

**TERMS AND CONDITIONS OF SALE OF NORTHROP GRUMMAN SPERRY MARINE B.V.,  
A SUBSIDIARY OF NORTHROP GRUMMAN CORPORATION**

**1. SALE AND PURCHASE**

- 1.1 In these general terms of sale the following designations are used: "Sperry Marine" refers to Northrop Grumman Sperry Marine B.V.; "Buyer" refers to the natural person or corporate body making or accepting an offer or otherwise entering into a legal relationship with Sperry Marine whereby Sperry Marine supplies goods, including spare parts, or software ("Products") and/or services, including without limitation, service labour, engineering work in developing a system, or project management ("Service Work") to Buyer as they are described in Sperry Marine's offer.
- 1.2 These general terms of sale shall be applicable exclusively to all offers and order acceptances by Sperry Marine for the sale and supply of Products and/or Service Work and the term "Agreement" herein shall apply to all such agreements based on these terms.
- 1.3 Deviations from, changes and/or supplements to these general terms of sale will only be valid and binding if and in so far as these have been explicitly accepted by Sperry Marine in writing ("Deviated").
- 1.4 An Agreement is effective the moment when Sperry Marine has accepted the order in writing, or, in the absence of an order acceptance, as soon as Sperry Marine has commenced execution of the order.

**2. OFFERS AND CONTENTS OF THE AGREEMENT**

- 2.1 All offers of Sperry Marine are without obligation, particularly as regards price, quantity, time of delivery and possibilities of delivery, and can be revoked by Sperry Marine at any time. Offers of which Sperry Marine has not received a written acceptance within sixty (60) days from the offer, or any other such duration as provided for in writing by Sperry Marine, shall be cancelled automatically. Purchase orders or other forms of written acceptance from Buyer shall constitute irrevocable offers once accepted by Sperry Marine per Subclause 1.4.
- 2.2 Representations made by employees of Sperry Marine or by third parties cannot be relied upon or invoked by Buyer, unless these have been confirmed by Sperry Marine in writing.
- 2.3 Sperry Marine may without need for Buyer's consent introduce improvements and alterations to the Products, provided that such improvements and alterations do not fundamentally change the ordered Products in form, fit or function.

**3. DELIVERY AND RISK**

- 3.1 All dates and times specified to Buyer for delivery or installation of the Products and/or for the performance or provision of Service Work are estimated only and Sperry Marine shall not have any liability for delay or for any damages or losses sustained by Buyer as a result of such dates or times not being met. Buyer shall not be entitled to refuse acceptance of the Products and/or Service Work as a consequence or possible consequence of such delay. All deliveries are subject to adequate provision by Buyer and receipt by Sperry Marine in a timely manner of any proforma payments, any required official export documents and licences, technical, frequency and other information necessary from Buyer for the performance of this Agreement.
- 3.2 Unless otherwise Deviated, all deliveries are FCA, Sperry Marine's warehouse in Vlaardingen, The Netherlands (Incoterms 2020) and after delivery the Products shall be at the risk of Buyer, including those cases in which transport has been arranged by Sperry Marine and/ or in which at the carrier's demand the transport document stipulates that transport shall be at the risk of Sperry Marine. Sperry Marine reserves the right to determine the means of conveyance and the route of transport, unless Buyer gives express written instructions accepted by Sperry Marine.
- 3.3 Any costs incurred by Sperry Marine (including, without limitation storage, insurance and other administrative costs) ensuing from delay on the part of Buyer in accepting delivery or in compliance with the requirements of Clauses 4 and 6, shall be paid by Buyer.
- 3.4 Sperry Marine is entitled to make partial deliveries and in that case, Sperry Marine may send Buyer a separate invoice for each partial delivery and demand payment therefor.

**4. INSPECTION AND SERVICE**

- 4.1 During the warranty period referred to in Clause 9, Sperry Marine shall at its discretion be entitled at its cost, to inspect any installed Products and/or Service Work.
- 4.2 In the event that Buyer requests that: (a) Sperry Marine or its authorised service partners undertake an inspection of the Products, whether or not within the warranty period referred to in Clause 9; and/ or (b) Sperry Marine performs any repairs or Service Work which it is not obliged under Clause 9, then Sperry Marine shall, if it agrees to perform such works, be entitled to charge its applicable standard rates at the time of execution. In addition, Sperry Marine may charge for the travelling and accommodation expenses of such personnel, and/ or such other associated costs, plus a ten percent (10%) mark up, and for their travelling time at the rates applicable, as defined above. Sperry Marine shall not be required to provide documentary evidence in support of such charges. If Service Work is required outside Sperry Marine's regular working hours, the overtime rates applicable to the district from which Sperry Marine provides the Service Work shall apply.
- 4.3 Any publications (including online sources) containing a list of locations in which Sperry Marine maintains service stations are for information purposes only. Sperry Marine shall have the right, at any time and at its sole discretion, to modify the number and locations of its service stations.

