



STANDARD TERMS AND CONDITIONS OF SALE

(YASA Motors and Third-Party Controllers)

1. DEFINITIONS

- 1.1. YASA Limited means YASA Limited and successors and/or permitted assigns.
- 1.2. The Purchaser means the entity to whom the Product is supplied subject to these Conditions and whose order is accepted by YASA Limited.
- 1.3. In these Conditions (and any appendices or attachments hereto) the following words and phrases shall, unless the context otherwise requires, have the following meanings:

Acknowledgement of Order means the form of communication sent by YASA Limited to the Purchaser confirming an order of the Product in accordance with these Conditions;

Conditions means these terms and conditions;

Confidential Information means all communications and all information whether written, visual or oral and all other materials of a confidential or proprietary nature (including trade secrets and information of commercial value) supplied by either Party to the other;

Motor Controller means any suitable motor controller (hardware and software) manufactured by a third party to be supplied under these terms and conditions;

User Manual means the material to be provided to enable them to use the Product;

Deliver/Delivery means ex works at the Premises (INCOTERMS 2000);

Intellectual Property Rights means all patents, copyrights, design rights, trademarks, service marks, trade secrets, know-how, database rights, intellectual property rights (whether registered or unregistered) and all applications for the same, anywhere in the world;

Party/Parties means YASA Limited and/or the Purchaser;

Premises means 11-14 Oxford Industrial Park, Yarnton, Kidlington, Oxfordshire, OX5 1QU, United Kingdom or such other location as notified to the Purchaser;

Product means a YASA Electric Motor and/or Motor Controller to be supplied under these Conditions;

Specification means YASA Limited's standard specification of the YASA Electric Motor and/or, in the case of the Motor Controller, the manufacturer's standard specification of the Motor Controller;

Territory means worldwide;

Working Day means any day (other than a Saturday or a Sunday) when clearing banks are open for business for the transaction of normal banking business but excluding days on which YASA Limited 's Premises is closed for business;

YASA Electric Motor means an electric motor and accessories manufactured and/or supplied by YASA Limited.

2. GENERAL

- 2.1. All quotations and offers are made and all orders are accepted by YASA Limited subject to these Conditions and, except as otherwise provided herein, all other terms, conditions or warranties are excluded from any contract between YASA Limited and the Purchaser including any terms and conditions which may purport to apply under any order or similar document. All orders for the Product shall be deemed to be an offer for the Purchaser to purchase the Product pursuant to these Conditions. Acceptance or Delivery of the Product shall be deemed conclusive evidence of the Purchaser's acceptance of these Conditions.
- 2.2. Any written quotation or estimate provided by YASA Limited shall constitute an invitation to treat and no binding contract shall be created by the placing of an order by the Purchaser unless and until YASA Limited has sent an Acknowledgement of Order form to the Purchaser.
- 2.3. No particulars contained in any advertising matter, catalogues web site, publications and/or any other information supplied by YASA Limited or the manufacturer of the Motor Controller, nor any verbal representation by any employee or agent of YASA Limited shall be part of these Conditions nor shall they be treated as constituting a representation on the part of YASA Limited. The Purchaser acknowledges that there are no representations outside these Conditions which have induced it to enter into these Conditions.
- 2.4. No alterations or modifications to these Conditions shall be binding on YASA Limited unless expressly accepted in writing by YASA Limited.

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3. SPECIFICATION AND FITNESS FOR PURPOSE

- 3.1. Each Product supplied to the Purchaser under these Conditions shall conform in all material respects to the Specification unless otherwise stated in the Acknowledgement of Order.
- 3.2. The responsibility for ensuring that the Product is sufficient and suitable for a particular purpose is the Purchaser's, unless specifically stated in writing by a director of YASA Limited. Any advice or recommendation given by an employee of YASA Limited which is not confirmed in writing by a director of YASA Limited is acted on entirely at the Purchaser's risk and the Company shall not be liable for any such advice or recommendation which is not so confirmed. Except as set out in Clause 11, the liability of the Company to the Customer, should any warranty, statement, advice or recommendation confirmed in accordance with this Clause 3.2 prove to be incorrect, inaccurate or misleading, will be limited to the refund of the price paid for the Products or, at the Company's option, the supply of replacement Products which are sufficient and suitable.
- 3.3. The Purchaser must not use the Products, or sell the Products for use in, any aircraft or spacecraft, or in any military missile. The Purchaser shall indemnify and hold harmless YASA Limited from and against all actions, claims, losses, costs, damages and expenses whatsoever arising out or in connection with its failure to comply with this Clause 3.3.

4. INTELLECTUAL PROPERTY

- 4.1. The Purchaser acknowledges that all Intellectual Property Rights in the YASA Electric Motor and/or any documentation relating thereto (together with any enhancements, modifications, derivatives and/or any other amendments thereto) shall remain vested in YASA Limited and/or its licensors. The Purchaser shall have no rights in respect of any Intellectual Property Rights belonging to YASA Limited (or its licensors) nor any goodwill associated therein.
- 4.2. The Purchaser acknowledges that the Motor Controller may be subject to the Intellectual Property Rights of third parties. No right or licence is granted to the Purchaser, except the right to use the Motor Controller(s) in the Customer's ordinary course of business. YASA Limited shall have no liability whatsoever in the event of any claim of infringement of any such rights howsoever arising. In particular, without limiting the above, title in any software program forming any part of the Motor Controller is reserved to its manufacturer. The Customer is responsible for informing itself of the terms of its licence or use and paying any royalty payable.
- 4.3. The Purchaser shall not copy, reverse engineer, dismantle, modify, or enhance the Product.

