclusions to your liability cap.** The agreed amounts or awards under indemnities given by you under any Contract shall be excluded from your liability cap.

19. Termination

19.1. **Termination for convenience.** AD may terminate any Order and/or Contract by giving you at least 3 months written notice.

19.2. **Consequences of termination.** On termination or expiry of an Order and/or Contract:

- 19.2.1. AD shall pay the Supplier all amounts due for Goods and/or Services 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 AD information and materials in its control to AD;
- 19.2.3. the Supplier shall immediately return to AD any AD Materials provided by AD to the Supplier; and
- 19.2.4. the licence (if any) of any AD's IPRs to the Supplier shall terminate immediately.

19.3. **Warranty.** The Supplier shall continue to comply with Clauses 24 (Aftermarket Warranty), 25 (Warranty Claims Process), 26 (Reliability and Campaigns), and 27 (Serviceability and Support), following termination of an Order and/or Contract until the expiry of the Warranty Period for all Vehicles.

19.4. **Survival.** On termination of an Order and/or Contract, Clauses 12 (Confidentiality), 17 (Indemnity), 18 (Limitation of Liability), 28.12 (Dispute Resolution Procedure), 28.15 (Governing Law and Jurisdiction), and the clauses listed in Clause 19.3 (Warranty), 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 and/or 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 20 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 Contracts as soon as feasible.

20.3. Under these Terms, and any Contract, 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 21, "**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.

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 AD 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. If AD 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.

21.4. The Supplier shall for the duration of each Contract and for the period of six years thereafter maintain such records relating to the Goods and/or Services supplied to AD under the relevant Contract as may be necessary to trace the supply chain of such Goods and/or Services and to enable AD to determine the Supplier's compliance with this Clause 21.

21.5. AD (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 Goods and/or Services in accordance with each 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.

21.6. Where AD is unable to carry out an audit under Clause 21.5 it shall be entitled to require the Supplier to carry out an annual audit to monitor its compliance with each Contract and provide a complete copy of the audit report to AD within 45 days of AD's request.

21.7. 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 AD but such action must address the relevant findings of the audit.

21.8. The Supplier shall, on request, prepare and deliver to AD 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.

21.9. 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 AD on request.

21.10. Any breach of this Clause 21 by the Supplier shall be deemed an irremediable material breach of each Contract and shall entitle AD to terminate all existing Contracts with immediate effect.

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 Group's Anti-Corruption Policy as set out in Clause 23.

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 AD 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 existing Contracts.

23. NFI Group compliance

- 23.1. The Supplier will comply with the:
 - 23.1.1. NFI Group Anti-Corruption Policy;
 - 23.1.2. NFI Group Human Rights Statement; and
 - 23.1.3. NFI Group Supplier Code of Conduct and any other AD or NFI Group policies notified to the Supplier, (as updated from time to time) in supplying Goods and performing Services. The documents listed above may be found at <https://www.nfigroup.com/esg/documents-charters>.
- 23.2. The Supplier will co-operate fully, and comply with all requests for information from AD (such as the completion of risk assessments and/or questionnaires) in connection with any due diligence procedures which AD requires to carry out (including ongoing monitoring and review) under AD's due diligence policies relating to human rights, labour, the environment, anti-corruption, and ethical business practices. The Supplier warrants, undertakes, and represents to AD that all information provided to AD under this Clause 23 is true, accurate and not misleading. If, after providing such information, there is any change in the Supplier's circumstances which may substantively affect such information, then the Supplier will promptly notify AD in writing setting out the relevant details in full. If AD considers that the Supplier is or is likely to be in breach of this warranty, AD will be entitled to terminate all existing Contracts with immediate effect.
- 23.3. Any breach of this Clause 23 by the Supplier will be deemed an irremediable material breach of each Contract and will entitle AD to terminate all existing Contracts with immediate effect.

24. Aftermarket warranty

- 24.1. **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.
- 24.2. **Warranty Period.** Under these Terms, and any Contract "**Warranty Period**" means:
 - 24.2.1. **Original Equipment Goods:** 36 months from when the relevant Vehicle (into which the Goods have been incorporated) goes into service; and
 - 24.2.2. **Aftermarket Goods:** 12 months from the earlier of (a) the date of delivery of the Goods by AD to AD's customer, and (b) 6 months after the date of delivery of the Goods by the Supplier to AD,
 - 24.2.3. any different warranty period stated on the Order.
- 24.3. **Warranty repair by AD.** AD will carry out any repairs required to remedy any defect covered by the Warranty. The Supplier must provide all parts required by AD in order to complete a Warranty repair.
- 24.4. **Warranty repair by Supplier.** AD has the option, where it deems necessary, to require the Supplier to carry out Warranty repairs instead of AD. If this occurs, the Supplier shall, within 24 hours of AD reporting the defect either repair the defective Goods or replace it with satisfactory replacement at its own cost. The Parties may agree a longer period for the repair or replacement to be carried out. If the Supplier fails to carry out

the repair within the relevant period then AD can choose to carry or instruct the work itself and recover the costs from the Supplier in accordance with Clause 24.5.

