

ORACLE COMPONENTS HOLDING GROUP – ADDENDUM TO TERMS & CONDITIONS OF PURCHASE AND SUPPLY FOR CONTRACT CHC/087

DEFINITIONS

In these conditions of purchase:

“Buyer” means Oracle Components Ltd its officers and employees, now referred to as ‘OCL’. “Supplier” & “Seller” means the person or company to whom this purchase order is addressed. “Conditions” means the terms and conditions set out in this purchase order. “Contract” means a contract between the Supplier and the Buyer for the supply of Goods which is subject to the Conditions. “Purchase Order” means a purchase order subject to the Conditions and otherwise substantially in the form of this purchase order and “Specification” includes any specification, design, plan, prototype, drawing, software, data or other information relating to the Goods. Where a Contract or Purchase Order is for the provision of services, the word ‘Goods’ shall be read, where the context permits, as meaning and/or including any services which the Supplier contracts to provide.

OPERATIVE CLAUSES:

1. Precedence

When this Addendum is invoked on a Purchase Order or Contract any clause which results in contradiction or ambiguity with clauses contained in the standard OCL ‘TERMS & CONDITIONS OF PURCHASE AND SUPPLY’ this document shall take precedence.

2. Packing and Shipping

- a. Seller warrants, represents and shall ensure that it shall pack the Goods to prevent damage and deterioration. Unless otherwise set forth in this Contract, Seller shall package the Goods in accordance with the requirements of Boeing Document D37522-6 “Supplier Packaging,” which is available as set forth at: http://www.boeingsuppliers.com/supplier_portal.
- b. Unless otherwise specified in this Contract, the price includes transport charges for Goods sold Delivered Duty Paid (DDP) in accordance with INCOTERMS 2010.
- c. Upon Buyer’s request, Seller shall identify packaging charges showing material and labour costs for container fabrication.

3. Suspension of Work

- a. OCL’s Authorized Procurement Representative may, by written order, suspend all or part of the work to be performed under this Contract for a period not to exceed 100 days (the “Period”). Within the Period of any such suspension of work, Buyer is entitled to either: (i) cancel the suspension of work order; (ii) terminate this Contract in accordance with article 4 "Termination for Convenience"; (iii) cancel this Contract in accordance with article 5 "Cancellation for Default" if grounds for default exist; or (iv) extend the stop work period.
- b. Seller shall resume work whenever a suspension is cancelled. Buyer and Seller shall negotiate an equitable adjustment in the price or schedule or both if: (i) this Contract is not cancelled or terminated; (ii) the suspension results in a change in Seller's cost of performance or ability to meet the Contract delivery schedule; and (iii) Seller submits a claim for adjustment within 20 days after the date the suspension is cancelled.

4. Termination for Convenience

Buyer may terminate all or part of this Contract for its sole convenience. In the event of such termination, Seller shall immediately stop all work hereunder and shall immediately cause any and all of Seller’s Subcontractors to cease work. Subject to the terms of this Contract, within 70 days after the effective date of termination, Seller may submit to Buyer a claim to be paid a percentage of the Contract price reflecting the percentage of the work performed prior to the effective date of termination, plus reasonable charges that Seller can demonstrate to the satisfaction of Buyer using its standard record keeping system have resulted from the termination. Seller shall not be paid for any work performed or costs incurred which reasonably could have been avoided. Further, Seller shall not be paid and in no event shall Buyer be obligated to pay lost or anticipated profits or unabsorbed indirect costs or overhead. In no event shall Buyer be obligated to pay Seller any amount in excess of the Contract price. The provisions of this article 4 shall not limit or affect the right of Buyer to cancel this Contract for default. Seller shall continue all work not terminated.