5. INDEMNITY

- 5.1. The Purchaser shall be liable for and shall indemnify YASA Limited in full against any claim or proceedings, expense, fees (including legal fees), liability and/or other losses whether arising directly or indirectly where the Purchaser is in breach of these Conditions so as to constitute an infringement of any Intellectual Property Rights belonging to YASA Limited or its suppliers.
- 5.2. In the event that the Purchaser becomes party to any claim or action that the normal use or possession of the Products within the Territory infringes the Intellectual Property Rights of a third party ("IPR Claim"), YASA Limited shall be entitled at its own expense and option either to:
 - 5.2.1. procure the right for Purchaser to continue to use or sell the Product; or
 - 5.2.2. modify the Product (without materially detracting from its functionality) so as to avoid the IPR Claim; or
 - 5.2.3. replace the Product with non-infringing substitutes provided that such substitutes do not entail a material reduction in functionality.
- 5.2.4. If YASA Limited in its reasonable judgement is not able to exercise any of the options set out in Clause 5.2 above then Purchaser shall return the Product(s) which are the subject of the IPR Claim and YASA Limited shall refund the Price paid in respect of such Product(s). Clauses 5.2 and 5.3 state YASA Limited's entire liability and Purchaser's sole remedy with regard to an IPR Claim.

6. PRICE

- 6.1. Except as otherwise agreed, the quoted price for the Product is exclusive of any Value Added Tax or other applicable sales tax, levy or duty required by law. For the avoidance of doubt, the Purchaser shall pay all charges, duties and/or other taxes required by law and/or which are assessed against the Product in any relevant jurisdictions.
- 6.2. Except as otherwise agreed, the price for the Product shall be YASA Limited's price for the Product at the date of YASA Limited's Acknowledgement of Order or, in the event of YASA Limited requiring payment before Delivery of the Product, the date upon which such payment is requested.
- 6.3. YASA Limited reserves the right to increase the price of any Product, on written notice to the Purchaser, to reflect any additional costs and expenses to YASA Limited in manufacturing, assembling or delivering the Product. Such price increase shall only apply to orders received after the date on which YASA Limited provides the Purchaser with such written notice pursuant to this Clause 6.3.

7. PAYMENT

- 7.1. Payment for the Product and any other amount payable by the Purchaser shall be in pounds sterling (or such other currency as YASA Limited shall direct in its sole discretion) and an amount between 50% and 100% of the total amount payable as agreed with YASA Limited shall be due from the Purchaser in advance of Delivery. Payment for other support or services will be phased in accordance with milestones in a written agreement with the Purchaser. Interest on unpaid invoices will run from day to day at the rate of 4% per annum above the base rate of the Bank of England from the date when payment

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for the Product is due until the date of payment in full by the Purchaser and shall accrue after as well as before any judgement. The Purchaser shall reimburse YASA Limited all costs and expenses (including legal costs) incurred in the collection of any overdue payments.

- 7.2. No payment shall be deemed to have been received until YASA Limited has received cleared funds.
- 7.3. Payment of all sums provided for under these Conditions shall be made in full and free from any deductions, rights of settlement, counterclaims or liens.
- 7.4. The Purchaser shall if requested by YASA Limited secure payment by way of a confirmed stand-by letter of credit within 30 days of the date of the Purchaser's order or of YASA Limited's written request (whichever shall be the later). If the Purchaser fails to open the stand-by letter of credit by such date YASA Limited shall be entitled to terminate the Purchaser's order forthwith without liability or YASA Limited may be entitled to claim interest in accordance with Clause 7.1 above.

8. RESERVATION OF TITLE AND RISK

- 8.1. The risk in the Product shall remain with YASA Limited until Delivery or payment for the Product by the Purchaser in full, whichever is the earlier, at which time the risk in the Product shall be transferred to the Purchaser.
- 8.2. Title to the Product shall only pass to the Purchaser upon the happening of any one of the following events: -
 - 8.2.1. the Purchaser having paid to YASA Limited all sums (including any default interest and/or any applicable taxes) due from it to YASA Limited under these Conditions and all other contracts made at any time between YASA Limited and the Purchaser whether or not the same are immediately payable; or
 - 8.2.2. YASA Limited serving notice in writing specifying that the title in the Product has passed.
- 8.3. YASA Limited may recover any Product in respect of which title has not passed to the Purchaser if the Purchaser, being a company, does anything or fails to do anything which could entitle a creditor to appoint a receiver to take possession of any of the Purchaser's assets; or which would entitle any person (including the Purchaser itself) to present a valid petition for winding up the Purchaser or to propose an application for administration of or voluntary arrangements in relation to the Purchaser under the Insolvency Act 1986; or if a resolution is passed for the winding up of the Purchaser (otherwise than for the purpose of amalgamation or reconstruction while solvent); or if the Purchaser ceases or threatens to carry on business by reason of insolvency or approaching insolvency; or otherwise if anything analogous under the law of any jurisdiction occurs to the Purchaser; or if distress or execution is levied against the Purchaser's assets; or if a judgement against the Purchaser remains unsatisfied for more than seven days or if the Purchaser fails to pay its debts as and when they fall due.
- 8.4. Until title to the Product has passed to the Purchaser under these Conditions it shall possess the Product as fiduciary agent and Bailee of YASA Limited. If YASA Limited so requires, the Purchaser shall store the Product separately from other goods and shall ensure that they are clearly identifiable as belonging to YASA Limited. During such time as the Purchaser possesses any Product with YASA Limited's consent, the Purchaser may in the normal course of its business sell or hire the goods as principal and without committing YASA Limited for any liability to the person dealing with the Purchaser.
- 8.5. The Purchaser irrevocably licenses YASA Limited, its officers, employees and agents to enter upon any premises of the Purchaser, with or without vehicles for the purpose either of satisfying itself that Clause 8.4 above is being complied with by the Purchaser or of recovering any Product in respect of which title has not passed to the Purchaser.

