PEARSON ENGINEERING

PEARSON ENGINEERING LIMITED STANDARD CONDITIONS OF PURCHASE (2026 EDITION)

1. Definitions and Interpretation

1.1 In these Terms and Conditions, the following expressions will have the following definitions and interpretation.

"Anti Slavery Policy"	Pearson Engineering Limited's anti-slavery policy as amended by notification to the Supplier from time to time.
ITAR	means US Department of State International Traffic in Arms Regulations.
Authorised Economic Operator	means a company which holds a current valid certificate, issued by its national tax authority, having achieved a level of compliance, set by His Majesty's Revenue and Customs (HMRC), the European Union or other global customs bodies, in respect of control of Supplies throughout the supply chain.
Pearson Engineering	means Pearson Engineering Limited, company number 01876136 and any of its subsidiaries within the meaning of Section 1159 of the Companies Act 2006.
Confidential Information	means all confidential information (however recorded, preserved or disclosed) which has been, is now or at any time after the date of the Contract is disclosed to or made available by Pearson Engineering to the Supplier or to any company within the Supplier's group or to any other person at the request of the Supplier including but not limited to a) the fact that contract negotiations take place and the status of those; b) the terms of the Contract; c) the purpose of the Contract; d) any Technology; e) any information that would be regarded as confidential by a reasonable business person relating to a) to d) or to the business affairs, customers, clients, suppliers, business plans, intentions or market opportunities of Pearson Engineering; and the operations, processes, product information, Intellectual Property Rights, trade secrets, software, plans, databases or spreadsheets of Pearson Engineering; f) any information that has commercial value to Pearson Engineering and which if disclosed is likely to cause real or significant damage to it; and g) any information or analysis derived from Confidential Information. Confidential Information shall not mean any information that h) is or becomes generally available to the public other than as a result of its disclosure in breach of Contract; i) is accessible from public sources or is or becomes generally available to third parties other than as a result of disclosures made in breach of contract or of any other undertaking of confidentiality addressed to the party to whom the information relates; j) was available to the Supplier or made available or being in the possession of the Supplier free of any restriction of confidentiality as to its use or disclosure prior to it being so disclosed; or k) the Supplier is able to prove from its records to have been independently developed by it without reference to any information it has received from Pearson Engineering pursuant to the Contract; or l) becomes available to the Supplier from a source other than Pearson Engineering, which source is not bound by any obligation of confidentiality in relation to such information; or m) was lawfully in the possession of the Supplier before the information was disclosed to it by Pearson Engineering; or n) the parties agree in writing is not confidential or may be disclosed.
Conflict Minerals	has the meaning given to it in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.
Contract	the contract for the sale and purchase of the Supplies and comprising the Order, these Standard Conditions, the Special Conditions, and the Specification.
Data Protection Laws	all laws (whether of the UK or any other jurisdiction) relating to the use, protection and privacy of Personal Data (including, without limitation, the privacy of electronic communications) from time to time applicable to the Buyer, including the GDPR.
EAR	means US Department of Commerce Export Administration.
Regulations.	
Event of Default	means an event specified as such in clause 13.2.
Force Majeure	means any act, event or omission beyond the affected Party's reasonable control, including but not limited to acts of God, flood, drought, earthquake or other natural disaster; epidemic or pandemic; terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations; nuclear, chemical or biological contamination or sonic boom; any law or any action taken by a government or public authority, including without limitation imposing an export or import restriction, quota or prohibition, or failing to grant a necessary licence or consent; collapse of buildings, fire, explosion or accident; any labour or trade dispute, strikes, industrial action or lockouts (other than in each case by the party seeking to rely on this clause, or companies in the same group as that party); and interruption or failure of utility service.
GDPR	the General Data Protection Regulation (EU) 2016/679.
Good Industry Practice	means the exercise of the highest degree of skill, care, prudence, efficiency, foresight and timeliness which would reasonably be expected from a person highly skilled and experienced in the field relevant to the provision of the Supplies.
Intellectual Property Rights	mean (i) patents, inventions, designs, copyright and related rights, database rights, trade marks

	and related goodwill trade names (whether registered or unregistered), and rights to apply for registration; (ii) proprietary rights in domain names; (iii) know-how and Confidential Information; (iv) applications, extensions and renewals in relation to any of these rights; and (v) all other rights of a similar nature or having an equivalent effect anywhere in the world.
ITAR	means US Department of State International Traffic in Arms Regulations.
Order	means the purchase order or any other formal order document (including task orders, scopes of work or call-off orders as the case may be) placed by Pearson Engineering on the Supplier in respect of the provision of the Supplies.
Order Acknowledgement	means Pearson Engineering's acceptance document issued with the Order or Order amendment for completion by the Supplier.
Party	means Pearson Engineering and the Supplier and includes their successors in title, permitted assignees and permitted transferees.
Special Conditions	mean the conditions set out or referenced in the Order (whether marked as Special Conditions or not).
Specification	means the document (if any) which sets out the agreed design, performance, functionality of and procedures for the Supplies and any training to be provided.
Standard Conditions	mean these Pearson Engineering Standard Conditions of Purchase (2026) Edition).
Supplier	means the supplier on which the Order is placed.
Supplies	mean any goods, materials, work, services or deliverables which are to be provided by the Supplier to Pearson Engineering pursuant to the Contract.
Technology	means information which is required for the development, production or use of goods or software including but not limited to such whose export is legally controlled or information which is required for the design of, the assembly of components into, and the operation, maintenance and repair of complete production installations of goods whose export is legally controlled and shall include, but not be limited to, blueprints, plans, diagrams, models, formulae, tables, engineering designs and specifications, manuals and instructions in connection with the same and whether or not it is written, printed, recorded, saved electronically, spoken or passed on in some other way. For the purposes of these Standard Conditions "development", "production", or "use" are defined in the Export Control Order 2008.
Termination Sum	has the meaning given to it in clause 13.1.
VAT	means value added tax as provided for in the UK Value Added Tax Act 1994.
Warranty	The period defined in clause 10.