**5. PRICES AND TERMS OF PAYMENT**

- 5.1 Unless otherwise Deviated, all prices quoted are based on FCA Vlaardingen (Incoterms 2020), in Euros, and shall be: (a) exclusive of Value Added Taxes (VAT) or other taxes and charges, which if applicable, shall be added to the quoted prices and paid for by Buyer; and (b) exclusive of any other taxes and charges including, without limitation, corporate income tax, business/ turnover tax, personnel income tax, payroll tax, sales or other taxes and charges, excise tax, use and withholding taxes, arising in any country outside the country in which Sperry Marine resides, which if applicable, shall be added to the quoted prices and paid for by Buyer. For the avoidance of doubt, each party shall be responsible for any costs, charges and expenses imposed by its own banks.
- 5.2 In the event that the parties agree a variation or modification to the Agreement or any order, including without limitation, changes in the scope of supply, increase or reduction of the quantity supplied, change in the delivery dates of the Products or the performance dates of Service Work, the prices shall be adjusted in accordance with the standard rates used by Sperry Marine at the time of execution. In addition to the above, should delivery be extended beyond the calendar year in which the Products are originally scheduled to be delivered, the price for such Products shall be increased by four percent (4%) per calendar year.
- 5.3 The minimum order value which is applicable to all sales of Products and Service Works is EUR 250 (two hundred and fifty Euros).
- 5.4 Unless otherwise Deviated and pending Buyer's credit status with Sperry Marine, full payment in the invoiced currency shall be made by Buyer not later than thirty (30) days after the invoice date, by means of payment into the bank and/or giro account stipulated by Sperry Marine, without any suspension, set-off, deduction or discount. Buyer may only submit a written notice of objection against the invoice within the term set out therein.
- 5.5 Without prejudice to any other rights of Sperry Marine, Buyer shall be in default without any further notice thereof being required, if he exceeds the aforesaid term of payment of thirty (30) days. From such moment, Buyer shall owe interest at one and a half percent (1.5%) a month compounded on the amount still outstanding. For the calculation of the amount payable due to

interest, parts of months shall apply as whole months. All judicial or extrajudicial costs including all legal and professional fees (on an indemnity basis) and all court costs incurred with respect to collection of the debt shall be at the expense of Buyer.

- 5.6 At any time Sperry Marine shall be entitled to demand reasonable security (or, as the case may be, additional security) from Buyer for the payment of the Products and/or to suspend deliveries, until the security demanded has been provided.

**6. RETENTION OF TITLE**

- 6.1 Sperry Marine shall retain title to the Products delivered or to be delivered until Buyer has made full payment of the price for such Products to Sperry Marine without any deductions.
- 6.2 As long as title to the Products has not passed to Buyer, Buyer shall not dispose of the Products or encumber them. Buyer is not permitted to attach the Products to other objects in such a manner that they cannot be easily removed. Additionally, Buyer shall ensure that adequate insurance policies are in place to cover any loss or damage to the Products.
- 6.3 If Buyer does not comply with its payment obligations, or Sperry Marine considers that Buyer will not be able to comply with its payment obligations, Sperry Marine shall be irrevocably authorised by Buyer to gain access to Buyer's business premises or the premises of a third party holding the Products on behalf of Buyer without prior notice, and to take all the necessary steps to recover the Products. Buyer is obliged to co-operate fully with Sperry Marine for this purpose.
- 6.4 Buyer is obliged to inform Sperry Marine without delay of the fact that third parties are claiming rights to the Products which are the property of Sperry Marine. Buyer is obliged to inform this third party, official receiver, trustee or attaching creditor of Sperry Marine's title with respect to these Products without delay.

**7. ACCEPTANCE OF PRODUCTS**

- 7.1 Buyer is obliged to inspect the Products or Service Works carefully after delivery and to inform Sperry Marine of any discoverable defects. Any complaints with respect to the Products shall be notified to Sperry Marine in writing within fourteen (14) days after delivery of the Products or performance of Service Work. If Buyer reasonably demonstrates that it was not possible to discover the defect upon delivery, then the complaint must be raised in writing within fourteen (14) days after the date on which the defect was discovered or could reasonably have been discovered, but in no event (including latent defects) shall Buyer be entitled to reject the Products more than thirty (30) days after delivery.
- 7.2 After expiry of the dates mentioned in Subclause 7.1, Buyer is deemed to have accepted the Products and/or Service Work and the Products and/or Service Work can no longer be rejected.

**8. TERMINATION**

- 8.1 If Buyer:
  - (a) commits any material breach of any of the terms of this Agreement (which for the avoidance of doubt, shall automatically include a breach of Clause 12 and 13); and / or
  - (b) makes any voluntary arrangement with its creditors (within the meaning of the Insolvency Act 1986) or becomes subject to an administration order or goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction), suffers any act of bankruptcy, any resolution or petition to wind up Buyer is passed, a third party seizes or threatens to seize the Products and/or Service Work before legal ownership has passed to Buyer in accordance with this Agreement, an encumbrancer takes possession or a receiver is appointed of any of the property or assets of Buyer, it ceases, or threatens to cease, to carry on business, or any circumstance arises or event occurs in relation to Buyer or any of its material assets in any country or territory in which it carries on business or to the jurisdiction of whose courts it or any of its assets is subject which corresponds with or has an effect equivalent or similar to any of those stated in this Subclause 8.1(b); and/ or
  - (c) has its financial position deteriorated to such an extent that in Sperry Marine's sole opinion Buyer's capability to adequately fulfil its obligations under this Agreement has been placed in jeopardy;

Sperry Marine shall be entitled to suspend the performance of any still current agreements wholly or partly, and in such circumstances all outstanding claims shall become payable on demand. In this event, and without prejudice to any claim or right it might otherwise make or exercise, Sperry Marine is furthermore entitled to terminate any still current agreements wholly or partly without any further notice of default by written notice to Buyer. Buyer shall be liable for all losses, costs and damages suffered by Sperry Marine as a result of such termination.