9. DELIVERY

- 9.1. Unless agreed otherwise, Delivery of the Product shall be deemed to take place when YASA Limited notifies the Purchaser that the Product is available for collection from the Premises and the Purchaser shall arrange for collection of the Products within five Working Days of receipt of such notice.
- 9.2. If five Working Days after notification pursuant to Clause 9.1, the Purchaser refuses and/or fails to collect any Product(s), YASA Limited shall be entitled to arrange storage of the Product(s) either at the Premises or elsewhere on the Purchaser's behalf and at the Purchaser's risk and expense.
- 9.3. Any dates specified by YASA Limited for delivery of the Products are intended to be an estimate and time for delivery shall not be made of the essence by notice. If no dates are so specified, delivery will be within a reasonable time.
- 9.4. YASA Limited shall not be liable in any way for any direct or indirect loss, damage or expense (including without limitation loss of any profits, loss of business or turnover, or consequential loss and all liability to third parties) suffered or incurred by the Purchaser as a consequence of any delay in any Delivery.
- 9.5. YASA Limited shall be entitled to deliver instalments in any sequence. No default or failure by YASA Limited to deliver one or more instalments shall entitle the Purchaser to repudiate these Conditions to which the instalments relates and/or to claim damages in respect thereof. Each instalment shall be a separate contract provided that Delivery for instalments may be withheld until the price for the Product comprised in earlier instalments has been fully paid.
- 9.6. The Purchaser shall notify YASA Limited that the Product is accepted in accordance with the Specification within ten Working Days of Delivery. If the Purchaser has not notified YASA Limited in accordance with this Clause 9.6 then acceptance of the Product shall be deemed to have occurred.
- 9.7. The Purchaser shall comply with all export control laws and regulations applicable in the Territory and shall not export the Products or any part thereof or any technical data without obtaining all of the applicable licences, authorisations and regulatory approvals. The Purchaser shall be solely responsible at its cost for obtaining such licences and authorisations and

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shall indemnify YASA Limited for any costs, damages or expenses which YASA Limited incurs as a result of the Purchaser's failure to obtain the relevant licences and approvals.

- 9.8. The quantity of any consignment of Products as recorded by YASA Limited at Delivery shall be conclusive evidence of the quantity received by the Purchaser unless the Purchaser can provide conclusive evidence proving the contrary.

10. WARRANTY

- 10.1. Subject to the provisions of this Clause 10, YASA Limited hereby warrants to the Purchaser that the YASA Electric Motor shall be free from any material defects in materials and workmanship for a period of 12 months from the date of manufacture. In respect of the Motor Controller, YASA Limited will endeavour to transfer to the Customer the benefit of any warranty or guarantee given by the manufacturer of the Motor Controller.
- 10.2. If YASA Limited receives written notice from the Purchaser of any breach by YASA Limited of the warranty contained in Clause 10.1 YASA Limited shall, at its own expense and as soon as it is reasonably able, investigate that breach following receipt of such notice.
- 10.3. Subject to Clauses 10.4 and 10.5, in the event of any breach by YASA Limited of the warranties specified in Clause 10.1 of these Conditions then the Purchaser's sole and exclusive remedy and YASA Limited's entire liability will be for YASA Limited to use its commercially reasonable endeavours to, at YASA Limited's discretion, repair and/or replace the Product in question or in the case of services, re-perform the services at its own cost. Save that if the Purchaser seeks repair or replacement of Products under this Clause 10.3 but YASA Limited or the manufacturer of the Motor Controller no longer manufactures that Product, YASA Limited shall be entitled to replace the Products with products of an equivalent standard and quality or (at its discretion) refund the Price paid for that Product(s).
- 10.4. YASA Limited shall be under no liability in respect of a defect arising from:
- 10.4.1. interference, tampering or work performed on the Product;
- 10.4.2. misuse, wilful damage, abnormal working conditions, failure to follow YASA Limited's or the manufacturer of the Motor Controller's instructions (whether oral or in writing) or negligence;
- 10.4.3. accidental damage or any other damage not consistent with fair wear and tear;
- 10.5. YASA Limited shall not be liable for a breach of the warranties set out in Clause 10.1 unless:
- 10.5.1. the Purchaser gives notice of the breach to YASA Limited within 7 Working Days of the time when the Purchaser discovers or ought to have discovered the breach; and
- 10.5.2. YASA Limited is given a reasonable opportunity after receiving the notice of examining such Products and the Purchaser (if asked to do so under YASA Limited Returned Materials Authorisation process) returns such Products to YASA Limited's place of business for the examination to take place there.
- 10.6. The warranty set forth in this Clause 10 is expressly subject to Clause 11 (Limitation of Use and Liability).

11. LIMITATION OF USE AND WARRANTY

- 11.1. The Purchaser accepts that the Motor(s) is a first off production product and it is the responsibility of the Purchaser to prove fitness for purpose in their application and no guarantee of reliability and operating life can be given. Unless notified otherwise and save for the warranty provision of Clause 11, any commercial-off-the-shelf components supplied with the Motor will be provided with standard manufacturer's warranty.
- 11.2. THE LIMITED WARRANTY SET FORTH IN CLAUSE 10 SHALL BE IN LIEU OF, AND YASA Limited SPECIFICALLY DISCLAIMS, ANY OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL YASA Limited BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES. The foregoing limited warranty is personal to the Purchaser and any sale or other transfer of Motors by Purchaser shall void such limited warranty. The Purchaser shall be entitled to rely on the accuracy, sufficiency and completeness of information provided by YASA Limited.
- 11.3. Except as expressly stated in these Conditions all warranties, terms and conditions, whether oral or written, express or implied by statute, common law, or otherwise (including but not limited to any warranties, terms and conditions of fitness for purpose, description or quality) are hereby excluded to the fullest extent permitted by law.

12. LIMITATION OF LIABILITY

- 12.1. YASA Limited does not exclude its liability to the Purchaser:
- 12.1.1. for death or personal injury caused by the negligence of YASA Limited, its employees, agents or sub-contractors;
- 12.1.2. under part 1 of the Consumer Protection Act 1987;
- 12.1.3. due to any breach by YASA Limited of conditions as to title or warranty as to quiet possession; or
- 12.1.4. for fraud (including without limit fraudulent misrepresentation);
- 12.2. The liability of YASA Limited in respect of direct physical loss or damage to the Purchaser's tangible property (excluding the Products) caused by the negligence of YASA Limited or its employees agents or sub-contractors shall not exceed in aggregate one million pounds sterling (£1,000,000).
- 12.3. Except as stated in Clauses 12.1 and 12.2 above, YASA Limited's maximum aggregate liability for all claims made under these Conditions, howsoever arising, including (without limitation) due to negligence, breach of contract, misrepresentation (excluding fraudulent misrepresentation) or for any other reason, shall not exceed the lesser of: one million pounds sterling (£1,000,000); or an aggregate sum equal to 120% of the total Price paid and payable by the

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Purchaser to YASA Limited in respect of Products purchased by the Purchaser during the 12 month period in which the liability arose.