1.2 Clause headings are for convenience only and shall not affect the interpretation of the Contract.

1.3 Words in the singular shall include the plural and vice versa.

1.4 A reference to a statute or statutory provision is a reference to it as it is in force for the time being, taking account of any amendment, extension or re-enactment and includes any subordinate legislation for the time being in force made under it.

2. Contract Formation

2.1 The Order constitutes an offer by Pearson Engineering to purchase the Supplies provided that, if the Order is not accepted in accordance with the provisions of clause 2.2 below within fourteen (14) days of the date of the Order, the Pearson Engineering offer will lapse without Pearson Engineering incurring any liability to the Supplier.

2.2 The Contract shall be formed once the Supplier has accepted the Order by signing and returning the Order Acknowledgement; or , if the Supplier fails to do this, the Supplier shall be deemed to have accepted the Order and the Contract shall be formed as soon as it takes any step in fulfilment of the Order (including, without limitation) the commencement of manufacture of goods or materials or commences the provision of any services.

2.3 It is expressly agreed that any other terms and conditions of business contained in any acknowledgements, standard forms or other documents issued by either Party or in the quotation, letter of offer, technical proposal or other similar documents issued by the Supplier to Pearson Engineering in respect of the Supplies or implied by trade custom, practice or course of dealing shall not apply.

2.4 In the event of any conflict between any of the documents that comprise the Contract, the following order of precedence shall apply:

2.4.1 the Special Conditions;

2.4.2 the Specification

2.4.3 these Standard Conditions; and then

2.4.4 any other relevant documents referenced in the [Order].

3. Supplier's Responsibilities

3.1 The Supplier shall provide the Supplies to Pearson Engineering in accordance with the Contract.

3.2 The Supplier shall:

3.2.1 at all times comply with all legislation, standards and regulations, including but not limited to, those relating to health, safety and environment, which are relevant to any of the Supplies;

3.2.2 not provide any Supplies which are intrinsically hazardous to life or harmful to the environment, without appropriate arrangements being agreed with Pearson Engineering in advance in writing;

3.2.3 ensure that waste and surplus materials and the like arising from any Supplies are disposed of in accordance with all applicable laws and regulations (and, where applicable, credit Pearson Engineering with any relevant income arising from the surplus materials);

3.2.4 comply with all the requirements of the Environmental Protection Act 1990 and any other applicable legislation governing the controlled tipping of waste;

3.2.5 use its reasonable endeavours to ensure that the Supplies do not contain Conflict Minerals and the Supplier shall promptly notify Pearson Engineering if it becomes aware of any actual or suspected Conflict Minerals incorporated in the Supplies;

3.2.6 without prejudice to the generality of clause 3.2.1:

3.2.6.1 on or before delivery of any Supplies, specifically draw Pearson Engineering's attention any measures that should be taken for the safe handing, storage or use of the Supplies;

3.2.6.2 promptly notify Pearson Engineering of any health and safety hazards or issues relating to the Supplies of which they become aware following delivery.

3.2.7 in the case of an EU Supplier, promptly notify Pearson Engineering if it is or when it becomes, or if it ceases to be, an Authorised Economic Operator.

3.2.8 make no change in the specification, design, materials, manufacturing location, manufacturing processes, or sources of supply, after Pearson Engineering's acceptance of the first production test item (if applicable) or after acceptance of the first completed end item, without the written approval of Pearson Engineering.

3.2.9 not provide, and undertake to adopt policies and procedures as necessary to ensure that it does not trade in or deliver Supplies that contain counterfeit material and upon reasonable request, the Supplier shall permit the inspection and copying of such policies, and records relating thereto; and

3.2.10 use reasonable endeavours to measure, maintain and provide accurate greenhouse gas emissions data relating to products supplied and shall cooperate with Pearson Engineering in meeting any obligations arising under the UK Carbon Border Adjustment Mechanism (CBAM) or equivalent legislation.

3.3 The Supplier shall:

3.3.1 comply with all US, UK and international export control laws (Including ITAR, EAR and OFSI regulations) and obtain, maintain and observe all regulatory approvals required for the provision of the Supplies;

3.3.2 as the Supplies may be exported, re-exported or transferred by Pearson Engineering, notify Pearson Engineering of any restrictions that may exist in respect of EU customs and/or UK export regulations and/or ITAR or EAR or any other US or other foreign Government regulations preventing such export, re-export or transfer by Pearson Engineering or confirm in writing that no such regulations apply;

3.3.3 if any of the hardware, technical data, software or technical assistance (as relevant) which are the subject of the Contract are controlled under EU and/or UK export regulations, ITAR or EAR: (a) notify Pearson Engineering forthwith; (b) provide the following information: US supplier details, description of material, part/reference number, US munitions list category/EAR Export Control Classification Number, license / technical assistance agreement or other authorising agreement reference number and copies of such agreements or relevant details including parties authorised to receive material and provisos and a listing of authorised end users, parties and/or consignees; and (c) clearly mark individual items and associated documentation as being subject to ITAR/EAR; and

3.3.4 in the event of a suspected or actual breach of clauses 3.3.1-3 notify Pearson Engineering within 24 hours.

3.4 In the event that the Supplier processes any personal information on behalf of Pearson Engineering, the Supplier agrees that it will enter into a data processing agreement in the form proposed by Pearson Engineering and as required by the applicable data protection legislation.

3.5 The Supplier shall immediately notify Pearson Engineering of the occurrence of any event or conditions that might delay or prevent completion of any of its obligations under the Contract, the reason for such delay and the measures being taken by it to rectify the situation.

3.6 Any drawings, information or documentation to be provided by the Supplier to Pearson Engineering shall be in one hard copy and one machine-readable copy in reproducible format unless otherwise agreed. Pearson Engineering may make copies of the same at no charge.