- 8.2 Sperry Marine may terminate the supply of any Products or the performance of any Service Work under this Agreement, in whole or in part, at any time, without reason, by giving Buyer not less than thirty (30) days' written notice. Sperry Marine will thereupon reimburse Buyer in respect of Products that have been paid for but not yet delivered or Service Work that has been paid for but not yet performed.
- 8.3 Notwithstanding anything to the contrary in this Agreement, Sperry Marine may at any time in its entire discretion, by service of written notice to the Buyer, with immediate effect terminate this Agreement or any order where in Sperry Marine's reasonable opinion, the Agreement or any order is or becomes in conflict with: (a) Sperry Marine's Standards of Business Conduct (available at <https://www.northropgrumman.com/corporate-responsibility/ethics-and-business-conduct/standards-of-business-conduct/>); or (b) any applicable law including without limitation any U.S. and U.K. laws, applicable export laws, rules and regulations in Clause 12 or any trade sanctions and embargoes at any time imposed by the U.S. government or any other relevant government. In this case, the Buyer shall have no right to repayment of costs already incurred or committed by it or for any other compensation of any nature and howsoever arising. Buyer acknowledges and agrees that provisions of U.S. and U.K. laws are deemed applicable regardless of the nexus of those laws to this Agreement or any order hereunder.
- 8.4 Buyer may cancel its order only with the prior written consent of Sperry Marine, which consent shall be entirely at Sperry Marine's discretion. In the event of such agreed cancellation, Buyer shall pay Sperry Marine an amount equal to the total of the following amounts:
  - (a) any outstanding sums due to Sperry Marine for any orders placed by Buyer but not yet delivered, and for any Products delivered or any Service Work performed; and
  - (b) all costs incurred or committed by Sperry Marine in performance of the order and allocable thereto including, without limitation, non-cancellable purchases from third party suppliers (including Service Work already performed), overhead and general and administrative expense, exclusive of any cost attributable to completed Service Work under (a); and
  - (c) to the extent not already included under (a), a sum for lost profits equal to fifteen percent (15%) of the order price of the cancelled part of the order, or such higher amount of lost profits as Sperry Marine can reasonably demonstrate it has incurred by accepting the cancellation; and
  - (d) to the extent not already covered by (a) and (b), an amount equal to either the order value or costs of settling and paying any claims arising out of the cancelling of Products and/or Service Work under any subcontracts or purchase orders of Sperry Marine, whichever is the higher amount.
- 8.5 Upon the expiration or termination of this Agreement for whatever reason, upon written instruction, each party will return to the other party all confidential information (as per Subclause 14.9 herein),

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other than normal correspondence, letters, orders and the like.

- 8.6 The termination or expiry of this Agreement will not prejudice or affect any right of action or remedy which has accrued or will thereafter accrue to either party.
- 8.7 Notwithstanding the termination or expiry of this Agreement, the provisions of Clauses 10 and 12, and Subclauses 14.6, 14.7 and 14.9 shall survive for a period of five (5) years following the termination or expiry of this Agreement.