- 12.4. Subject to Clause 12.1 and whether or not YASA Limited has been advised of the possibility of such loss or damage YASA Limited shall not be liable to the Purchaser, whether such losses or damages arise due to negligence, breach of contract, misrepresentation (excluding fraudulent misrepresentation) or for any other reason, in respect of the following whether direct or indirect:
- a. loss of profits;
 - b. loss of anticipated savings;
 - c. loss of revenue;
 - d. loss of business; and/or
 - e. any type of indirect loss or damage howsoever caused.

- 12.5. The Purchaser acknowledges that the Product price is based on the assumption that the liability of YASA Limited and the Purchaser is as set out herein. The Purchaser is advised to insure against any risk not accepted by YASA Limited.

13. CONFIDENTIALITY

- 13.1. Each of YASA Limited and the Purchaser shall at all times:
- 13.1.1. use its best endeavours to keep all Confidential Information confidential and accordingly, not disclose any Confidential Information to any other person; and
 - 13.1.2. not use any Confidential Information for any purpose other than the performance of its obligations under these Conditions.
- 13.2. Confidential Information may be disclosed by either Party:
- 13.2.1. to the extent required by law; or
 - 13.2.2. where it is public knowledge at the date of disclosure or can be shown by the disclosing party to have been known prior to such disclosure.
- 13.3. The Purchaser acknowledges that the Products contain the proprietary, confidential and trade secret information of YASA Limited.
- 13.4. Each party shall only divulge Confidential Information of the other to those of its employees, agents or sub-contractors who are directly involved in the performance of these Conditions and shall take all reasonable precautions to ensure that such employees, agents of sub-contractors are aware of and comply with these obligations as to confidentiality.
- 13.5. The provisions of this Clause 13 shall remain in full force and effect for period of ten (10) years from the date of the last Acknowledgement of Order issued by YASA Limited to the Purchaser.

14. TERMINATION AND CANCELLATION

- 14.1. YASA Limited shall be entitled to forthwith terminate any order placed by the Purchaser by written notice if the Purchaser fails to pay any invoice, or in advance if requested, in accordance with these Conditions, or the Purchaser commits any continuing or material breach of these Conditions; or makes any composition with its creditors; or suffers any distress or execution to be levied upon its assets; or is wound up either compulsorily or voluntarily; or suffers a receiver of any of its assets to be appointed; or ceases or threatens to cease carrying on business; or otherwise fails to pay its debts as and when they fall due.
- 14.2. If the Purchaser purports to cancel any order or any part thereof or refuses to accept Delivery then without prejudice to any other rights or claims which YASA Limited may have, the Purchaser shall:
- 14.2.1. pay to YASA Limited an amount equal to the full cost to YASA Limited of all components, purchased by YASA Limited or which YASA Limited is committed to purchase as at the date of such cancellation and which relate to the relevant order, provided that YASA Limited shall use its reasonable endeavours to mitigate its losses arising from such cancellation by utilising such components wherever possible to meet orders of other purchasers; or
 - 14.2.2. take Delivery of and pay to YASA Limited, the price in accordance with the terms of these Conditions in relation to any Product that is in the process of being delivered to Purchaser at the date of cancellation.

15. FORCE MAJEURE

Except for the payment of the Price by the Purchaser, neither party shall be liable to the other for any delay or non-performance of its obligations under these Conditions arising from any cause or causes beyond its reasonable control including, without limitation, any of the following: act of God, governmental act, delay or failure of any supplier, sub-contractor or carrier, war, fire, flood, explosion or civil commotion.

16. PUBLICITY

No press release, advertising, sales literature, or other publicity statements relating to the existence or substance of this Agreement or the relationship between the Parties created by it, shall be made by a Party without the review and prior written approval of the other Parties.

17. MISCELLANEOUS

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ID: 28833 Version 4. February 2018 www.yasa.com

Page 5 of 27



- 17.1. The Purchaser may not assign, novate, sub-licence, subcontract or in any way dispose of its rights or obligations under these Conditions to any third party without the prior consent of YASA Limited.
- 17.2. Any notice required to be served pursuant to these Conditions shall be served on YASA Limited at the Premises or such other address as YASA Limited may from time to time notify to the Purchaser and on the Purchaser at the address notified to YASA Limited by first class registered post, registered air mail or by e-mail, telex or facsimile. Any such notice served by post shall be deemed to have been served in the case of a destination in the UK 2 days after the date of despatch and 7 days after the date of despatch to any other destination. In the case of service by telex or facsimile when the addressee's machine acknowledges receipt thereof and in the case of email, when the email is available to be read in the recipient's inbox.
- 17.3. Save to the extent permitted by law, these Conditions set forth and shall constitute the entire agreement between the parties and shall supersede any and all previous agreements or understandings between the parties. The parties acknowledge that any supplementary agreements drafted by YASA Limited relating to the Products shall be read in conjunction with these Conditions.
- 17.4. All conditions, warranties or other terms implied by statute, common law or otherwise are hereby excluded to the fullest extent permitted by law. No term of these Conditions is intended to confer a benefit on, or to be enforceable by, any person who is not a party to these Conditions.
- 17.5. Any term of these Conditions which is judged to be void or unenforceable shall to the extent of such invalidity be severable and the continuation in full force and effect of the remainder of the provisions will not be prejudiced.
- 17.6. Failure by YASA Limited at any time to enforce any of these Conditions shall not be construed as a waiver by YASA Limited of such Conditions or any other Conditions and YASA Limited shall be entitled to enforce any such breach at any time.
- 17.7. These Conditions and any contract formed between the Parties pursuant to these Conditions shall be governed and interpreted in accordance with the laws of England and shall be subject to the jurisdiction of the English Courts but nothing in this Clause shall limit the right of YASA Limited at its sole discretion to bring proceedings in connection with these Conditions, or any such contract in any other court of competent jurisdiction.
- 17.8. Dispute Resolution: The parties agree that they shall attempt to resolve any dispute regarding any right, obligation, duty, or liability arising out of the provisions of this Agreement through informal discussions or negotiations prior to resorting to formal dispute resolution. If, at any time following the commencement of any such discussions or negotiations, either party determines such discussions or negotiations are not likely to result in a reasonable resolution of the dispute, it may send to the other party a written statement of the issues or problems being discussed or negotiated ("Dispute Statement"). If the dispute has not been resolved within sixty (60) days after the mailing of the Dispute Statement, either party shall have the right to serve a written demand for arbitration upon the other and thereby commence binding arbitration in accordance with governing laws.
- 17.9. Nothing in these Conditions is intended to confer any benefit on any third party (whether referred to herein by name, class, description or otherwise) or any right to enforce a term contained in these conditions.
- 17.10. Disposal: Motors sold to Customer for Test & Evaluation purposes that reach the end of their useful life will be disposed of in accordance with formal Purchaser WEE Procedures or, preferably, formally scrapped by Purchaser and returned to YASA Limited in 'as-is' condition for potential investigation and/or disposal in accordance with YASA Limited WEE procedures.