3.7 If the Supplier sells, provides or utilises any materials in an electronic form or format (including e-mails and computer programs) for or in connection with the provision of Supplies under the Contract, the Supplier shall use its best endeavours to ensure that the same shall be free from viruses, bugs and logic bombs or other unauthorised, malicious or malignant code, program, routine or software protocol which disables, disrupts, restricts, slows down, impedes or otherwise obstructs the proper performance and operation of a computer system or any application run on such system and the Supplier shall indemnify, defend and hold Pearson Engineering and Pearson Engineering's customer harmless from and against any and all risk, claim or loss arising from any disability, disruption, restriction, slowing down, impediment or other obstruction of the computer system or any application run on such system of Pearson Engineering or Pearson Engineering's customer due to the provision of electronic materials containing viruses, bugs, logic bombs or other unauthorized malicious or malignant code, program, routine or software protocol.

4. Supplier's Personnel

4.1 The Supplier shall provide its employees with and ensure that its employees, agents and sub-contractors use any protective clothing and safety equipment required in providing any Supplies to Pearson Engineering.

4.2 The Supplier shall comply with the confidentiality and security obligations that are required by virtue of any security classification that applies to information relating to the Supplies (including, if applicable, under the Official Secrets Act 1911 to 1989) and shall comply with any other security requirements required by Pearson Engineering from time to time including, without limitation information technology security requirements. The Supplier shall ensure that its employees, agents and sub-contractors are aware of the Supplier's obligations under this clause and shall procure their compliance with them.

4.3 The Supplier shall ensure that such of its employees, agents and sub-contractors who have a need to work on Pearson Engineering's site (or Pearson Engineering's customer's site) have obtained clearance in accordance all security procedure and requirements applicable to that site. In the event that any such employees, agents and sub-contractors are not security cleared, Pearson Engineering may deny the relevant individual entry to the site in question and the Supplier shall forthwith replace such person with an appropriately skilled, qualified and experienced substitute who has the necessary security clearance.

4.4 The Supplier shall at all times be responsible for its employees, agents and sub-contractors and shall ensure that they, when within the boundaries of Pearson Engineering's site (or Pearson Engineering's customer's site):

4.4.1 are made aware of and comply with rules, regulations and requirements of that site as may be in force for the time being (including any national security requirements), copies of which will be provided, on request, by the relevant site security manager;

4.4.2 shall not without Pearson Engineering's prior written consent use any of Pearson Engineering's (or Pearson Engineering's customer's) site equipment or services;

4.4.3 permit the relevant site security personnel to stop and search them and any of their vehicles when entering or leaving that site and to also search any of their huts, toolboxes or other equipment or property on that site at any time; and

4.4.4 adhere to the rules and regulations notified in advance to the Supplier in writing, regarding their connection, either directly or via remote access, to any part of that site's IT network.

4.5 At Pearson Engineering's request, the Supplier shall remove any of its employees, agents and sub-contractors where Pearson Engineering considers that it is not in the interests of Pearson Engineering for them to be engaged in the provision of the Supplies and the Supplier shall replace the same with another person having appropriate qualifications, training and expertise (at no additional cost to Pearson Engineering).

4.6 Pearson Engineering shall have the right to refuse access to its site, or it's customer's site, to any of the Supplier's employees, agents and sub- contractors who in the opinion of Pearson Engineering is not a fit and proper person to have access to such site. Pearson Engineering shall notify the Supplier as soon as reasonably practicable if it does refuse access, specifying the reasons for such refusal.

5. Quality

5.1 The Supplier shall provide the Supplies in accordance with all quality standards set out as a Special Condition and/or as provided herein and/or in the Specification. The Supplier is responsible in ensuring these requirements are also flowed down to any permitted sub-contractors.

5.2 Upon Pearson Engineering providing reasonable notice, the Supplier shall (and procure that its agents and sub-contractors shall) at no additional cost to Pearson Engineering or Pearson Engineering's customer:

5.2.1 allow Pearson Engineering and persons authorised by Pearson Engineering (which may include Pearson Engineering's customer/GQA rep) access to the Supplier's premises (and those of its agents and sub-contractors) as are being used to carry out work on the Supplies in order to inspect and audit the facilities, processes and procedures used in manufacturing the Supplies, and verify compliance with the terms of these Terms and Conditions and any Order;

5.2.2 provide adequate data to Pearson Engineering relating to progress of work on the Supplies and their quality; and

5.2.3 provide all necessary assistance (including, where appropriate, access to office accommodation, telephone and fax facilities) to enable the above-referenced rights to be fully exercisable.

5.3 Unless otherwise specifically agreed in writing, all Supplies shall be new.

5.4 Due to the nature of the goods or services to be provided the Supplier may be required to comply with the requirements of AQAP2110 (as amended or updated from time to time). Where this is required this shall be stipulated on the associated purchase order and in these cases the Supplier shall ensure that such requirements are also flowed down to any of its permitted sub-contractors.

6. Delivery

6.1 The delivery term in respect of any Supplies shall be delivered duty paid (DDP) Incoterms 2010 at the delivery location named in the Order.

6.2 All Supplies must be properly and securely packed as detailed in the Order or otherwise in such manner as to enable the Supplies to reach their destination in good condition.

6.3 The Supplier shall quote the order number and item number on all documents and packages sent by it to Pearson Engineering in respect of the Contract.

6.4 On delivery of each consignment of the Supplies, the Supplier shall deliver to Pearson Engineering such documents as are required by the Contract, including, without limitation, customs export documents, advice notes, certificates of conformity and civil approved certificates and, if the Supplier is not the original manufacturer of the Supplies, copies of the original manufacturer's certificate of conformity or civil approved certificate together with test figures, heat treatment particulars etc., where applicable. The Supplier shall also obtain and deliver all such licences, documents and certificates which Pearson Engineering may be required by law or regulation to hold or produce in order to lawfully use or resell the Supplies (or where the Supplies are services, any items which are the product of the Supplies).

6.5 If the Supplier fails to comply with the provisions of this clause 6, Pearson Engineering shall be under no obligation to accept delivery of the relevant consignment.