**9. WARRANTY AND SUPPORT**

- 9.1 Sperry Marine warrants that all Products manufactured by Sperry Marine, its subsidiaries or affiliates and sold by Sperry Marine to Buyer at the time of delivery will be free from material defects in material and workmanship under normal use and service when (a) installed in accordance with the applicable Sperry Marine installation drawing; and (b) Supervision of Installation (SOI) or commissioning is performed by an authorised marine service engineer ("MSE") employed either by Sperry Marine or one its authorised service partners. No warranty shall be effective if a defective Product has been repaired or in any way worked on by anyone other than a MSE without Sperry Marine's prior written consent.
- 9.2 Unless otherwise stated, for all Products sold as new, Sperry Marine's obligation under warranty shall be limited to defects as defined in Subclause 9.1 above of which Sperry Marine is notified within twelve (12) months after the date that a Sperry Marine authorised MSE and Buyer representative sign a completed Commissioning Report (the "Date of Installation") or twenty four (24) months after date of shipment, from Sperry Marine, whichever period shall first expire ("Original Warranty Period").
- 9.3 The warranty for reconditioned Products or Products not sold as new under Sperry Marine's Spares Exchange ("SPEX") shall be for a period of three (3) months after the Date of Installation or six (6) months after date of shipment, from Sperry Marine, whichever period shall first expire.
- 9.4 The warranty period for Service Work shall be:
  - (a) where the Service Work is performed as part of the supply of new Products under Subclause 9.2, the warranty period set forth in Subclause 9.2; or
  - (b) where the Service Work is performed as part of the supply of reconditioned Products or SPEX under Subclause 9.3 herein, the warranty period set forth in Subclause 9.3; or
  - (c) in all other cases, one (1) month from the date of performance and completion of the Service Work.
- 9.5 In case of Products sold but not manufactured by Sperry Marine, its subsidiaries or affiliates, Sperry Marine's sole obligation shall be six (6) months from delivery of the Products, or surviving manufacturer's standard warranty conferred to Sperry Marine, whichever is longer.
- 9.6 All warrantable defects shall be notified to Sperry Marine within fourteen (14) days of its discovery, but in any event within the applicable warranty period. Sperry Marine's warranty obligations shall be limited, at Sperry Marine's discretion, to: (a) replacement or repair of the defective Products; or (b) a sum not exceeding the net invoice value of the defective Products; or (c) in the case of Service Work, re-performance of that Service Work. Any repaired or replaced Products or re-performed Service Work shall benefit from the warranty set out in Subclause 9.2, 9.3 or 9.4, but in no event shall the warranty of such rectified/ repaired Products or re-performed Service Work exceed the Original Warranty Period.
- 9.7 It shall sometimes be necessary for an engineer to travel to the service location to effect the warranty repair. Where Sperry Marine sends a MSE to the service location to effect the warranty repair, Buyer shall pay all associated travel and accommodation expenses of the MSE and Buyer shall pay the hourly rate for the MSE's for any travel time in excess of a total of four (4) hours round trip.
- 9.8 Replacement and repair of a defective part shall be made where the Products are sent to a Sperry Marine establishment or to a service station appointed by Sperry Marine within the warranty period referred to in Clause 9, provided that shipping costs, excluding import customs fees and duties, are prepaid by Buyer and the part is found defective after inspection at the establishment or service station. Defective Products, parts which are replaced under warranty, or parts exchanged under the SPEX scheme shall be returned by Buyer at Buyer's sole cost to Sperry Marine to be received by Sperry Marine at Sperry Marine's warehouse no later than four (4) weeks after the replacement has been installed and the respective commissioning report has been signed. Buyer shall only return such Products and/or SPEX after written acknowledgement from Sperry Marine and shall affix to the packaging such reference numbers and/or authorisation provided. Consumables and peripheral equipment such as cables, wires, mounting equipment and mechanical components shall not be returned unless specified by Sperry Marine. Where the defective Products or parts are not received by Sperry Marine within four (4) weeks, Buyer shall pay Sperry Marine the full list price of the relevant Products or parts and Sperry Marine shall invoice Buyer accordingly. For parts exchanged under the SPEX scheme Buyer shall pay Sperry Marine an amount equivalent to the shortfall between the agreed price and the price that would have been charged had there been no supply of used or defective equipment by Buyer and Sperry Marine shall invoice the Buyer accordingly.
- 9.9 No warranty shall be effective with respect to any Product that has been subjected to conditions beyond the limits of its specifications, or which has been physically damaged, or to which is attached any apparatus other than apparatus supplied by Sperry Marine for attachment or specifically approved for attachment by Sperry Marine in writing, nor does it apply to Products found to be defective due to abuse, lightning or other electrical discharge.
- 9.10 For the avoidance of doubt, the warranty set out in these terms includes any software installed within the Product which is required for its proper operation. Software warranty covers the remedy of defects in the software only, where this materially affects the operation of the Product and where the defects can be reproduced by Sperry Marine at any time. Sperry Marine does not warrant or represent:
  - (i) that software will function without interruption or error,
  - (ii) that all software defects can be eliminated,
  - (iii) that software, protocols, interfaces or the like that are not of Sperry Marine origin but which are coded, provided or directed by the Buyer to be installed within the Product will function without error and/ or is compatible with the operations of the Product,
  - (iv) that the software will correspond to Buyer's requirements, and
  - (v) that the software will function without error in each configuration the Buyer selects, unless such configuration has been confirmed fit for purpose by Sperry Marine.

Sperry Marine's sole liability shall be to provide a software update for the affected Product per Subclause 9.7. A software update is a defects resolution software revision that provides fixes for features that aren't working as intended and may, at Sperry Marine's discretion, include enhancements and additional functionality. Software updates are warranted to the same extent and duration as the Products of which they form a part of. A software upgrade, on the other hand, offers a significant change or major improvement over the existing version. A software upgrade is a separately chargeable event that does not form part of the existing Products or Service Works. Such software upgrades shall be warranted for a period of twelve (12) months from the Date of Installation. Sperry Marine reserves the right to determine, in its absolute discretion, whether a software revision constitutes a software update or software upgrade.

Under no circumstances shall Sperry Marine accept any liability for claims for loss of data.