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- a. Each Product supplied to the Purchaser under these Conditions shall conform in all material respects to the Specification unless otherwise stated in the Acknowledgement of Order.
- b. The responsibility for ensuring that the Product is sufficient and suitable for a particular purpose is the Purchaser's, unless specifically stated in writing by a director of YASA Limited. Any advice or recommendation given by an employee of YASA Limited which is not confirmed in writing by a director of YASA Limited is acted on entirely at the Purchaser's risk and the Company shall not be liable for any such advice or recommendation which is not so confirmed. Except as set out in Clause 11, the liability of the Company to the Customer, should any warranty, statement, advice or recommendation confirmed in accordance with this Clause 3.2 prove to be incorrect, inaccurate or misleading, will be limited to the refund of the price paid for the Products or, at the Company's option, the supply of replacement Products which are sufficient and suitable.
- c. The Purchaser must not use the Products, or sell the Products for use in, any aircraft or spacecraft, or in any military missile. The Purchaser shall indemnify and hold harmless YASA Limited from and against all actions, claims, losses, costs, damages and expenses whatsoever arising out or in connection with its failure to comply with this Clause 3.3.

4. INTELLECTUAL PROPERTY

- a. The Purchaser acknowledges that all Intellectual Property Rights in the YASA Electric Motor and YASA Controller and/or any documentation relating thereto (together with any software, enhancements, modifications, derivatives and/or any other amendments thereto) shall remain vested in YASA Limited and/or its licensors. The Purchaser shall have no rights in respect of any Intellectual Property Rights belonging to YASA Limited (or its licensors) nor any goodwill associated therein.
- b. The Purchaser shall not copy, reverse engineer, dismantle, modify, or enhance the Product.

5. INDEMNITY

- a. The Purchaser shall be liable for and shall indemnify YASA Limited in full against any claim or proceedings, expense, fees (including legal fees), liability and/or other losses whether arising directly or indirectly where the Purchaser is in breach of these Conditions so as to constitute an infringement of any Intellectual Property Rights belonging to YASA Limited.
- b. In the event that the Purchaser becomes party to any claim or action that the normal use or possession of the Products within the Territory infringes the Intellectual Property Rights of a third party ("IPR Claim"), YASA Limited shall be entitled at its own expense and option either to:
 - i. procure the right for Purchaser to continue to use or sell the Product; or
 - ii. modify the Product (without materially detracting from its functionality) so as to avoid the IPR Claim; or
 - iii. replace the Product with non-infringing substitutes provided that such substitutes do not entail a material reduction in functionality.
 - iv. If YASA Limited in its reasonable judgement is not able to exercise any of the options set out in Clause 5.2 above then Purchaser shall return the Product(s) which are the subject of the IPR Claim and YASA Limited shall refund the Price paid in respect of such Product(s). Clauses 5.2 and 5.3 state YASA Limited's entire liability and Purchaser's sole remedy with regard to an IPR Claim.

6. PRICE

- a. Except as otherwise agreed, the quoted price for the Product is exclusive of any Value Added Tax or other applicable sales tax, levy or duty required by law. For the avoidance of doubt, the Purchaser shall pay all charges, duties and/or other taxes required by law and/or which are assessed against the Product in any relevant jurisdictions.
- b. Except as otherwise agreed, the price for the Product shall be YASA Limited's price for the Product at the date of YASA Limited's Acknowledgement of Order or, in the event of YASA Limited requiring payment before Delivery of the Product, the date upon which such payment is requested.
- c. YASA Limited reserves the right to increase the price of any Product, on written notice to the Purchaser, to reflect any additional costs and expenses to YASA Limited in manufacturing, assembling or delivering the Product. Such price increase shall only apply to orders received after the date on which YASA Limited provides the Purchaser with such written notice pursuant to this Clause 6.3.

7. PAYMENT

- a. Payment for the Product and any other amount payable by the Purchaser shall be in pounds sterling (or such other currency as YASA Limited shall direct in its sole discretion) and an amount between 50% and 100% of the total amount payable as agreed with YASA Limited shall be due from the Purchaser in advance of Delivery. Payment for other support or services will be phased in accordance with milestones in a written agreement with the Purchaser. Interest on unpaid invoices will run from day to day at the rate of 4% per annum above the base rate of the Bank of England from the date when payment for the Product is due until the date of payment in full by the Purchaser and shall accrue after as well as before any judgement. The Purchaser shall reimburse YASA Limited all costs and expenses (including legal costs) incurred in the collection of any overdue payments.
- b. No payment shall be deemed to have been received until YASA Limited has received cleared funds.
- c. Payment of all sums provided for under these Conditions shall be made in full and free from any deductions, rights of settlement, counterclaims or liens.
- d. The Purchaser shall if requested by YASA Limited secure payment by way of a confirmed stand-by letter of credit within 30 days of the date of the Purchaser's order or of YASA Limited's written request (whichever shall be the later). If the Purchaser

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fails to open the stand-by letter of credit by such date YASA Limited shall be entitled to terminate the Purchaser's order forthwith without liability or YASA Limited may be entitled to claim interest in accordance with Clause 7.1 above.