5. Cancellation for Default

- a. Buyer may, by written notice to Seller, cancel all or part of this Contract if: (i) Seller fails to deliver the Goods within the time specified by this Contract or any written extension; (ii) Seller fails to perform any other provision of this Contract or fails to make progress, so as to endanger performance of this Contract, and, in either of these circumstances, within 10 days after receipt of notice from Buyer specifying the failure, does not cure the failure or provide Buyer with a written detailed plan adequate to cure the failure if such failure reasonably cannot be cured within such 10 days and such plan is acceptable to Buyer’s Authorised Procurement Representative; and/or (iii) immediately in the event: (a) of Seller's suspension of business; (b) an application is made to any competent Court for a winding up of Seller; (c) Seller is insolvent; (d) Seller is bankrupt; (e) Seller commences negotiation with all or any class of creditors with a view to rescheduling or compromising a debt; (f) a creditor of Seller enforces security; (g) a receiver for Seller's property or business is appointed; or (h) Seller engages in any assignment, reorganization or arrangement for the benefit of its creditors.
- b. Seller shall continue work not canceled. If Buyer cancels all or part of this Contract, Seller shall be liable for Buyer’s excess re-procurement costs.
- c. Buyer may require Seller to transfer title, including any Intellectual Property and deliver to Buyer, as directed by Buyer, any: (i) completed Goods; and (ii) any partially completed Goods and materials, that Seller has specifically produced or acquired for the cancelled portion of this Contract. Upon direction from Buyer, Seller shall also protect and preserve property in its possession in which Buyer or its customers have an interest.
- d. Buyer shall pay the Contract price for completed Goods accepted. In addition, any payment for Manufacturing Materials accepted by Buyer and for the protection and preservation of property shall be at a price determined in accordance with article 4 "Termination for Convenience". Buyer may withhold from any amount due under this Contract any sum Buyer determines to be necessary to protect Buyer or Buyer's customers against loss because of outstanding liens or claims of former lien holders.
- e. If, after cancellation, it is determined that Seller was not in default, the rights and remedies of the Parties shall be as if the Contract had been terminated according to article 4 "Termination for Convenience".

6. Force Majeure

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- a. For the purposes of this Contract, a “Force Majeure Event” shall mean: an act of God; war, insurrection, riot, civil commotion, act or threat of terrorism; lightning, earthquake, fire, flood, storm or extreme weather condition; any other event or circumstance to the extent that it is beyond the control and without the fault or negligence of Seller. However, the following shall not constitute Force Majeure Events: strikes, lockouts and industrial disputes affecting Seller’s workforce and/or the workforce of Seller’s Subcontractors; any failure to secure a supplier or subcontractor or any failure or default of Seller’s Subcontractors except to the extent that the failure or default is caused by an event or circumstance beyond the control and without the fault or negligence of Seller’s Subcontractor; or any event attributable to the willful or negligent act or omission of Seller or Seller’s Subcontractor.
- b. Seller shall not be liable to Buyer for any excess re-procurement costs which would otherwise be payable to Buyer pursuant to article 5(b) “Cancellation for Default” where such excess re-procurement costs result from a failure by Seller to perform its obligations under this Contract to the extent that such failure is solely due to a Force Majeure Event provided that the impact of the Force Majeure Event could not have reasonably been avoided or prevented by Seller and Seller has complied with the provisions of article 8(c).
- c. Seller shall: (i) as soon as reasonably possible and in any event within 5 days of the commencement of the Force Majeure Event give notice to Buyer setting out details of the nature, extent and anticipated duration of the Force Majeure Event, the expected impact of the Force Majeure Event on its ability to perform its obligations and the steps that it is taking and/or proposes to take to mitigate the effects of the Force Majeure Event, to continue to perform the affected obligations notwithstanding the occurrence of the Force Majeure Event and to ensure that the Force Majeure Event comes to an end, including exercising work-around plans or obtaining the Goods from other sources and taking such steps as may reasonably be required by Buyer; (ii) keep Buyer informed of all developments relating to the Force Majeure Event and the steps being taken to comply with article 6(c)(i) and as soon as reasonably possible and in any event within 2 days of the cessation of the Force Majeure Event give notice to Buyer of the cessation of the Force Majeure Event and resume performance of its obligations under the Contract; and (iii) continue to perform all of its obligations under the Contract the performance of which are not prevented by the Force Majeure Event.
- d. Buyer shall not be in breach of this Contract or otherwise liable to Seller for any failure to perform or delay in performing its obligations under the Contract to the extent that this is due to a Force Majeure Event affecting Seller.
- e. Buyer shall have no obligation to pay Seller for any Goods, or any part, which Seller does not supply due to a Force Majeure Event.

7. Quality Control

Seller shall establish and maintain, throughout the duration of supply, a quality control system acceptable to Buyer for the Goods purchased under this Contract. Seller shall permit Buyer to review and makes copies of such quality control system, procedures, practices, processes and related documents to determine such acceptability. Seller shall ensure that at all times it has and maintains all the licences, permissions, authorisations, consents, approvals, certificates and permits that it needs to carry out its obligations under, and for Buyer and Buyer’s customers to enjoy the Goods as specified by this Contract (including satisfying any security requirements of Buyer) whether required in order to comply with any rules and regulations, regardless of their source, including judicial or administrative interpretation of them, in force from time to time or as a result of the rights of any third party.