- 9.11 Sperry Marine may, in its sole discretion and without notice, discontinue the sale of any Products at any time. Sperry Marine shall remain liable for the warranty of such Products under Clause 9 for the duration of the Original Warranty Period, but shall not be required to replace the discontinued Products with its successor versions. Sperry Marine may also modify the design and specifications of any existing Products, but, subject to Subclause 9.10 herein, shall not be obliged to provide such modifications on Products previously purchased by Buyer. Sperry Marine reserves the right to determine, in its absolute discretion, whether such modifications constitute a Product update or an upgrade.
- 9.12 The foregoing provisions set forth Sperry Marine's sole liability for breach of warranty in respect of, or for any defect or nonconformity in, any Products or Service Work, and Sperry Marine shall have no obligation or liability in respect of any defect or nonconformity discovered after the lapse of the warranty period as specified above. All other warranties, whether express or implied, in contract, statute or at law, are, to the extent permissible by law, herewith expressly excluded.
- 9.13 In the event of an unjustified warranty claim, including but not limited to instances where no fault is found or where the fault is not covered by the warranty set out in Clause 9, Buyer shall compensate Sperry Marine for any cost that it has incurred in responding to the claim.

**10. LIABILITY**

- 10.1 Nothing in this Agreement will exclude or limit the liability of either party to the other: (a) for death or personal injury resulting from the negligence of that party or any of its respective directors, officers, employees, contractors or agents; (b) in respect of fraud or willful misconduct by that party or any of its respective directors, officers, employees, contractors or agents; (c) for breach of the provisions set out in Clauses 13; or (d) for any other liability that cannot be excluded or limited by applicable law.
- 10.2 Notwithstanding any provisions to the contrary in this Agreement, and to the maximum extent permitted by law, Sperry Marine will not be liable for any of the following types of loss or damage arising under or in relation to this Agreement (whether arising from breach of contract, negligence, misrepresentation, tort, breach of statutory duty or otherwise): (a) any loss of profits, loss of capital of its use thereof, loss of vessel, loss of cargo, loss of product, business, contracts, anticipated savings, goodwill, or revenue, any wasted expenditure, or any loss or corruption of data; or (b) any indirect or consequential loss or damage whatsoever, even if Sperry Marine was aware of the possibility that such loss or damage might be incurred.
- 10.3 Subject to Subclause 10.1, Sperry Marine's cumulative liability under this Agreement will be limited to the prices for the Products and Service Work charged thereunder.
- 10.4 Sperry Marine shall not be liable for damages that may occur as a result of inappropriate or inadequate sites, facilities, installations or transport routes provided by Buyer.

**11. INTELLECTUAL PROPERTY RIGHTS AND PATENTS**

- 11.1 For the purpose of this Agreement, "Intellectual Property" means (a) patents, inventions, designs, copyright and related rights, database rights, trademarks, trade names (whether registered or unregistered), and rights to apply for registration; (b) proprietary rights in domain names; (c) knowhow and confidential information; (d) applications, extensions and renewals in relation to any of these rights; and (e) all other rights of a similar nature or having an equivalent effect anywhere in the world which currently exist or are recognised in the future. Sperry Marine shall grant to the Buyer a royalty-free, perpetual, transferable and non-exclusive license to use the Products and/ or Service Work in accordance with this Agreement, subject to restrictions set forth in Clause 12 hereunder. Such rights are granted on the condition that the Buyer shall not reverse engineer any Products, Service Work or any Intellectual Property embodied therein, or otherwise adapt them for other uses. The validity of the license shall cease at such time when the Buyer is no longer in possession of the Products and/ or no longer utilizes the Service Works.
- 11.2 All rights in or to Intellectual Property in the Products or which may arise directly or indirectly as a result of performance of the Service Work by Sperry Marine under this Agreement will be vested in Sperry Marine absolutely.
- 11.3 Any of Sperry Marine's special or general purpose tools, techniques, documentation, test materials, prototypes, software, moulds, dies, or other items or materials used in the design, test, manufacture, training, installation, commissioning and other performance of this Agreement will remain in the sole ownership of Sperry Marine at all times and are not included in any offer.
- 11.4 In the event that Buyer submits a claim alleging violation of third party intellectual property by the Products or any component thereof, and provided that the validity of such claim or allegation has been proved to the satisfaction of Sperry Marine or in a court of final instance that the use of these Products is prohibited, Sperry Marine shall at its sole discretion and at expense: (a) grant Buyer the right to continue to use the Products by procuring applicable licenses, or (b) replace or change the Products in such a way that violation ceases to exist, or where (a) or (b) are not possible, refund to the Buyer the purchase price for the Products upon return of the Products per Subclause 9.8. The aforesaid shall be the sole and exclusive liability of Sperry Marine in relation to any actual or alleged violation of Intellectual Property.
- 11.5 Sperry Marine accepts no liability in respect of claims for infringement or alleged infringement of third party's Intellectual Property arising from the execution of the Agreement in accordance with Buyer's designs, plans or specifications and Buyer will indemnify Sperry Marine against all losses, damages, expenses or other liability arising from such claims.
- 11.6 Sperry Marine shall not have any obligations towards Buyer with respect to any violation of Intellectual Property or a claim related to it, which is the result of: (a) change or expansion of the Products according to special designs or specifications provided by or on behalf of Buyer; or (b) the use of the Products in combination with appliances or equipment which have not been made by Sperry Marine; or (c) the use of the Products in a manner for which they have neither been designed nor intended; or (d) violation of any Intellectual Property in which Buyer or its subsidiary or branch office have any direct or indirect interest on account of a licence or otherwise, or (e) non receipt of payment by Sperry Marine, or (f) Buyer is aware of pre-existing Intellectual Property claims, or (g) Buyer failing to notify Sperry Marine of the claim or cooperate with Sperry Marine, or (h) Buyer continuing with infringing activities.