6.6 Delivery of goods, or performance of services, at the agreed date or dates is of the essence of the Contract, unless expressly stated otherwise in the Contract. Pearson Engineering may, at its option, accept delivery at an earlier or later date or dates and such acceptance shall not be deemed to waive any right or remedy available to Pearson Engineering under the Contract. The Supplier shall inform Pearson Engineering of any actual or anticipated delay in the delivery of the Supplies and, without prejudice to any other right or remedy to which Pearson Engineering may be entitled by law or contract or otherwise, Pearson Engineering shall be entitled to require the Supplier (at the Supplier's cost) to expedite delivery via airfreight or other method.

6.7 Supplier's delivery of Supplies in excess of or beyond that provided for in the Contract shall not obligate Pearson Engineering under any circumstances. Excess quantities of Supplies may be returned to Supplier and Supplier shall reimburse Pearson Engineering for any costs or expense for such return. If the Contract provides for delivery in installments or from time to time, a default under any installment or any such time shall, at Pearson Engineering's option, constitute an event of default hereunder. Pearson Engineering count of the Supplies shall be conclusive.

6.8 The Supplier shall use all reasonable endeavours to accept further orders for goods and/or services that are the same as or similar to the Supplies, at prices and delivery lead-times no less favourable to Pearson Engineering than those agreed for the Supplies. In the event that the Supplier is unable to accept further orders on such terms it shall, at Pearson Engineering's request, enter into good faith negotiations with Pearson Engineering to agree applicable terms and conditions.

6.9 All Supplies delivered must be clearly marked with Pearson Engineering's name, Purchase Order number and contain a packing note which is uniquely numbered and sent at the same time as the Supplies are dispatched. All hardware deliverables (spares, repairs etc.) are to be packaged and labeled in accordance with the Specification, unless agreed otherwise in writing, and in any event the Supplier shall ensure that all consignments of the Supplies are packaged and packed in such a way so as to avoid any deterioration, loss or damage during transportation or delivery. On delivery of each consignment of the Supplies the Supplier shall deliver to Pearson Engineering such documents (including, without limitation, advice notes and certificates of conformity) as required or otherwise requested by Pearson Engineering without which Pearson Engineering may reject the delivery of the Supplies.

7. Acceptance

7.1 Where acceptance tests are set out as a Special Condition and/or in the Specification, acceptance of Supplies delivered shall be subject to completion of the acceptance tests to the satisfaction of Pearson Engineering.

7.2 Where no acceptance tests are set out as a Special Condition or in the Specification, Pearson Engineering shall have the right to inspect the Supplies after delivery and acceptance shall take place if the Supplies are satisfactory to Pearson Engineering on inspection or, if no inspection is made, the Supplies shall be accepted on the earlier of (a) when they have been taken into final and beneficial use by Pearson Engineering or (b) twenty-eight (28) days after delivery in accordance with clause 6 above.

7.3 If Pearson Engineering is not satisfied that the Supplies are delivered in accordance with the Contract, Pearson Engineering may in its absolute discretion:

7.3.1 reject them in whole or in part and terminate the Contract with immediate effect by giving written notice to the Supplier in accordance with clause 13.2.1 below; or

7.3.2 give notice to the Supplier to repair or replace them without delay at the Supplier's expense and risk.

8. Risk & Title

8.1 Risk in any Supplies shall pass to Pearson Engineering upon completion of unloading of the delivery in accordance with clause 6 above.

8.2 Title to any Supplies shall pass to Pearson Engineering upon their acceptance in accordance with clause 7 above.

9. Price & Payment

9.1 The prices for the Supplies shall be agreed at the time of the Order and set out therein as a Special Condition.

9.2 Prices shall be non-revisable and shall be exclusive of VAT.

9.3 If VAT is payable, it shall be separately identified on the invoice and shall be payable by Pearson Engineering subject to receipt of a valid VAT invoice.

9.4 No additional charges shall be payable by Pearson Engineering for packaging, insurance or delivery unless otherwise agreed and set out as a Special Condition and any such charge shall be separately identified on the invoice.

9.5 Prices shall be payable by Pearson Engineering to the Supplier in accordance with the provisions of this clause 9.

9.6 The Supplier shall submit to Pearson Engineering on or after the provision of the Supplies an invoice in respect of the Supplies properly provided. Each correctly submitted and, where applicable, valid VAT invoice shall become due for payment at the end of the month following the month in which the invoice is issued **provided that** the Supplies have been delivered by the Supplier and accepted by Pearson Engineering in accordance with clauses 6 and 7 respectively.

9.7 Each invoice must be clearly addressed to the legal entity of Pearson Engineering and sent to (separately from any Supplies) c/o Accounts Payable Department as specified on the Order, referencing the order number with respect to the Supplies together with the delivery advice note number and date.

9.8 The Supplier acknowledges and agrees that invoices shall only be passed for payment by Pearson Engineering if they comply with the provisions of this clause 10. Should any invoice contain incomplete information or an incorrect or invalid charge, Pearson Engineering will be entitled to reject such invoice and return it to the Supplier or ask the Supplier to have it rectified and resubmitted (any such rectified invoice to become due for payment thirty (30) days after the date of receipt by Pearson Engineering of the resubmitted invoice) or request the Supplier to issue a credit note to correct the error.

9.9 Payments to the Supplier shall be made by Pearson Engineering in Pounds Sterling (or the agreed currency of the Contract) by Bankers Automated Clearing System (BACS) (or equivalent) Electronic Funds Transfer (EFT) or any established standing order.

9.10 Without prejudice to any other right or remedy Pearson Engineering may have, Pearson Engineering shall be entitled to set-off any payment owed by it to the Supplier under the Contract against any sums that are due and payable by the Supplier to Pearson Engineering under the Contract and/or any other agreement.

9.11 Where any cost or expense under the Contract is to be reimbursed, refunded or taken into account in any computation, the amount of that cost or expense shall be net of any VAT to the extent that the person meeting such cost or expense is able to recover such VAT as input tax under the provision of the UK Value Added Tax Act 1994 or under any other relevant legislation.