8. Inspection

- a. At no additional cost to Buyer, Goods shall be subject to inspection, surveillance and test at reasonable times and places, including Seller’s Subcontractors’. Buyer has the right to visit Seller’s and Seller’s Subcontractors’ locations during operating hours to inspect, review and assess progress and performance under this Contract, including production, schedule and quality. Any Buyer representative shall be allowed access to all areas used for the performance of the Contract. Buyer or Buyer’s agents shall perform inspections, surveillance and tests so as not to unduly delay the performance under this Contract. Seller shall and shall ensure that Seller’s Subcontractors shall not impose pre-conditions, restrictions and/or prohibitions on Buyer’s exercise of its rights pursuant to this article 8(a) except to the minimum extent necessary for Seller and/or Seller’s Subcontractors to comply with applicable law.
- b. Seller shall maintain an inspection system acceptable to Buyer for the Goods purchased under this Contract.
- c. If Buyer performs an inspection or test on the premises of Seller or Seller’s Subcontractors, Seller shall furnish, and require Seller’s Subcontractors to furnish, without additional charge to Buyer, reasonable facilities and assistance for the safe and convenient performance of such inspection or test.
- d. All Goods are subject to inspection at Buyer’s and Buyer’s Customer’s premises notwithstanding any payments or other prior inspections or prior acceptances.
- e. If following any inspection or testing Buyer considers that the Goods do not conform or are unlikely to comply with the requirements of this Contract, Buyer shall inform Seller and Seller shall at no additional cost to Buyer, immediately take such remedial action as required by Buyer to ensure compliance.
- f. Notwithstanding any inspection or testing, whether or not successful, Seller shall remain fully responsible for the Goods and any such inspection, testing or acceptance shall not diminish or relieve Seller from any obligation or liability imposed on Seller under or by virtue of this Contract, and Buyer shall have the right to conduct further inspections and tests after Seller has carried out its remedial actions and until the Goods are finally accepted by Buyer.
- g. For the duration of this Contract and for a period of 7 years after, Seller shall keep and maintain all inspection and test records, and all other technical data generated under or related to this Contract including drawings, designs, specifications, and manufacturing and process control records. Upon Buyer’s request, Seller shall make available for inspection, and shall allow Buyer to make copies of, and take excerpts from, all such records and data.

9. Acceptance and Rejection

- a. Buyer shall accept the Goods or give Seller notice of rejection due to any defect or nonconformance within a reasonable time after the date of delivery. No payment, inspection, test, delay or failure to inspect or test or failure to discover any defect or other nonconformance shall relieve Seller of any obligations under this Contract or impair any rights or remedies of Buyer, including revocation of acceptance.
- b. Buyer shall have the right, exercisable at Buyer’s sole discretion, to revoke acceptance and reject the Goods as though they had not been accepted should: (i) Buyer accept defective Goods on the stated assumption that Seller would cure the defect but in respect of such Goods, Seller fails to cure such defect within the time frame specified by Buyer; (ii) Buyer accept the Goods but then subsequently discovers a defect in the Goods which was not reasonably discoverable by Buyer at the time of acceptance; or (iii) Buyer discover a defect in the Goods in respect of which Seller provided Buyer assurances as to conformance prior to Buyer’s

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acceptance.

- c. If Seller delivers defective or non-conforming Goods, Buyer may at its option and at Seller's expense: (i) require Seller to promptly correct or replace the Goods; (ii) return the Goods for credit or refund; (iii) correct the Goods; or (iv) obtain replacement Goods from another source. Return to Seller of defective or non-conforming Goods and redelivery to Buyer of corrected or replaced Goods shall be at Seller's expense.
- d. Seller shall not redeliver corrected or rejected Goods without disclosing the former rejection or requirement for correction. Seller shall disclose any corrective action taken. Repair, replacement and other correction and redelivery shall be completed as Buyer's Authorised Procurement Representative may reasonably direct.
- e. The rights and remedies contained in this Contract shall extend to any Goods supplied by Seller which are substituted; remedial;