8. RESERVATION OF TITLE AND RISK

- a. The risk in the Product shall remain with YASA Limited until Delivery or payment for the Product by the Purchaser in full, whichever is the earlier, at which time the risk in the Product shall be transferred to the Purchaser.
- b. Title to the Product shall only pass to the Purchaser upon the happening of any one of the following events: -
 - i. the Purchaser having paid to YASA Limited all sums (including any default interest and/or any applicable taxes) due from it to YASA Limited under these Conditions and all other contracts made at any time between YASA Limited and the Purchaser whether or not the same are immediately payable; or
 - ii. YASA Limited serving notice in writing specifying that the title in the Product has passed.
- c. YASA Limited may recover any Product in respect of which title has not passed to the Purchaser if the Purchaser, being a company, does anything or fails to do anything which could entitle a creditor to appoint a receiver to take possession of any of the Purchaser's assets; or which would entitle any person (including the Purchaser itself) to present a valid petition for winding up the Purchaser or to propose an application for administration of or voluntary arrangements in relation to the Purchaser under the Insolvency Act 1986; or if a resolution is passed for the winding up of the Purchaser (otherwise than for the purpose of amalgamation or reconstruction while solvent); or if the Purchaser ceases or threatens to carry on business by reason of insolvency or approaching insolvency; or otherwise if anything analogous under the law of any jurisdiction occurs to the Purchaser; or if distress or execution is levied against the Purchaser's assets; or if a judgement against the Purchaser remains unsatisfied for more than seven days or if the Purchaser fails to pay its debts as and when they fall due.
- d. Until title to the Product has passed to the Purchaser under these Conditions it shall possess the Product as fiduciary agent and Bailee of YASA Limited. If YASA Limited so requires, the Purchaser shall store the Product separately from other goods and shall ensure that they are clearly identifiable as belonging to YASA Limited. During such time as the Purchaser possesses any Product with YASA Limited's consent, the Purchaser may in the normal course of its business sell or hire the goods as principal and without committing YASA Limited for any liability to the person dealing with the Purchaser.
- e. The Purchaser irrevocably licenses YASA Limited, its officers, employees and agents to enter upon any premises of the Purchaser, with or without vehicles for the purpose either of satisfying itself that Clause 8.4 above is being complied with by the Purchaser or of recovering any Product in respect of which title has not passed to the Purchaser.

9. DELIVERY

- a. Unless agreed otherwise, Delivery of the Product shall be deemed to take place when YASA Limited notifies the Purchaser that the Product is available for collection from the Premises and the Purchaser shall arrange for collection of the Products within five Working Days of receipt of such notice.
- b. If five Working Days after notification pursuant to Clause 9.1, the Purchaser refuses and/or fails to collect any Product(s), YASA Limited shall be entitled to arrange storage of the Product(s) either at the Premises or elsewhere on the Purchaser's behalf and at the Purchaser's risk and expense.
- c. Any dates specified by YASA Limited for delivery of the Products are intended to be an estimate and time for delivery shall not be made of the essence by notice. If no dates are so specified, delivery will be within a reasonable time.
- d. YASA Limited shall not be liable in any way for any direct or indirect loss, damage or expense (including without limitation loss of any profits, loss of business or turnover, or consequential loss and all liability to third parties) suffered or incurred by the Purchaser as a consequence of any delay in any Delivery.
- e. YASA Limited shall be entitled to deliver instalments in any sequence. No default or failure by YASA Limited to deliver one or more instalments shall entitle the Purchaser to repudiate these Conditions to which the instalments relates and/or to claim damages in respect thereof. Each instalment shall be a separate contract provided that Delivery for instalments may be withheld until the price for the Product comprised in earlier instalments has been fully paid.
- f. The Purchaser shall notify YASA Limited that the Product is accepted in accordance with the Specification within ten Working Days of Delivery. If the Purchaser has not notified YASA Limited in accordance with this Clause 9.6 then acceptance of the Product shall be deemed to have occurred.
- g. The Purchaser shall comply with all export control laws and regulations applicable in the Territory and shall not export the Products or any part thereof or any technical data without obtaining all of the applicable licences, authorisations and regulatory approvals. The Purchaser shall be solely responsible at its cost for obtaining such licences and authorisations and shall indemnify YASA Limited for any costs, damages or expenses which YASA Limited incurs as a result of the Purchaser's failure to obtain the relevant licences and approvals.
- h. The quantity of any consignment of Products as recorded by YASA Limited at Delivery shall be conclusive evidence of the quantity received by the Purchaser unless the Purchaser can provide conclusive evidence proving the contrary.

10. WARRANTY

- a. Subject to the provisions of this Clause 10, YASA Limited hereby warrants to the Purchaser that the YASA Electric Motor and YASA Controller shall be free from any material defects in materials and workmanship for a period of 12 months from the date of manufacture.

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- b. If YASA Limited receives written notice from the Purchaser of any breach by YASA Limited of the warranty contained in Clause 10.1 YASA Limited shall, at its own expense and as soon as it is reasonably able, investigate that breach following receipt of such notice.
- c. Subject to Clauses 10.4 and 10.5, in the event of any breach by YASA Limited of the warranties specified in Clause 10.1 of these Conditions then the Purchaser's sole and exclusive remedy and YASA Limited's entire liability will be for YASA Limited to use its commercially reasonable endeavours to, at YASA Limited's discretion, repair and/or replace the Product in question or in the case of services, re-perform the services at its own cost. Save that if the Purchaser seeks repair or replacement of Products under this Clause 10.3 but YASA Limited no longer manufactures that Product, YASA Limited shall be entitled to replace the Products with products of an equivalent standard and quality or (at its discretion) refund the Price paid for that Product(s).
- d. YASA Limited shall be under no liability in respect of a defect arising from:
 - i. interference, tampering or work performed on the Product;
 - ii. misuse, wilful damage, abnormal working conditions, failure to follow YASA Limited 's instructions (whether oral or in writing) or negligence;
 - iii. accidental damage or any other damage not consistent with fair wear and tear;
- e. YASA Limited shall not be liable for a breach of the warranties set out in Clause 10.1 unless:
 - i. the Purchaser gives notice of the breach to YASA Limited within 7 Working Days of the time when the Purchaser discovers or ought to have discovered the breach; and
 - ii. YASA Limited is given a reasonable opportunity after receiving the notice of examining such Products and the Purchaser (if asked to do so under YASA Limited Returned Materials Authorisation process) returns such Products to YASA Limited's place of business for the examination to take place there.
- f. The warranty set forth in this Clause 10 is expressly subject to Clause 11 (Limitation of Use and Liability).