- 24.5. **Costs.** In the event AD carries out any repairs under Clause 24.3, or carries out or instructs any repairs under Clause 24.4, AD will charge the Supplier at the Hourly Rate for carrying out the work to remedy the Warranty defect including:
 - 24.5.1. time to carry out the repair, including dismantling and reassembly time;
 - 24.5.2. the cost of any spare parts purchased (including those purchased under Clause 24.6.4), including freight and duties;
 - 24.5.3. time for diagnosis;
 - 24.5.4. travel costs and time; and
 - 24.5.5. an administration cost of 10% of the claim value, up to a maximum of £50.
 - 24.6. **Parts**
 - 24.6.1. The Supplier will within 3 months of the date of the relevant Order, prepare a list, based on its knowledge and experience, setting out the recommended levels of stock holding to enable AD to carry out Warranty repairs in accordance with the relevant Contract ("**Scaling List**").
 - 24.6.2. AD will purchase Goods for both re-sale and for Warranty repairs in line with the recommended levels in the Scaling List.
 - 24.6.3. AD and the Supplier will jointly review the Scaling List on an annual basis to ensure that the recommended stock levels reflect usage and fleet population.
 - 24.6.4. If AD uses any Goods in carrying out a Warranty repair then the cost of such Goods will be recharged to the Supplier in accordance with Clause 24.5. If AD requires a part in order to complete a Warranty repair which AD does not hold in stock the Supplier will deliver the required part within 24 hours of AD placing the Order.
 - 24.7. **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.
 - 24.8. **Recovery Cost.** The Supplier will reimburse AD for any Vehicle recovery cost which AD incurs, or which AD is required to pay to its customers as a result of a Warranty defect in the Goods.
- ### 25. Warranty claims process
- 25.1. **Warranty claims.** AD will have 6 months from the date of failure of the Good(s) to submit a claim under the Warranty ("**Warranty Claim**").
 - 25.2. **Warranty Claim document.** The Supplier will adjudicate any Warranty Claims within 30 days from receipt of AD's warranty claim document. The Supplier will accept AD's standard documentation for submission of Warranty Claims.
 - 25.3. **Returning defective Goods.** The Supplier will accept photographic evidence from AD to substantiate any Warranty Claim. If the Supplier requests that defective Goods are returned to them for inspection and AD agrees to return any defective Goods, then the Supplier will be responsible for 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 AD's invoice being received.
 - 25.4. **Claim Reimbursement.** The Supplier shall make payment within 30 days from AD's invoice being received. The Supplier will reimburse the cost of the Warranty Claim by credit/bank transfer only.
- ### 26. Reliability and campaigns
- 26.1. **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 AD.

- 26.2. **Containment.** For any defect for which AD has opened a Reliability Quality Issue (RQI), the Supplier shall, within 4 weeks of request by AD, provide to AD:
- 26.2.1. an 8D report showing the root cause analysis and details of the field and production fix; and
 - 26.2.2. a detailed action plan (to be approved by AD) including reasonable timescales to containment and to a full solution available for both production and campaigning in service vehicles.
- 26.3. **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. AD will identify the process for implementing this to minimise the impact on the operator.
- 26.4. **Fleet. "Fleet"** the population of Vehicles which may be affected by the defect(s) in question.
- 27. Serviceability, support and training**
- 27.1. **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).
- 27.2. **Service documentation.**
- 27.2.1. The Supplier shall provide:
 - (a) comprehensive operations guide;
 - (b) comprehensive parts literature; and
 - (c) comprehensive service and maintenance literature.
 (the "**Service Documentation**")
 - 27.2.2. The Supplier shall notify AD of any update(s) to the Service Documentation as soon as reasonably practicable after the update(s) takes effect.
- 27.3. **Service details required.** In the Service Documentation, the Supplier shall detail:
- 27.3.1. 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;
 - 27.3.2. parts and materials required for servicing and maintenance;
 - 27.3.3. recommended procedures for repair, removal, replacement, and refit of components;
 - 27.3.4. recommended procedures for all service requirements;
 - 27.3.5. any health and safety requirements needed to work safely with the Goods;
 - 27.3.6. 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
 - 27.3.7. a detailed list of service replacement parts, including fitting times, service part costs, and the expected reliability and durability. There should be sufficient detail to enable AD to calculate the total cost of ownership for the Vehicle Lifecycle.
- 27.4. **Technical support.** The Supplier shall provide:
- 27.4.1. in person and video technical support to assist AD with any Warranty defects, during AD's normal working hours on a same working day basis;
 - 27.4.2. 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 24 hours from reporting by AD; and
 - 27.4.3. 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 AD under this Clause 0.
- 27.5. **Training**
- 27.5.1. **Free of charge installation training and build support.** The Supplier will shall provide AD with free of charge training and support during installation, commissioning, and homologation of the Goods in Vehicles sufficient to ensure AD technicians are able to carry out such installation, commissioning, and homologation to the standards required by AD. This training and support will be provided in person, at AD's site, unless AD agrees that it can be done remotely. This training and support will be repeated, free of charge, each time AD incorporates a new product from the Supplier into a Vehicle or into a different Vehicle model.
 - 27.5.2. **Free of charge aftermarket training.** Supplier will provide AD with free of charge training sufficient to ensure trained technicians are deemed qualified by both the Supplier and by AD as follows:
 - (a) in relation to new product introductions;
 - (b) in relation to upkeep of knowledge over time
 - (c) for AD's new hires coming into the organisation who work directly with the Goods supplied by the Supplier.
 - (d) to AD's UK service network to enable us to provide first line service support
 - (e) for AD's training team (on a train the trainer basis) and technicians for the purpose of vehicle production, warranty repairs, and customer support where needed.
 Both parties should seek to minimise expenses related to training and unless otherwise agreed these are the responsibility of the supplier.
 - 27.5.3. **Free of charge diagnostic equipment.** Supplier will provide AD 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 AD is able to install the Goods into Vehicles and provide aftermarket support to all Vehicles in all locations. AD is responsible for the equipment provided by the Supplier and will reimburse any loss and damage to the equipment on a cost basis.
- 27.6. **Point of contact.** The Supplier will liaise with AD's Aftermarket team in all matters relating to this Clause 27.
- 28. General**
- 28.1. **Assignment.** Neither party may assign their rights or obligations under any Order and/or Contract without the prior written consent of the other party. Consent will not be unreasonably withheld or delayed.
- 28.2. **Variation.** Any variation to a Contract must be agreed in writing by both parties.
- 28.3. **Your compliance.** You shall comply with all applicable laws.
- 28.4. **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.
- 28.5. **Rights and remedies.** Termination or expiry of an Order and/or Contract 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.
- 28.6. **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.
- 28.7. **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.
- 28.8. **Entire Agreement.** Each Contract is the entire agreement between us, and supersedes any previous terms and conditions, agreements, or negotiations in respect of that Contract's subject matter. The parties agree that they shall have no remedy for representations or warranties that are not in the