10. Warranty

- a. Seller warrants, represents and shall ensure that:
 - i. All Goods shall: (a) correspond with their description and be of satisfactory quality and be fit for any purpose held out by Seller or made known to Seller expressly or by implication; (b) conform to all express and impliedly made known specifications and requirements of this Contract; (c) be free from defects in materials and workmanship and conform to all generally recognised commercial practices and standards in the industry; (d) be performed by persons who are experienced and skilled in their profession and in accordance with industry standards; and (e) be free from any liens and/or encumbrances.
 - ii. All Goods shall be free from design and specification defects (even to the extent that Buyer approves such designs or specifications) to the extent such Goods are not manufactured pursuant to detailed designs and specifications furnished by Buyer.
- b. Seller's warranties, representations and other promises under article 10(a) (the "warranties"), shall survive inspection, test, acceptance of, and payment for, the Goods. The warranties to the extent that they relate to performance of Goods shall be continuing warranties arising anew every day until the later of: (i) 1 year after the date of final acceptance, or any subsequent final acceptance that is consequential to the provisions of article 9(b); or (ii) any such other period as agreed and set forth in this Contract. The warranties under article 10(a) shall run to Buyer, its successors, assigns and Buyer's customers and Buyer has the right to transfer the benefit of the warranties and the right to enforce such directly to such persons. In the event of any defect or nonconformance, but for the avoidance of doubt without limiting any other rights or remedies that Buyer may have, Buyer may, at its option and at Seller's expense: (i) require prompt correction, reperformance or replacement of the Goods; (ii) return the Goods for credit or refund; or (iii) make an equitable adjustment in the price of this Contract. Return to Seller of defective or non-conforming Goods and redelivery or reperformance of corrected, reperfomed or replaced Goods shall be at Seller's expense. Goods required to be corrected, reperfomed or replaced shall be subject to the requirements of this Contract in the same manner and to the same extent as Goods originally delivered or performed under this Contract, but only as to the corrected, reperfomed or replaced part or parts thereof. Even if the Parties disagree about the existence of a breach, Seller shall promptly comply with Buyer's direction to: (i) repair, rework, reperform or replace the Goods; and/or (ii) furnish any materials or parts and installation instructions required to successfully correct the defect or nonconformance. If the Parties later determine that Seller did not breach, the Parties shall equitably adjust the Contract price.

11. Counterfeit Goods

- a. Seller shall not furnish Counterfeit Goods to Buyer, defined as Goods or separately-identifiable items or components of Goods that: (i) are an unauthorised copy or substitute of an Original Equipment Manufacturer or Original Component Manufacturer (collectively, "OEM") item; (ii) are not traceable to an OEM sufficient to ensure authenticity in OEM design and manufacture; (iii) do not contain proper external or internal materials or components required by the OEM or are not constructed in accordance with OEM design; (iv) have been re-worked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OEM design but not disclosed as such or are represented as OEM authentic or new; or (v) have not passed successfully all OEM required testing, verification, screening, and quality control processes. Notwithstanding the foregoing, Goods or items that contain modifications, repairs, re-work, or re-marking as a result of Seller's or Seller's Subcontractors' design authority, material review procedures, quality control processes or parts management plans, and that have not been misrepresented or mismarked without legal right to do so, shall not be deemed Counterfeit Goods. Counterfeit Goods shall be deemed nonconforming to this Contract.
- b. Seller shall implement an appropriate strategy to ensure that Goods furnished to Buyer under this Contract are not Counterfeit Goods. Seller's strategy shall include the direct procurement of items from OEMs or authorised suppliers, conducting approved testing or inspection to ensure the authenticity of items, and, when items are to be procured from non-authorized suppliers, obtaining from such non-authorized suppliers appropriate certificates of conformance that provide one or more of the following: (i) the OEM's original certificate of conformance for the item; (ii) sufficient records providing unbroken supply chain traceability to the OEM; or (iii) test and inspection records demonstrating the item's authenticity.
- c. If Seller becomes aware or suspects that it has furnished Counterfeit Goods to Buyer under this Contract, Seller promptly, but in no case later than 30 days from discovery, shall notify Buyer and replace, at Seller's expense, such Counterfeit Goods with OEM or Buyer-approved Goods that conform to the requirements of this Contract. Seller shall be liable for all costs related to the replacement of Counterfeit Goods and any testing or validation necessitated by the installation of authentic Goods after Counterfeit Goods have been replaced.
- d. Seller bears responsibility for procuring authentic Goods or items from Seller's Subcontractors and shall ensure that all such Seller Subcontractors comply with the requirements of this article 11.
- e. Where Seller is supplying Electronic Parts Seller shall permit Buyer to review and audit Seller's Counterfeit Electronic Part Detection and Avoidance System ("System") procedures, practices, processes and related documents to determine whether Seller's System meets the requirements of DFARS Clause 252.246-7007(b)-(c). If Seller or its subcontractor deliver Goods that contain Counterfeit Electronic Parts to Buyer and as a result the Government withholds any payment due under Buyer's prime contract, Buyer may withhold from Seller an amount equal to the withhold of the prime contract. Furthermore, if, as a result of Seller's or its subcontractor's foregoing conduct, the Government imposes a penalty on or charges Buyer interest, Buyer may recover from Seller the amount of that interest or penalty. Buyer will release such withhold once the Government releases the withhold under Buyer's prime contract, less (i) Buyer's reasonable expenses associated with any testing or validation necessitated by the installation of authentic Goods after Counterfeit Electronic Parts have been replaced, and (ii) any interest or penalty imposed or charged.