**12. EXPORT CONTROL AND SANCTIONS COMPLIANCE**

- 12.1 Products may contain parts of multiple origin, including the United States of America ("USA"). Buyer shall comply with all applicable export laws, rules and regulations including but not limited to those of the United Kingdom ("UK"), Germany, the European Community and the USA and will not export or re-export the Products in violation of any such laws, rules or regulations. Buyer warrants that all reasonable and appropriate steps will be taken to ensure that any other person or entity purchasing or otherwise acquiring the Products from Buyer will not export or re-export in violation of the aforementioned laws, rules and regulations.
- 12.2 If an export licence is required for the performance of any Sperry Marine's obligation, including but not limited to supply of Products, Service Work or warranty repairs in accordance with Clause 9, and such export licence is not granted or having been granted is revoked, Sperry Marine shall have no further obligations to Buyer under Buyer's order and this Agreement shall automatically terminate. In case of a cancellation due to this reason Buyer shall have no right to repayment of costs already incurred by it or for any other compensation howsoever arising, but Sperry Marine shall be entitled to all payments for Products or Service Work already performed under this Agreement.
- 12.3 Buyer agrees that the Products and/or Service Work provided under this Agreement will not be used for any purpose connected with chemical, biological or nuclear weapons, or missiles capable

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of delivering such weapons; that they will not be sold or transferred if it is known or suspected that they are intended or likely to be used for such purposes; that the Products will not be re-exported or otherwise sold or transferred to a destination subject to a United Nations, European Union ("EU"), Organization for Security and Co-operation in Europe ("OSCE"), UK or USA embargo where that act would be in breach of the terms of that embargo; and that the Products, or any replica of them, will not be used in any nuclear explosive activity or unsafeguarded nuclear fuel cycle.

12.4 Unless otherwise Deviated by Sperry Marine in advance, Buyer also agrees that the Products and/or Service Work provided under this Agreement will not be re-exported or otherwise sold or transferred to a military end-use and/or end-user; or to individuals or entities that are subject to USA, UK, and/or EU trade restrictions, including, but not limited to, the US Department of Commerce's Denied Party List and Entity List, the US Department of Treasury's Specially Designated Nationals list and Sectorial Sanctions Identifications list, and Annex IV to Council Regulation (EU) No 960/2014.

12.5 Buyer warrants that it is not owned or controlled by, nor does it own or control, a person or entity that is subject to economic or trade sanctions imposed by the USA Government, which restrict USA companies from engaging in trade or financial transactions with such entity for any reason, including but not limited to being resident or headquartered in or being owned or controlled by a governmental entity of a country subject to such sanctions (currently Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, and Venezuela). Buyer agrees that it will notify Sperry Marine if these circumstances change. For purpose of this provision, references to "ownership" are defined to mean any ownership interest, direct or indirect, of 50 percent or more, and references to "control" are defined to mean the right or ability to, directly or indirectly, dictate the decisions, actions, and/or policies of an entity or its management by any means. If at any time during the term of this Agreement, Buyer breaches this article, then, in addition to any other rights Sperry Marine may have under this Agreement, Sperry Marine may immediately terminate this Agreement.

12.6 Where an order has been accepted and Sperry Marine subsequently establishes that, in its reasonable opinion, the order is in conflict with any of the Subclauses within this Clause 12, this order will be immediately cancelled by Sperry Marine. In this case, Buyer shall have no right to repayment of costs already incurred by it or for any other compensation howsoever arising.

**13. PROHIBITED ACTIVITIES**

13.1 **Anti-Corruption Compliance:** Buyer confirms its understanding of the UK Bribery Act 2010 (the "UKBA") and the United States Foreign Corrupt Practices Act (the "FCPA") (15 U.S.C. Section 78dd-1, et. seq.) as amended. Buyer represents, warrants and covenants that it will comply with and not violate any provision of the UKBA or the FCPA, regardless of applicability of the law as a whole to Buyer.

13.2 Buyer represents, warrants and covenants that:

13.2.1 It has not and will not, directly or indirectly, pay, promise, offer, or authorize the payment of any money or anything of value to:

- (a) an officer, employee, agent or representative of any government, including any department, agency, or instrumentality thereof or any person acting in an official capacity thereof;
- (b) a candidate for political office, any political party or any official of a political party; or
- (c) any other person or entity;

while knowing or having reason to know that all or any portion of such payment or thing of value will be offered, given or promised, directly or indirectly, to any person or entity for the purpose of assisting Sperry Marine in obtaining or retaining business (including this Agreement), or an improper business advantage. Without limiting the generality of the foregoing, Buyer shall not directly or indirectly, pay, promise, offer, or authorize the payment of any facilitating payment intended to expedite or secure performance of a routine governmental action, such as, customs clearance on behalf of Sperry Marine.