relevant Contract, and they have no claim negligent misrepresentation of any statement in the relevant Contract.

28.9. **Relationship between the parties.** No Contract constitutes, establishes, or implies any partnership, joint venture, agency, or employment relationship between the parties.

28.10. **Third party rights.** No parties outside of any Contract shall have any right to enforce obligations.

28.11. **Notices.**

28.11.1. **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. 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.

28.11.2. **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.

28.12. **Dispute resolution procedure.** Any dispute arising out of or in connection with any Contract ("**Dispute**"), will be dealt with in accordance with this Clause 28.12. The parties' respective representatives shall use their reasonable endeavours to resolve any Dispute within ten Business Days of the matter arising and where they are unable to do so, the Dispute will be escalated through the following procedures:

28.12.1. 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;

28.12.2. 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;

28.12.3. 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 serve notice on the other party requesting mediation ("**Mediation Notice**") and the mediation will begin 10 days from this notice;

28.12.4. the parties may begin court proceedings 45 days after the Mediation Notice; and

28.12.5. if the Dispute is not resolved within 90 days from the Mediation 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.

28.13. **Non-solicitation.** For the duration of each Contract 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.

28.14. **Publicity.** Neither party shall make an announcement in connection with any Contract without the prior consent of the other party. The Supplier must not use AD's company name, logo, or other Intellectual Property Rights in any advertising, marketing, or promotional materials, without the prior and explicit written consent of AD.

28.15. **Governing Law and Jurisdiction.** These Terms, each Order, and each 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, these Terms, each Order, and each Contract, their subject matter or formation (including non-contractual disputes or claims).

29. **Interpretation**

29.1. **Headings.** Clause headings shall not affect the interpretation of these Terms or any Order and/or Contract.

29.2. **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.

29.3. **Singular/Plural.** Unless the context otherwise requires, words in the singular shall include the plural and, in the plural, shall include the singular.

29.4. **Successors.** Each 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.

29.5. **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.

29.6. **Writing.** A reference to writing or written includes email, but excludes fax.

29.7. **Obligation.** Any obligation on a party not to do something includes an obligation not to allow that thing to be done.

29.8. **References.** A reference to a Contract includes these Terms and all relevant Orders.

29.9. **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. **Definitions**

30.1. **Business Day.** Any day, excluding Saturdays and Sundays and any day which is a public holiday in Scotland.

30.2. **Liquidated Damages.** 0.3% of the relevant Order value per day of delay up to a maximum of 10% of the relevant Order value.

30.3. **Specification.**

30.3.1. **For Goods:**

- a) The Supplier's standard specification for the relevant part number unless a bespoke specification has been agreed between AD and the Supplier, in which case the latest agreed version of that applies; and
- b) Includes any drawings provided by AD to the Supplier.

30.3.2. **For Services:** the description and any other materials provided for the Services agreed by the parties

30.4. **Vehicles.** Any vehicle into which the Goods are incorporated, or in relation to which Services are performed.

30.5. **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.