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12. Rights of Buyer’s Customers and Regulators to Perform Inspection, Surveillance and Testing

Buyer's rights to perform inspections, surveillance and tests and to review procedures, practices, processes and related documents related to quality assurance, quality control, flight safety and configuration control shall extend to the customers of Buyer that are departments, agencies or instrumentalities of the United States or United Kingdom Government (as applicable) including the United States Government Federal Aviation Administration or United Kingdom Civil Aviation Authority (as applicable) and any successor agency or instrumentality of the United States or United Kingdom Government. Buyer may also, at Buyer's option, by prior written notice from Buyer's Authorized Procurement Representative, extend such rights to other customers of Buyer and to agencies or instrumentalities of foreign governments equivalent in purpose to the United States Federal Aviation Administration or United Kingdom Civil Aviation Authority. Seller shall cooperate with any such United States or United Kingdom Government-directed or Buyer-directed inspection, surveillance, test or review without additional charge to Buyer. Nothing in this Contract shall be interpreted to limit United States or United Kingdom Government’s access to Seller's facilities pursuant to law or regulation.

13. Patent, Trademark and Copyright Indemnity

- a. Seller shall indemnify, keep indemnified, defend and hold harmless Buyer and Buyer’s customers from and against all expenses, contingent liabilities, liabilities, injuries, losses, damages, claims, demands, proceedings, awards (including awards based on intentional infringement of patents known at the time of such infringement, exceeding actual damages and/or including legal costs), judgments and legal costs (on a full indemnity basis) whether arising in tort (including negligence), breach of contract, breach of statutory duty, collaterally or otherwise which Buyer and/or Buyer’s customers incur or suffer (or may incur or suffer) as a result of any actual, suspected or alleged infringement and/or misuse of any English or foreign Intellectual Property rights arising out of the manufacture, offer for sale, import, sale and/or use of Goods in each case by Buyer or Buyer’s customers. Buyer and/or Buyer’s customers shall duly notify Seller of any such claim, suit or action. Seller shall, at its own expense, fully defend such claim, suit or action on behalf of the indemnitees.
- b. Seller shall have no obligation under this article 13 with regard to any infringement arising from: (i) the compliance of Seller’s new product design with formal specifications issued by Buyer where infringement could not be avoided in complying with such specifications except that Seller shall not be granted such relief where it had or should reasonably have had knowledge that such specification compliance would have or might reasonably have been expected to have resulted in such infringement; or (ii) use, import, offer for sale and/or sale of Goods for other than their intended application in combination with other items when such infringement would not have occurred from the use, import, offer for sale or sale of those Goods solely for the purpose for which they were designed or sold by Seller.
- c. If any element of the Goods becomes, or in Seller's and/or Buyer’s reasonable opinion is likely to become, the subject of an infringement claim, Seller shall, at its own expense and in addition to any obligation of Seller to indemnify Buyer and Buyer’s customers in relation to such claim: (i) acting promptly, procure for Buyer (and where relevant Buyer’s customers) the right to continue using the relevant Goods that are subject to the infringement claim on terms which are acceptable to Buyer; and (ii) if Seller cannot comply with the requirements of article 13(c)(i) within a reasonable period, replace or modify the relevant Goods with non-infringing substitutes provided that: (a) the performance and functionality of the replaced or modified Goods is at least equivalent to the performance and functionality of the original Goods; (b) the replaced or modified Goods do not have an adverse effect on the environment within which Goods are utilized; (c) there is no additional cost to Buyer; and (d) the terms of this Contract shall apply (including the indemnity contained in article 13(a)) to the replaced or modified Goods.