9.12 In the event Pearson Engineering is able to purchase supplies of comparable grade and quality as that covered by the Contract for delivery under similar terms and conditions at a price or prices lower than the Seller's Pearson Engineering shall give the Seller the opportunity of meeting such lower price or prices. If the Seller fails to do so, Pearson Engineering reserves the right in its absolute discretion to terminate the Contract in accordance with clause 13.1 by giving to the Seller notice in writing and to purchase material from the third party.

9.13 All materials paid for by Pearson Engineering under the Purchase Order for use in performance of the Contract shall immediately become and remain the property of Pearson Engineering. If for any reason the Supplier is unable or fails to perform the Contract, including going into liquidation, then Pearson Engineering shall have the right, upon reasonable notice, to enter Supplier's premises and remove any such materials without being liable for trespass or damages of any sort.

9.13.1 The Supplier will clearly mark, maintain in inventory, and keep segregated all Pearson Engineering owned materials. All such materials shall be used only in the performance of work under the Contract, unless Pearson Engineering consents otherwise in writing.

9.13.2 The Supplier shall have the obligation to maintain all materials to which Pearson Engineering acquires an interest under the Contract, and shall be responsible for all loss or damage to said property.

10. Warranty

10.1 The Supplier warrants to Pearson Engineering that the Supplies shall be provided:

10.1.1 in accordance with the terms of the Contract ;

10.1.2 free from defects (whether actual or latent) in design, materials and workmanship;

10.1.3 with reasonable care and skill;

10.1.4 in accordance with Good Industry Practice;

10.1.5 in compliance with all applicable laws and regulations from time to time in force as well as all of Pearson Engineering's site (or, if applicable, Pearson Engineering's customer's site) policies and rules; and

10.1.6 with no raw materials, components or sub-assemblies incorporated into the Supplies that have originated from, or transited through, sanctioned jurisdictions (including but not limited to Russia, Belarus and Iran) and that it has in place robust supply chain tracing and due diligence measures to ensure supply chain compliance with this clause.

10.2 The warranties in clause 10.1 above shall, in respect of each of the Supplies, continue for twelve (12) calendar months from the date of acceptance of such of the Supplies in accordance with clause 7 above.

10.3 If there is a defect in the Supplies during the warranty period, then without prejudice to any other right or remedy that Pearson Engineering may have, the Supplier shall without delay, upon receipt of notice from Pearson Engineering but at the absolute discretion of Pearson Engineering:

10.3.1 refund Pearson Engineering the price of the defective Supplies; and/or

10.3.2 repair or replace the defective Supplies at the Supplier's own expense and risk provided that, if the Supplier fails to do so, Pearson Engineering may arrange for them to be repaired or replaced (and all such costs incurred by Pearson Engineering shall be refunded by the Supplier within seven (7) days of the date Pearson Engineering's invoice is issued), and in either case the warranty for the repaired or replaced part(s) of the Supplies shall continue for twelve (12) calendar months from the date of acceptance by Pearson Engineering of the repaired or replacement Supplies; and/or

10.3.3 re-perform any services comprised within the Supplies in accordance with the requirements of the Contract.

10.4 The Supplier agrees that all warranties attaching to the Supplies shall be capable of being assigned to a customer of Pearson Engineering or other user by Pearson Engineering without prior written notice to the Supplier.

10.5 The Supplier warrants that it has not used or modified any software to which it does not own the rights ("Third Party Software") in connection with the development of, nor has it incorporated any such Third Party Software into, any of the Products where: (a) the use, modification or incorporation of such Third Party Software obliges or otherwise requires Pearson Engineering, the Supplier or Pearson Engineering's customer (i) to pay any sum of money to a third party, (ii) to provide to a third party source code or software upon request, at no charge or for a nominal or minimal charge, or (iii) to notify any of the foregoing to a third party; or (b) such Third Party Software was licensed to Supplier under the "GNU General Public License" or under the terms of any similar license.

10.6 The Supplier shall ensure that the Supplies, including, without limitation, all parts and components that are incorporated in the Supplies, originate from a source that owns the intellectual property of the such Supplies (or relevant parts or components thereof), or that holds a license whereby it is entitled to manufacture and supply such Supplies (or relevant parts and components thereof) ("Genuine"). The Supplier undertakes to adopt policies and procedures as necessary to ensure that it does not trade in Supplies that are not Genuine and shall authenticate all Supplies (including all parts and components that are incorporated in the Supplies) as Genuine. The Supplier shall, to the greatest extent permitted by applicable law, indemnify, defend and hold Pearson Engineering and Pearson Engineering's customer harmless from and against any and all costs, claims, losses and liabilities arising from the supply hereunder of counterfeit Supplies, (including counterfeit parts or components of Supplies), including, without limitation, the consequences of the risk of failure of Pearson Engineering equipment used when the Supplies are used either in isolation or in combination with Pearson Engineering's equipment, assemblies, systems and/or products whether such failure is detected by Pearson Engineering or by Pearson Engineering's customer.

10.7 The provisions of this clause 10 shall survive termination of the Contract, howsoever arising.

11. Indemnity

11.1 The Supplier shall indemnify and hold Pearson Engineering harmless against any and all liability, loss, claims, costs, expenses or damages of any nature whatsoever incurred by Pearson Engineering as a result of or in connection with:

11.1.1 the Supplier's breach of the Contract (including, without limitation) any failure or delay in supplying the Supplies in accordance with the terms of the Contract;

11.1.2 any tortious (including negligent) acts, omissions or defaults of the Supplier (including without limitation its employees, agents and subcontractors) in connection with the provision of the Supplies; and

11.1.3 the Supplier's breach of any applicable law or regulation in force from time to time anywhere in the world relating to the design, manufacture, packaging, sale or supply of the Supplies.