11. LIMITATION OF USE AND WARRANTY

- a. The Purchaser accepts that the YASA Electric Motor(s) and/or YASA Controller(s) is a standard off-the-shelf production product and it is the responsibility of the Purchaser to prove fitness for purpose in their application and no guarantee of reliability and operating life can be given. Unless notified otherwise and save for the warranty provision of Clause 11, any commercial-off-the-shelf components supplied with the YASA Electric Motor and/or YASA Controller will be provided with standard manufacturer's warranty.
- b. THE LIMITED WARRANTY SET FORTH IN CLAUSE 10 SHALL BE IN LIEU OF, AND YASA Limited SPECIFICALLY DISCLAIMS, ANY OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL YASA Limited BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES. The foregoing limited warranty is personal to the Purchaser and any sale or other transfer of YASA Electric Motor() and/or YASA Controller(s) by Purchaser shall void such limited warranty. The Purchaser shall be entitled to rely on the accuracy, sufficiency and completeness of information provided by YASA Limited.
- c. Except as expressly stated in these Conditions all warranties, terms and conditions, whether oral or written, express or implied by statute, common law, or otherwise (including but not limited to any warranties, terms and conditions of fitness for purpose, description or quality) are hereby excluded to the fullest extent permitted by law.

12. LIMITATION OF LIABILITY

- a. YASA Limited does not exclude its liability to the Purchaser:
 - i. for death or personal injury caused by the negligence of YASA Limited , its employees, agents or sub-contractors;
 - ii. under part 1 of the Consumer Protection Act 1987;
 - iii. due to any breach by YASA Limited of conditions as to title or warranty as to quiet possession; or
 - iv. for fraud (including without limit fraudulent misrepresentation);
- b. The liability of YASA Limited in respect of direct physical loss or damage to the Purchaser's tangible property (excluding the Products) caused by the negligence of YASA Limited or its employees agents or sub-contractors shall not exceed in aggregate one million pounds sterling (£1,000,000).
- c. Except as stated in Clauses 12.1 and 12.2 above, YASA Limited 's maximum aggregate liability for all claims made under these Conditions, howsoever arising, including (without limitation) due to negligence, breach of contract, misrepresentation (excluding fraudulent misrepresentation) or for any other reason, shall not exceed the lesser of: one million pounds sterling (£1,000,000); or an aggregate sum equal to 120% of the total Price paid and payable by the Purchaser to YASA Limited in respect of Products purchased by the Purchaser during the 12 month period in which the liability arose.
- d. Subject to Clause 12.1 and whether or not YASA Limited has been advised of the possibility of such loss or damage YASA Limited shall not be liable to the Purchaser, whether such losses or damages arise due to negligence, breach of contract, misrepresentation (excluding fraudulent misrepresentation) or for any other reason, in respect of the following whether direct or indirect:
 - f. loss of profits;
 - g. loss of anticipated savings;

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- h. loss of revenue;
 - i. loss of business; and/or
 - j. any type of indirect loss or damage howsoever caused.
- e. The Purchaser acknowledges that the Product price is based on the assumption that the liability of YASA Limited and the Purchaser is as set out herein. The Purchaser is advised to insure against any risk not accepted by YASA Limited.

13. CONFIDENTIALITY

- a. Each of YASA Limited and the Purchaser shall at all times:
 - i. use its best endeavours to keep all Confidential Information confidential and accordingly, not disclose any Confidential Information to any other person; and
 - ii. not use any Confidential Information for any purpose other than the performance of its obligations under these Conditions.
- b. Confidential Information may be disclosed by either Party:
 - i. to the extent required by law; or
 - ii. where it is public knowledge at the date of disclosure or can be shown by the disclosing party to have been known prior to such disclosure.
- c. The Purchaser acknowledges that the Products contain the proprietary, confidential and trade secret information of YASA Limited.
- d. Each party shall only divulge Confidential Information of the other to those of its employees, agents or sub-contractors who are directly involved in the performance of these Conditions and shall take all reasonable precautions to ensure that such employees, agents of sub-contractors are aware of and comply with these obligations as to confidentiality.
- e. The provisions of this Clause 13 shall remain in full force and effect for period of ten (10) years from the date of the last Acknowledgement of Order issued by YASA Limited to the Purchaser.

14. TERMINATION AND CANCELLATION

- a. YASA Limited shall be entitled to forthwith terminate any order placed by the Purchaser by written notice if the Purchaser fails to pay any invoice, or in advance if requested, in accordance with these Conditions, or the Purchaser commits any continuing or material breach of these Conditions; or makes any composition with its creditors; or suffers any distress or execution to be levied upon its assets; or is wound up either compulsorily or voluntarily; or suffers a receiver of any of its assets to be appointed; or ceases or threatens to cease carrying on business; or otherwise fails to pay its debts as and when they fall due.
- b. If the Purchaser purports to cancel any order or any part thereof or refuses to accept Delivery then without prejudice to any other rights or claims which YASA Limited may have, the Purchaser shall:
 - i. pay to YASA Limited an amount equal to the full cost to YASA Limited of all components, purchased by YASA Limited or which YASA Limited is committed to purchase as at the date of such cancellation and which relate to the relevant order, provided that YASA Limited shall use its reasonable endeavours to mitigate its losses arising from such cancellation by utilising such components wherever possible to meet orders of other purchasers; or
 - ii. take Delivery of and pay to YASA Limited, the price in accordance with the terms of these Conditions in relation to any Product that is in the process of being delivered to Purchaser at the date of cancellation.

15. FORCE MAJEURE

Except for the payment of the Price by the Purchaser, neither party shall be liable to the other for any delay or non-performance of its obligations under these Conditions arising from any cause or causes beyond its reasonable control including, without limitation, any of the following: act of God, governmental act, delay or failure of any supplier, sub-contractor or carrier, war, fire, flood, explosion or civil commotion.