14. Intellectual Property

- a. The following shall each have the meaning ascribed to them. “Foreground Intellectual Property” means all Intellectual Property (as hereinafter defined) conceived, generated, developed, or first reduced to practice by, for, or with Seller or Seller’s Subcontractors in performance of this Contract. “Background Intellectual Property” means all Intellectual Property owned by or licensed to Seller or Seller’s Subcontractors which is created or acquired prior to or outside the scope of this Contract. “Intellectual Property” means designs, design rights, patents, rights to inventions, utility models, copyright and related rights, rights in databases, topography rights, mask work registrations, trade marks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, confidential information (including know-how and trade secrets) and all similar property rights including those subsisting (in any part of the world), in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world.
- b. Seller hereby grants by way of present and future grants to Buyer an irrevocable, royalty-free, non-exclusive, perpetual, worldwide license (including the right to grant sublicenses) of the Background Intellectual Property in or related to the Goods to the extent that such license is necessary for Buyer and/or Buyer’s customers to use, enjoy and/or otherwise exploit the Goods. The rights granted to Buyer pursuant to this article 14(b) shall include the right for Buyer and any sub-licensee to copy, modify, make any adaptation (including in respect of software the right to enhance, reverse compile, decode or translate) and publish the relevant Background Intellectual Property.
- c. All Foreground Intellectual Property is hereby assigned by way of an assignment of all present and future rights from Seller to Buyer with full title guarantee, and to the extent that such Foreground Intellectual Property cannot be prospectively assigned shall be so assigned on creation, and any patents resulting from such inventions (both domestic and foreign) shall be the property of Buyer. Seller shall: (i) promptly disclose all such inventions to Buyer in written detail; and (ii) execute all papers, cooperate with Buyer, and perform all acts necessary and appropriate in connection with the filing, prosecution, maintenance, or assignment of related patents or patent applications on behalf of Buyer.
- d. To the extent Seller incorporates third party Intellectual Property into any Goods, Seller shall obtain for Buyer at least the license rights granted in article 14(b) in such third party Intellectual Property, at no additional cost to Buyer.
- e. In respect of works of authorship and/or copyright for both Background Intellectual Property and Foreground Intellectual Property, Seller shall obtain waivers of all moral rights in the relevant Intellectual Property which any individual is now or may be at any future time entitled under Chapter IV of Part I of the UK Copyright Designs and Patents Act 1988 or any similar provisions of law in any other relevant jurisdiction.
- f. Seller shall, promptly at Buyer's request, provide documentary copies of all know-how which is relevant to Buyer’s and/or Buyer’s customers use, enjoyment and/or exploitation of the Goods.

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- g. Seller shall and/or shall procure that Seller and Seller's Subcontractors: (i) prior to acceptance, make themselves available at no further cost to Buyer for such reasonable period of time as is necessary to instruct Buyer's employees in the principles and techniques relating to the use, enjoyment and/or exploitation of the Goods; and/or (ii) after acceptance of the Goods and to the extent not otherwise contracted for pursuant to this Contract, provide Buyer with any consultancy services which may be necessary for Buyer to use, enjoy and/or exploit the Goods, such consultancy services to be provided upon reasonable terms to be agreed mutually in writing between Buyer and Seller and/or Seller's Subcontractors but under no circumstances less favourable to Buyer than the terms of this Contract.

15. Publicity and Customer Communication

- a. Without Buyer's prior written approval, such approval being refused at Buyer's absolute discretion, Seller shall not, and shall ensure that Seller's Subcontractors shall not, release any publicity, advertisement, news release or denial or confirmation of same regarding this Contract or the Goods or program to which it pertains.
- b. Except as otherwise expressly provided in this Contract, Buyer shall be responsible for all coordination and communication with Buyer's customers regarding this Contract or the Goods or program to which it pertains. Seller shall have no communications regarding the foregoing with Buyer's customers without Buyer's advance written approval and coordination.