11.2 Subject to clause 11.3, Pearson Engineering shall not be liable for any loss of income, loss of actual or anticipated profits, loss of business, loss of revenues, loss of contracts, loss of goodwill or reputation, loss of anticipated savings, loss of, damage to or corruption of data, or for any incidental, indirect, special or consequential loss or damage of any kind arising out of or in connection with the Contract, in each case howsoever arising and whether such loss or damage was foreseeable or in the contemplation of the parties and whether caused by tort (including negligence), breach of contract or otherwise. In respect of any other potential liabilities that may be incurred by Pearson Engineering in connection with the supply of goods and/or services pursuant to the Contract (including liability in tort and negligence), Pearson

Engineering's aggregated liability shall be limited to the consideration payable by Pearson Engineering pursuant to the Contract.

11.3 Nothing in the Contract shall exclude or limit the liability of either Party to the other for death or personal injury resulting from its negligence.

11.4 The provisions of this clause 11 shall survive termination of the Contract, howsoever arising.

12. Insurance

12.1 The Supplier shall, as a minimum, maintain the insurance policies set out at paragraphs 12.1.1 to 12.1.7 below for a period commencing with the date on which the Contract is formed, and ending no sooner than the date falling seven years after the date on which the delivery of the Supplies is completed. Such insurance shall be maintained with insurers of good reputation and financial standing (and having a Standard & Poor's credit rating of not less than Grade A+) against all risks usually insured against by a prudent supplier carrying on the same or a similar business as the Supplier, which shall include protection for claims for third party legal liability for injury or damage and for negligent acts or omissions which result in a claim for any form of financial loss against Pearson Engineering as a result of the provision to it of the Supplies The relevant insurance policies are:

12.1.1 a policy of insurance relating to Public Liability Insurance of an amount not less than £10 million per event or series of events (or such other sum as Pearson Engineering may specify) in respect of loss of or damage to property of Pearson Engineering, customer or end user, or death, disease, illness or injury to persons resulting from provision of the Supplies;

12.1.2 a policy of insurance relating to Product Liability Insurance of an amount not less than £10 million per event or series of events (or such other sum as Pearson Engineering may specify) in respect of loss of or damage to property of Pearson Engineering, customer or end user, or death, disease, illness or injury to persons resulting from provision of the Supplies;

12.1.3 a policy of insurance relating to Employers' Liability Insurance for an amount not less than £10 million or, if outside of the UK, the minimum amount required per event or series of related events (or such other sum as Pearson Engineering may specify);

12.1.4 where applicable, Marine Insurance for a combined limit of not less than £10 million (or such other sum as Pearson Engineering may specify);

12.1.5 a policy of insurance relating to motor vehicle insurance;

12.1.6 any other insurance which Pearson Engineering may require the Supplier to maintain as set out in the Contract; and

12.1.7 any other insurance which the Supplier may be statutorily required to maintain.

12.2 The Supplier shall procure that such insurance is arranged on a continuing basis and evidence of such insurance protection shall upon request be provided to Pearson Engineering.

12.3 Pearson Engineering shall have the full benefit of such policies detailed in this clause 12 and, where applicable, such policies shall contain an indemnity to principal clause.

12.4 The Supplier shall notify its insurance companies if it is required to provide some of the Supplies on Pearson Engineering's site (or Pearson Engineering's customer's site) where there is construction movement and test of military and civilian aircraft, ships and vehicles and, where applicable, the Supplier shall procure adequate insurance cover as required by such insurance companies.

12.5 Pearson Engineering shall have no liability for damages or loss to any property of the Supplier or personal property of the Supplier's employees, agents or sub-contractors while such property is on Pearson Engineering's site (or Pearson Engineering's customer's site), regardless of howsoever or by whomsoever such damages or loss are caused.

13. Termination, Events Of Default & Remedies

13.1 Pearson Engineering may at any time terminate the Contract for convenience on giving the Supplier written notice **provided that** in such case Pearson Engineering agrees that it will reimburse the Supplier for any costs which the Supplier can prove it has reasonably and properly incurred as a direct consequence of such an early termination and cannot be otherwise avoided or mitigated which shall represent full and final settlement of such early termination (the "Termination Sum"). For the avoidance of doubt, the Termination Sum shall not include any loss of anticipated profits, unabsorbed overheads or any indirect or consequential losses. The Supplier shall submit invoices to Pearson Engineering (which shall comply with the provisions of clause 9 above) for each of the Termination Sum and any outstanding sums due under the Contract. This provision shall apply regardless of the reason for termination and whether or not clause 27.3 below has been invoked.

13.2 Each of the following events is an Event of Default:

13.2.1 the Supplier fails to comply with any of its obligations under the Contract and, if that default is capable of remedy, the Supplier fails to cure that default within thirty (30) days of Pearson Engineering giving written notice to it requiring remedy; or

13.2.2 the Supplier is unable to pay its debts generally as they fall due; or

13.2.3 a resolution is passed at a meeting of the Supplier for (or to petition for) its winding-up or administration, or the Supplier presents any petition for its winding-up or administration, or an order for the winding-up or administration of the Supplier is made, (unless in each case it is a voluntary solvent winding-up, reconstruction, amalgamation or reorganisation or part of a solvent scheme of arrangement); or

13.2.4 the Supplier agrees to any kind of composition, rescheduling, scheme, compromise or arrangement involving it and its creditors generally (or any class of them) as a result of financial difficulties; or

13.2.5 any administrative or other receiver or any manager of all or substantially all of the assets of the Supplier is appointed or an encumbrancer takes possession of, or any execution or distress is levied against, all or substantially all of the assets of the Supplier and which is not paid out or discharged within thirty (30) days after such appointment, taking possession or levy; or

13.2.6 the Supplier is acquired by or merged with any third party or any change of control shall occur; or

13.2.7 the Supplier is or may be unable, in Pearson Engineering's reasonable opinion, to perform its obligations under the Contract.

13.3 On or at any time after the occurrence of an Event of Default, Pearson Engineering shall be entitled (without prejudice to any other right or remedy) on giving written notice to the Supplier to exercise any one or more of the following rights or remedies:

13.3.1 to reduce, reschedule or cancel any of the Supplies or to refuse to accept the provision of any further Supplies and in each case without having any liability to the Supplier;

13.3.2 to recover such damages as it may have sustained in connection with or as a result of such Event of Default; and/or

13.3.3 to terminate the Contract in whole or in part.