13.2.2 No gratuities such as, but not limited to, gifts, travel expenses, business courtesies, hospitalities or entertainment of any nature has been or will be accepted or made in connection with this Agreement where the intent was, or is, to unlawfully influence the recipient of the gratuity. Buyer also represents that any gratuities offered or provided shall meet the following conditions:

- (a) be permitted under the UKBA and FCPA and the laws and regulations of the country in which this Agreement will be performed;
- (b) be consistent with applicable social and ethical standards and accepted business practices;
- (c) be of such limited value as not to be deemed a bribe, payoff or any other form of improper inducement or payment; and
- (d) be of such nature that its disclosure will not cause embarrassment for Sperry Marine.

13.2.3 Breach of any of the foregoing provisions of Clauses 13.2.1 and 13.2.2 by Buyer shall be considered an irreparable material breach of this Agreement and shall entitle Sperry Marine to terminate this Agreement immediately without compensation to Buyer.

13.3 **Denied Parties:** Buyer warrants that it is not owned or controlled by, nor does it own or control, a person or entity that is on the list of Specially Designated Nationals and Blocked Persons maintained by the Office of Foreign Assets Control of the USA Department of the Treasury or any list of known or suspected terrorists, terrorist organizations or other prohibited persons published by any jurisdiction in which Buyer is doing business.

13.4 **Prohibited Activity:** Unless specifically authorised in writing by Sperry Marine, Buyer shall not engage in any of the following activities on behalf of Sperry Marine under this Agreement: acting as an agent of Sperry Marine; marketing or sales promotion; lobbying; freight forwarding; consulting services; performing offset (industrial participation) consulting or brokering services; acting as a distributor or reseller; or activity as a joint venture party.

13.5 **Prohibited Contact:** Unless specifically authorised in writing by Sperry Marine, Buyer shall not contact, either directly or indirectly, public officials or government officials of any country in furtherance of its performance on behalf of Sperry Marine under this Agreement.

13.6 **Notification of Changes:** If Buyer provided anti-corruption compliance due diligence information (e.g., related to its ownership and personnel, subsidiaries and third parties, the due diligence questionnaire, and related certifications) to Sperry Marine or through Sperry Marine's Global Trust website, Buyer shall provide Sperry Marine with prompt notification and details of any changes to information contained in such due diligence materials, and agrees to promptly cooperate with Sperry Marine and provide additional information reasonably requested in relation to such changes. In the event of a material change to information contained in the due diligence material supplied to Sperry Marine, Sperry Marine reserves the right to suspend performance under this Agreement by providing written notice to Buyer in order for Sperry Marine to conduct additional anti-corruption due diligence upon such changed circumstances.

**14. GENERAL CONDITIONS**

14.1 **Force Majeure:** Sperry Marine will not be liable for any failure to perform its obligations (excluding payment obligations) or delay in performance of the same under this Agreement where such failure or delay is due to any cause beyond Sperry Marine's control (a "Force Majeure Event"). In the event that a Force Majeure Event endures for more than sixty (60) days, the parties will meet and review in good faith, the desirability of and conditions for continuation of this Agreement and any failure to resolve the same will entitle Sperry Marine to terminate Buyer's order (in whole or in part) without further liability to Buyer. The parties expressly agree that Force Majeure Event shall include, but is not limited to; government actions, omissions or delay; fire; strike; war; civil commotion; factory closure due to outbreak of communicable diseases; earthquake; and other Acts of God.

14.2 **Assignment:** This Agreement may not be assigned in whole or in part by either party without the prior written consent of the other except as part of a merger, consolidation or re-organisation or voluntary sale or transfer of all or substantially all of the relevant party's assets where the merged, consolidated or re-organised corporation or entity, or the transferee of such sale or transfer, has the authority and power to effectively perform that party's obligations under this Agreement.

14.3 **Notices:** Any notice, consent, permission or other communication required or permitted to be given by either party under this Agreement shall be: (a) in writing; (b) in English; (c) and signed by or on behalf of the sender. Notices must be delivered by at least one of the following delivery methods: (a) hand or recorded delivery post (or any equivalent postal service) to the address specified by one party to the other party; or (b) e-mail. For notice delivered by e-mail, the e-mail addresses will be those set out in the order and/or order acknowledgement, as may be formally updated in writing from time to time. E-mail will be deemed received at the time and date of transmission shown on the saved sent copy.

14.4 **No Waiver:** The failure by Sperry Marine to exercise, or its delay in exercising, a right, power or remedy provided by this Agreement or by law will not constitute a waiver by Sperry Marine of that right, power or remedy. If Sperry Marine waives a breach of any provision of this Agreement this will not operate as a waiver of a subsequent breach of that provision, or as a waiver of a breach of any other provision.

14.5 **Severability:** If any provision, or part of a provision, of this Agreement, is found by any court or authority of competent jurisdiction to be illegal, invalid or unenforceable, that provision or part-provision will be deemed not to form part of the Agreement, and the legality, validity or enforceability of the remainder of the provisions of this Agreement will not be affected, unless otherwise required by operation of applicable law. The parties will use all reasonable endeavours to agree within a reasonable time upon any lawful and reasonable variations to this Agreement which may be necessary in order to achieve, to the greatest extent possible, the same commercial effect as would have been achieved by the provision, or part-provision, in question.