16. Business Conduct

- a. **Compliance with Laws.**
 - i. Seller warrants, represents and shall ensure that it and the Goods have and shall comply with all applicable laws and government rules, regulations, authorizations and orders, including: (a) all applicable export, import and sanctions laws, regulations, decrees, orders, policies and authorizations applicable to the export (including re-export) or import of goods, software, technology, or technical data or services (including the Export Administration Regulations ("EAR") of the U.S. Department of Commerce, the International Traffic in Arms Regulations ("ITAR") of the U.S. Department of State, the U.S. Customs & Border Protection Regulations, the Harmonized Tariff Schedule, and the antiboycott and embargo regulations and guidelines as set forth in the EAR and in the U.S. Department of the Treasury, Office of Foreign Assets Control and the UK Export Control Act 2002 (collectively, "Trade Control Laws")); (b) EU Regulation (EC) No 1907/2006 concerning the registration, evaluation, authorisation and restriction of chemicals; and (c) all applicable laws relating to anti-corruption or anti-bribery (including the UK Bribery Act 2010 (the "UKBA") as if such activity, practice or conduct has been carried out in the UK, legislation implementing the Organization for Economic Co-operation and Development "Convention on Combating Bribery of Foreign Public Officials in International Business Transactions" and the US Foreign Corrupt Practices Act (15 U.S.C. §§78dd-1, et. seq.) regardless of whether Seller is within the jurisdiction of the United States).
 - ii. Seller warrants, represents and shall ensure that it: (a) has and keeps in place adequate procedures to prevent bribery by any of Seller's "Associated Person(s)" (as such term is defined in the UKBA and Seller will enforce them where appropriate); and (b) has and keeps in place an effective export/import control compliance program in accordance with all applicable Trade Control Laws. A copy of process control documents and other documents reasonably requested by Buyer related to Seller's compliance with applicable Trade Control Laws shall be made available to Buyer upon request.
 - iii. Seller shall immediately notify Buyer and provide Buyer with such information as Buyer may so request, if Seller becomes aware of any credible allegation of non-compliance (or in the case of an allegation of non-compliance made by a department, agency or instrumentality of government, any allegation of non-compliance) with any applicable law by Seller in relation to this Contract. Furthermore, Seller shall immediately notify Buyer and provide Buyer with such information as Buyer may so request, if Seller becomes aware of any credible allegation of non-compliance (or in the case of an allegation of non-compliance made by a department, agency or instrumentality of government, any allegation of non-compliance) with any anti-bribery or anti-corruption laws by Seller and/or any of Seller's Associated Person(s). Notwithstanding the foregoing, Seller shall promptly notify Buyer if Seller is, or becomes, listed in any Denied Parties List or if Seller's export privileges are otherwise denied, suspended or revoked in whole or in part by any Governmental entity.
 - iv. Seller shall control the disclosure of, and access to, controlled items or technical data provided by Buyer related to performance of this Contract in compliance with all applicable Trade Control Laws. Seller shall not transfer any export controlled item, data or services, to include transfer to foreign persons employed by or associated with, or under contract to Seller, or Seller's Subcontractors, without providing advance notice to Buyer and obtaining the requisite export and/or import authority. Subject to applicable Trade Control Laws, Seller shall provide Buyer with the export control classification of any commodity or technology including software.
 - v. Seller shall incorporate into any contracts with Seller's Subcontractors obligations no less restrictive than those set forth in this article 16(a) requiring compliance with all applicable Trade Control Laws and all applicable laws relating to anti-corruption or anti-bribery.
- b. **Code of Basic Working Conditions and Human Rights.** Buyer is committed to providing a safe and secure working environment and the protection and advancement of basic human rights in its worldwide operations. In furtherance of this commitment. Buyer strongly encourages Seller to adopt and enforce concepts meeting current standards as a minimum, including conducting Seller's operations in a manner that is fully compliant with all applicable laws and regulations pertaining to fair wages and treatment, freedom of association, personal privacy, collective bargaining, workplace safety and environmental protection. Further, any violation of law by Seller relating to basic working conditions and human rights in the performance of work under this Contract may be considered a breach of this Contract for which Buyer may elect to cancel any open orders between Buyer and Seller, for cause, in accordance with article 5 "Cancellation for Default".
- c. **Environmental Health and Safety Performance and Reach Compliance.**
 - i. Seller acknowledges and accepts full and sole responsibility to maintain an environment, health and safety management system ("EMS") appropriate for its business throughout the performance of this Contract. Buyer expects that Seller's EMS shall promote health and safety, environmental stewardship, and pollution prevention by appropriate source reduction strategies. Seller shall convey the requirement of this article 28(c) to Seller's Subcontractors.
 - ii. Seller shall provide to Buyer with each shipment the following information and data: (i) for any "substance" or "mixture" in the shipment, a "safety data sheet" conforming to the requirements of article 31 of Regulation (EC) No. 1907/2006 ("REACH Regulation"); and (ii) for any "article" in the shipment that contains a "substance" listed on the "candidate list" in a

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concentration above 0.1% weight by weight, the identity of each such “substance” and such other information as may be required to allow safe use of the “article” as set forth in article 33 of the REACH Regulation, (the terms “substance”, “mixture”, “article”, “candidate list”, and “safety data sheet” shall have the same meaning as are given those terms in the REACH Regulation and the list of substances currently on the candidate list can be found at <http://echa.europa.eu/web/guest/candidate-list-table>.)

- iii. Seller warrants, represents and shall ensure that each item in each shipment delivered pursuant to this Contract conforms to and shall be compliant with the restrictions included in Annex XVII of the REACH Regulation and/or is otherwise authorized for use in accordance with Annex XIV of the REACH Regulation (in each case where relevant).
- d. **Seller Facility.** Seller shall provide Buyer written notice of any proposed plans for moving Seller’s manufacturing location for the Goods or moving tooling or other equipment utilized in the manufacture of the Goods to another facility. In no event shall Seller proceed with implementing such plans prior to obtaining Buyer’s prior written approval.
- e. **Conflict Minerals.** On request in no longer than 30 days Seller shall complete and provide to Buyer a single and comprehensive Conflict Minerals Reporting Template, using the form provided at request Seller shall perform appropriate due diligence on its supply chain in order to fulfil the reporting obligations of this article 16(e).