13.4 Upon termination, howsoever arising, the Supplier shall immediately deliver to the Customer all Supplies whether or not then complete and return forthwith all of Pearson Engineering's information including but not limited to any Specifications, materials, equipment, tooling, data and other Confidential Information to Pearson Engineering and shall, if requested, provide Pearson Engineering with all such documentation and information as may be necessary to enable either Pearson Engineering or a third party to complete the Supplies ordered.

13.5 Upon receipt of notice of termination of the Contract, the Supplier shall:

13.5.1 cease provision of the Supplies as directed by Pearson Engineering; and

13.5.2 minimise all its costs associated with the termination of the Contract.

13.6 Termination of the Contract shall not affect or prejudice the accrued rights of the Parties as at termination or the continuation of any provision expressly stated to survive, or which implicitly survives, termination.

13.7 The terms and conditions of the Contract are in addition to any of Pearson Engineering's statutory and common law rights and shall not be in substitution for them.

14. Force Majeure

14.1 Pearson Engineering shall not be deemed in breach of the Contract or liable to the Supplier for any failure or delay in accepting delivery of goods or the performance of services, or any failure or delay in performing any its obligations under the Contract, if the delay or failure results from Force Majeure provided that Pearson Engineering:

14.1.1 promptly notifies the Supplier, in writing, of the known or anticipated event which causes or may cause it;

14.1.2 produces reasonable evidence of its occurrence.

14.2 If a Force Majeure exceeds a continuous period of thirty (30) days, then Pearson Engineering shall have the right by written notice to the Supplier to terminate the Contract immediately without having any liability to the Supplier except in respect of that part of the Supplies already delivered to and accepted by Pearson Engineering prior to such termination.

15. Intellectual Property Rights

15.1 The Supplier shall indemnify and hold Pearson Engineering harmless against all losses, claims, demands, charges, fees (including legal and other professional costs), payments, royalties, damages, costs and expenses of any kind arising from any claim made against Pearson Engineering for actual or alleged infringement of a third party's intellectual property rights arising out of or in connection with the supply or use of the Supplies.

15.2 The Supplier agrees that all Intellectual Property Rights created as a result of the work undertaken by the Supplier, its agents or sub-contractors for the purpose of the Contract shall vest in and be the absolute property of Pearson Engineering. Consequently, the Supplier assigns to Pearson Engineering, with full title guarantee and free from all third party rights, the Intellectual Property Rights and all other rights created as a result of the Contract and the Supplier shall (at its own cost) do all necessary acts to vest such Intellectual Property Rights in the name of Pearson Engineering or its nominee, such acts to include (without limitation) the execution of documents. Additionally, the Supplier shall obtain waivers of all moral rights in any of the Supplies to which any individual is now or may be at any future time entitled under Chapter IV of Part I of the Copyright Designs and Patents Act 1988 or any similar provisions of law in any jurisdiction. In the event the Supplier's own pre-existing Intellectual Property Rights are incorporated into the Supplies, the Supplier grants Pearson

Engineering an irrevocable, perpetual, worldwide, royalty-free license that explicitly includes the right to sublicense to end customers solely to the extent required to enable the operation, maintenance, modification, and repair of the Supplies.

16. Confidentiality and Data Protection

16.1 Except with the prior written consent of Pearson Engineering, the Supplier shall not disclose any details of the Contract or the Supplies or any other Confidential Information. Disclosure of any Confidential Information shall be made in confidence and shall extend so far only as may be necessary for the purpose of the Contract.

16.2 All documents, including (without prejudice to the generality) specifications, drawings, plans or other data and any information contained therein together with any Confidential Information supplied by Pearson Engineering for the purposes of the Contract including all copies shall remain the property of Pearson Engineering and shall be returned to Pearson Engineering on completion of the Contract or upon request of Pearson Engineering. The Supplier shall not use or permit any third party to use such documents or such information or any document or information generated by the Supplier under the Contract for any purpose whatsoever other than the fulfillment of the Contract.

16.3 The Supplier shall take such appropriate technical and organizational measures as are necessary to comply with the Data Protection Laws to protect against unauthorized or unlawful processing of Pearson Engineering's data and against accidental loss or destruction of, or damage to, Pearson Engineering data, and shall otherwise comply with all Data Protection Laws.. The Supplier acknowledges that Pearson Engineering places great emphasis on confidentiality, integrity and availability of information and consequently on the security of the Sites and the security of Pearson Engineering's systems. The Supplier also acknowledges the confidentiality of Pearson Engineering's data and shall ensure that no Pearson Engineering data is copied to (including but not limited to) media, laptops, CDs, DVDs, USBs, external hard drives or email other than is necessary under the Contract.

16.4 The provisions of this clause 16 shall survive termination of the Contract, howsoever arising.

17. Offset

17.1 The Supplier understands that Pearson Engineering accrues offset obligations resulting from international sales. To assist in satisfying these obligations, Pearson Engineering may wish to take advantage of the Supplier's offshore supply chain and investment activity, in order that potential offset credits can be claimed in identified target markets.

17.2 The Supplier acknowledges that Pearson Engineering may utilise the total value of the Contract and any sub-contracts placed by the Supplier arising from the Contract, as fulfillment in whole or in part of any offset obligation placed, or to be placed, on Pearson Engineering by an overseas customer.

17.3 The Supplier shall first seek and obtain Pearson Engineering's written permission prior to using the Contract and/or any sub-contracts arising from the Contract in satisfaction of the Supplier's own or any of the Supplier's other customers' offset obligations.

17.4 On request by Pearson Engineering, the Supplier shall assist (at its own expense)in registering the Contract with the appropriate bodies as a satisfactory offset, and shall (at its own expense) provide such other assistance and co-operation as Pearson Engineering may from time to time request in order that Pearson Engineering may claim the value of the Contract (or any part thereof) in fulfilment (in whole or part) of any offset obligation to which it is subject from time to time.