14.6 **Dispute Resolution:** Should any question, dispute or difference whatsoever arise between the parties in relation to or in connection with this Agreement: (a) Buyer or Sperry Marine may give notice to the other in writing of the existence of such a question, dispute or difference and nominated representatives of both parties will discuss within fourteen (14) days of such notice to attempt to reach a solution; (b) if the parties are unable to resolve any dispute within fourteen (14) days of its referral under (a) above, then the parties will attempt to settle it by mediation in accordance with the Centre for Effective Dispute Resolution's (CEDR's) Model Mediation Procedure; (c) if no mutually acceptable solution is found pursuant to (b) above, then the matter will be finally settled in accordance with the Arbitration Rules of the International Chamber of Commerce by three (3) arbitrators, which Rules are deemed to be incorporated by reference into this Subclause. Arbitration will take place in London, England and the language to be used in the proceedings shall be English; and (d) the prevailing party in any arbitration or legal proceeding brought by one party against the other party and arising out of or in connection with this Agreement will be entitled to recover its legal expenses, including arbitration costs, court costs and reasonable lawyers and experts fees.

14.7 **Governing Law:** This Agreement (and any part thereof) and any disputes or claims arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) will be governed by the laws of England and Wales. Subject to Subclause 14.6, the courts of England and Wales will have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Agreement (including any non-contractual disputes or claims). The UN Convention for International Sale of Goods shall not apply.

14.8 **Offset:** The total value of this Agreement may be applied as offset credit by Sperry Marine as it sees fit in support of any present or future offset obligations. Sperry Marine will have the right to assign, sell, or otherwise transfer such credits to third parties of its choice to be used in meeting the offset obligations of said third parties.

14.9 **Confidentiality:** A party (the "Receiving Party") will keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to the Receiving Party by the other party (the "Disclosing Party"), its employees, agents or subcontractors, and any other confidential information concerning the Disclosing Party's business or its products or its services which the Receiving Party may obtain. The Receiving Party will restrict disclosure of such confidential information to such of its employees, agents or subcontractors as need to know it for the purpose of discharging the Receiving Party's obligations under this Agreement, and will ensure that such employees, agents or subcontractors are subject to obligations of confidentiality corresponding to those which bind the Receiving Party.

14.10 **Data Protection:** Sperry Marine shall, at its own cost, comply with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 (collectively "GDPR Regulations") and shall only process, use or disclose Personal Data (as defined within the GDPR Regulations), (a) strictly for the purposes of fulfilling its obligations for which the Personal Data is provided; (b) with Buyer's prior written consent; or (c) when required by law or an order of court, but shall notify Buyer as soon as practicable before complying with such law or order of court. Buyer agrees that Sperry Marine may subcontract the aforesaid Personal Data processing operations. Where Sperry Marine engages another party for such purposes, it shall ensure that such party has entered into a written agreement that imposes the same data protection obligations as set out in this Subclause.

14.11 **Entire Agreement:** This Agreement represents the entire agreement between the parties with respect to the subject matter hereof and will apply to this Agreement to the exclusion of any other terms or conditions purported to apply by any other document.

14.12 **Independent Contractors:** Nothing in this Agreement will (except as expressly provided) be deemed to constitute a partnership, or create a relationship of principal and agent between the parties for any purpose.

14.13 **Third Parties:** This Agreement is enforceable by the original parties only and any other persons will have no rights whatever either under this Agreement, Contracts (Rights of Third Parties) Act 1999 or otherwise to enforce any term of this Agreement. The term "original parties" will include Sperry Marine's parent company and any associated subsidiaries within the Northrop Grumman group.

14.14 **Amendments:** No alterations or amendments to this Agreement will be effective unless contained in a written document signed by the authorised representatives of each of the parties.

14.15 **Waste Electrical and Electronic Equipment:** Where Buyer is based in the EU or UK, Buyer confirms that they assume responsibility for the correct disposal or onward sale of the Products at the end of its service life with Buyer in accordance with the EU WEEE (Waste Electrical and Electronic Equipment) Directive (2012/19/EC) or such regulations or directives of analogous or similar effect in the relevant territory(ies).

14.16 **Compliance with Tax Laws:** Buyer shall specifically ensure that it complies with all laws, in any part of the world, in relation to the registration for or payment of any taxes which might be due in

## **TERMS AND CONDITIONS OF SALE OF NORTHROP GRUMMAN SPERRY MARINE B.V., A SUBSIDIARY OF NORTHROP GRUMMAN CORPORATION**

connection with the performance of the Service Work or supply of any Products, under this Agreement. Without limiting the foregoing, Buyer shall: (a) not, directly or indirectly, knowingly participate, be concerned in or take steps with a view to, the fraudulent evasion of tax by another person; (b) provide prompt notification to Sperry Marine of any tax offence related to the Service Work or any attempt to evade the proper payment of tax in relation the Service Work; and (c) include the substance of this Subclause in all subcontracts or other agreements with its agents, representatives or subcontractors performing any Service Work and be responsible for the observance and performance by such agents, representatives or subcontractors of this Subclause. For purposes of this Subclause, the terms "tax" or "taxes" includes income tax, property tax, payroll tax, sales tax, value added tax, and similar taxes.