17. Customer Clauses

Seller acknowledges that, to the extent that it has notice (express or implied), this Contract/Purchase Order and the Goods support Buyer and Buyers Customer in its performance of a superior contract. Seller agrees that applicable clauses contained within that superior contract shall be incorporated into this Contract in order to ensure that Buyer is able to satisfy all of the obligations placed upon it by the contract. Clauses contained within the superior contract applicable to this Contract are incorporated herein by this link to the Contract [Customer Contract CHC/087](http://www.boeing.com/idscommon/ccr/c/chc_087_2015-10-02.pdf) (http://www.boeing.com/idscommon/ccr/c/chc_087_2015-10-02.pdf), unless otherwise stated, these clauses shall not extend or create liability upon Buyer or reduce the liability of Seller except to the extent that such clauses: (i) permit direct enforcement by Seller against the relevant superior contracting entity; or (ii) provide directly enforceable limitations for Seller against the relevant superior contracting entity (in both cases, the claim or relief of Seller shall be against or from the relevant superior contracting entity directly and not Buyer).

18. Indemnity and Insurance

- a. Seller shall indemnify, keep indemnified and hold harmless Buyer from and against all expenses, contingent liabilities, liabilities, injuries, losses, damages, claims, demands, proceedings, judgments and legal costs (on a full indemnity basis) whether arising in tort (including negligence), breach of contract, breach of statutory duty, collaterally or otherwise which Buyer incurs or suffers as a result of or in connection with: (i) any claim made against Buyer by a third party for death, personal injury or damage to or loss of property arising out of, or in connection with, defects in Goods, to the extent that the defect in the Goods is attributable to the acts or omissions of Seller or Seller’s Subcontractors; (ii) any claim made against Buyer by a third party arising out of, or in connection with, the supply of the Goods, to the extent that such claim arises out of the breach, intentional or negligent acts or omissions, or failure or delay in performance of this Contract by Seller or Seller’s Subcontractors; (iii) any breach by Seller of any of its obligations, representations or warranties in article 16(a).
- b. Unless different minimum insurance levels are specified in this Contract, for the duration of this Contract and for a period of 6 years thereafter, Seller shall maintain in force, with a reputable insurance company, professional indemnity insurance (with an annual aggregate limit of not less than £1,000,000), product liability insurance (not less than £1,000,000 per occurrence), public liability insurance (not less than £1,000,000 per occurrence), employer’s liability insurance (not less than the minimum limit required by law), motor liability insurance (not less than the minimum limit required by law) and/or shall procure that employees obtain and maintain motor liability insurance for business travel (not less than the minimum limit required by law), each insurance to cover the liabilities that may arise under or in connection with this Contract. Seller shall, prior to commencement of work and at any other time on Buyer’s reasonable request, produce evidence in a form acceptable to Buyer that the insurances which Seller is required under this Contract to maintain are in force and that the premiums for such insurances are paid in full. Seller shall for the period of this Contract and for a period of 7 years thereafter, give 30 days advance written notice to Buyer in the event of cancellation, avoidance, non renewal or suspension of any relevant insurance policy.
- c. Seller assumes, and shall ensure that Seller and Seller’s Subcontractors thereof and their respective employees assume, the risk of loss or destruction of or damage to any property of such parties whether owned, hired, rented, borrowed or otherwise. Seller waives, and shall ensure that Seller’s Subcontractors thereof and their respective employees waive, all rights of recovery against Buyer, its subsidiaries and their respective directors, officers, employees and agents for any such loss or destruction of or damage to any property of Seller or Seller’s Subcontractors and their respective employees. At all times Seller shall, and ensure that Seller’s Subcontractors shall, use suitable precautions to prevent damage to Buyer’s property. If any such property is damaged by the fault or negligence of Seller or Seller’s Subcontractors thereof, Seller shall, at no cost to Buyer, promptly and equitably reimburse Buyer for such damage or repair or otherwise make good such property to Buyer’s satisfaction. If Seller fails to do so, Buyer may do so and recover from Seller the cost thereof on an indemnity basis.
- d. Any self-insured retention or deductibles and exclusions in coverage in respect of the insurance policies required under this Contract shall be the liability solely of Seller or Seller’s Subcontractor responsible for maintaining the insurance. In no event shall the liability of Seller or Seller’s Subcontractor thereof be limited to the extent of any of the minimum limits of insurance required herein.

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