18. Inducements, Ethics and Anti-Bribery & Modern Slavery

18.1 Whether acting alone or with others, the Supplier undertakes that it will not do, and warrants that prior to accepting the Order it has not done, any of the following:

18.1.1 induce an employee, agent or sub-contractor of Pearson Engineering to make any concession to or confer any benefit on the Supplier, refrain or withhold from doing any act or alter any of the requirements of the Contract in return for any gift, money, benefit or other inducement; nor

18.1.2 without the prior written consent of Pearson Engineering, pay money or give any other benefit to any third party (either directly or indirectly) in connection with the negotiation and/or issue of the Contract; nor

18.1.3 encourage or facilitate an employee, agent or sub-contractor of Pearson Engineering to commit any act of dishonesty against Pearson Engineering which may benefit the employee, agent or sub-contractor of Pearson Engineering or be a detriment to Pearson Engineering, or both.

18.2 Pearson Engineering maintains an ethics programme and expects and encourages all its suppliers to embrace ethical values of a comparable standard (including a method for reporting possible violations).

18.3 Both parties agree that in connection with activities under the Contract it shall not make or promise to make any improper payments, or provide or offer to provide anything of value, directly or indirectly, to government officials or other parties in violation of the US Foreign Corrupt Practices Act 1977 (as amended), the UK Bribery Act 2010 or any other applicable anti-bribery laws. It is the intent of the parties that no payments or transfers of value shall be made which have the purpose or effect of public or commercial bribery, acceptance of or acquiescence in extortion, kickbacks or other unlawful or improper means of obtaining business or any improper advantage.

18.4 In performing its obligations under the agreement, the Supplier shall:

18.4.1 comply with all applicable anti-slavery and human trafficking laws, statutes, regulations and codes from time to time in force including but not limited to the Modern Slavery Act 2015;

18.4.2 comply with the Anti-slavery policy;

18.4.3 not engage in any activity, practice or conduct that would constitute an offence under sections 1, 2 or 4, of the

Modern Slavery Act 2015 if such activity, practice or conduct were carried out in the UK; and

18.4.4 ensure that each of its subcontractors and suppliers shall comply with the Anti- slavery policy and with all applicable anti-slavery and human trafficking laws, statutes, regulations and codes from time to time in force including but not limited to the Modern Slavery Act 2015.

18.5 The Supplier represents and warrants that neither the Supplier nor any of its officers, employees or other persons associated with it have been convicted of any office involving slavery and human trafficking, or has been or is the subject of any investigation, inquiry or enforcement proceedings by any governmental, administrative or regulatory body regarding any offence of or in connection with slavery or human trafficking.

19. Publicity

19.1 The Supplier shall not publicise in any media or public announcement information regarding the terms of the Contract or the Supplies provided without the prior written consent of Pearson Engineering.

20. Notices

20.1 Any notice under the Contract sent by one Party to the other shall be in writing and shall be sent by first class post using recorded delivery to its address set out in the Contract or to such other address as may from time to time be notified by the one to the other and shall be deemed to be delivered two (2) business days after posting if the other party is based within the United Kingdom and within five (5) business days after posting if the other party is based outside the United Kingdom. Proof of posting shall be used as evidence to calculate the date of delivery. E-mail or facsimile transmissions will not be an acceptable means of sending notices.

21. Waiver

21.1 A waiver of any right or remedy under the Contract or law is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default. No failure or delay by a Party to exercise any right or remedy provided under the Contract or by law shall constitute a waiver of that right or remedy, nor shall it preclude or restrict the exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that right or remedy.

22. Severability

22.1 If any of the provisions of the Contract are found to be invalid, illegal or unenforceable this shall not affect the validity of the remaining provisions. In the event of such occurrence, the Parties shall, in so far as it is legally permitted, agree on the replacement of the relevant provision with a valid one achieving the same or a similar purpose.

23. Amendment

23.1 No amendment to the Contract shall be valid unless it is contained in a contract amendment issued by Pearson Engineering which the Supplier shall accept by signing and returning the Order Acknowledgement. Alternatively, if the Supplier fails to do this, the Supplier shall be deemed to have accepted the contract amendment as soon as it commences work by carrying out the work which reflects the amendment.

24. Assignment & Sub-Contracting

24.1 Pearson Engineering may at any time assign or transfer all or any of its rights and/or obligations under the Contract without the consent of the Supplier.

24.2 The Supplier may not assign or transfer all or any of its rights and/or obligations under the Contract without the prior written consent of Pearson Engineering.

24.3 The Supplier may not sub-contract any of its obligations under the Contract without the prior written consent of Pearson Engineering except as is customary in the trade.

25. Entire Agreement

25.1 The Contract, together with any non-disclosure agreement, confidentiality agreement or other agreement relating to the same subject matter the parties may have entered into separately, shall constitute the entire agreement between the parties with respect to the subject matter of the Contract and supersede any prior discussions, oral or written agreement with respect to the subject matter of the Contract provided that nothing in this clause shall exclude liability for fraud or fraudulent misrepresentation.

26. Contracts (Rights of Third Parties) Act 1999

26.1 A third party who is not a Party to the Order has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Contract but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

27. Law & Jurisdiction

27.1 The Contract, and any non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with the laws of England and Wales.

27.2 If there is any dispute at any time between the Parties arising out of or in connection with the Contract, then the Parties shall use reasonable endeavours to resolve the dispute amicably.

27.3 Subject to the provisions of clause 27.2 above, the parties agree that any dispute arising out of or in connection with the Contract, including any question regarding its existence, validity or termination, and any dispute relating to any non-contractual obligations arising out of or in connection with the Contract, shall be referred to and finally resolved by arbitration under the Rules of the London Court of International Arbitration, which Rules are deemed to be incorporated by reference into this clause. The number of arbitrators shall be one. The seat, or legal place, of arbitration shall be

London. The language to be used in the arbitration shall be English.