16. PUBLICITY

No press release, advertising, sales literature, or other publicity statements relating to the existence or substance of this Agreement or the relationship between the Parties created by it, shall be made by a Party without the review and prior written approval of the other Parties.

17. MISCELLANEOUS

- a. The Purchaser may not assign, novate, sub-licence, subcontract or in any way dispose of its rights or obligations under these Conditions to any third party without the prior consent of YASA Limited.
- b. Any notice required to be served pursuant to these Conditions shall be served on YASA Limited at the Premises or such other address as YASA Limited may from time to time notify to the Purchaser and on the Purchaser at the address notified to YASA Limited by first class registered post, registered air mail or by e-mail, telex or facsimile. Any such notice served by post shall be deemed to have been served in the case of a destination in the UK 2 days after the date of despatch and 7 days after the date of despatch to any other destination. In the case of service by telex or facsimile when the addressee's machine acknowledges receipt thereof and in the case of email, when the email is available to be read in the recipient's inbox.



- c. Save to the extent permitted by law, these Conditions set forth and shall constitute the entire agreement between the parties and shall supersede any and all previous agreements or understandings between the parties. The parties acknowledge that any supplementary agreements drafted by YASA Limited relating to the Products shall be read in conjunction with these Conditions.
- d. All conditions, warranties or other terms implied by statute, common law or otherwise are hereby excluded to the fullest extent permitted by law. No term of these Conditions is intended to confer a benefit on, or to be enforceable by, any person who is not a party to these Conditions.
- e. Any term of these Conditions which is judged to be void or unenforceable shall to the extent of such invalidity be severable and the continuation in full force and effect of the remainder of the provisions will not be prejudiced.
- f. Failure by YASA Limited at any time to enforce any of these Conditions shall not be construed as a waiver by YASA Limited of such Conditions or any other Conditions and YASA Limited shall be entitled to enforce any such breach at any time.
- g. These Conditions and any contract formed between the Parties pursuant to these Conditions shall be governed and interpreted in accordance with the laws of England and shall be subject to the jurisdiction of the English Courts but nothing in this Clause shall limit the right of YASA Limited at its sole discretion to bring proceedings in connection with these Conditions, or any such contract in any other court of competent jurisdiction.
- h. **Dispute Resolution:** The parties agree that they shall attempt to resolve any dispute regarding any right, obligation, duty, or liability arising out of the provisions of this Agreement through informal discussions or negotiations prior to resorting to formal dispute resolution. If, at any time following the commencement of any such discussions or negotiations, either party determines such discussions or negotiations are not likely to result in a reasonable resolution of the dispute, it may send to the other party a written statement of the issues or problems being discussed or negotiated ("Dispute Statement"). If the dispute has not been resolved within sixty (60) days after the mailing of the Dispute Statement, either party shall have the right to serve a written demand for arbitration upon the other and thereby commence binding arbitration in accordance with governing laws.
- i. Nothing in these Conditions is intended to confer any benefit on any third party (whether referred to herein by name, class, description or otherwise) or any right to enforce a term contained in these conditions.
- j. **Disposal:** YASA Electric Motors and YASA Controllers sold to Customer for Test & Evaluation purposes that reach the end of their useful life will be disposed of in accordance with formal Purchaser WEE Procedures or, preferably, formally scrapped by Purchaser and returned to YASA Limited in 'as-is' condition for potential investigation and/or disposal in accordance with YASA Limited WEE procedures.

STANDARD TERMS AND CONDITIONS OF SALE

(Aerospace)

1. DEFINITIONS

- a. YASA means YASA Ltd and successors and/or permitted assigns.
- b. The Purchaser means the entity to whom the Product is supplied subject to these Conditions and whose order is accepted by YASA.
- c. In these Conditions (and any appendices or attachments hereto) the following words and phrases shall, unless the context otherwise requires, have the following meanings:

Acknowledgement of Order means the form of communication sent by YASA to the Purchaser confirming an order of the Product in accordance with these Conditions;

Conditions means these terms and conditions;

Confidential Information means all communications and all information whether written, visual or oral and all other materials of a confidential or proprietary nature (including trade secrets and information of commercial value) supplied by either Party to the other;

Deliver/Delivery as defined in the quotation;

Motor Controller means any suitable motor controller (hardware and software) manufactured by a third party to be supplied under these terms and conditions;

Intellectual Property Rights means all patents, copyrights, design rights, trademarks, service marks, trade secrets, know-how, database rights, intellectual property rights (whether registered or unregistered) and all applications for the same, anywhere in the world;

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Party/Parties means YASA and/or the Purchaser;

Premises means 11-14 Oxford Industrial Park, Yarnton, Kidlington OX5 1QU, United Kingdom or such other location as notified to the Purchaser;

Product means a YASA Electric Motor and/or Motor Controller to be supplied under these Conditions;

Specification means YASA 's standard specification of the YASA Electric Motor and/or, in the case of the Motor Controller, the manufacturer's standard specification of the Motor Controller;

Territory means worldwide;

User Manual means the material to be provided to enable them to use the Product;

Working Day means any day (other than a Saturday or a Sunday) when clearing banks are open for business for the transaction of normal banking business but excluding days on which YASA ' Premises is closed for business;

YASA Electric Motor means an axial flux electric motor and accessories manufactured and/or supplied by YASA.

2. GENERAL

- a. All quotations and offers are made and all orders are accepted by YASA subject to these Conditions and, except as otherwise provided herein, all other terms, conditions or warranties are excluded from any contract between YASA and the Purchaser including any terms and conditions which may purport to apply under any order or similar document. All orders for the Product shall be deemed to be an offer for the Purchaser to purchase the Product pursuant to these Conditions. Acceptance or Delivery of the Product shall be deemed conclusive evidence of the Purchaser's acceptance of these Conditions.
- b. Any written quotation or estimate provided by YASA shall constitute an invitation to treat and no binding contract shall be created by the placing of an order by the Purchaser unless and until YASA has sent an Acknowledgement of Order form to the Purchaser.
- c. No particulars contained in any advertising matter, catalogues web site, publications and/or any other information supplied by YASA or the manufacturer of the Motor Controller, nor any verbal representation by any employee or agent of YASA shall be part of these Conditions nor shall they be treated as constituting a representation on the part of YASA. The Purchaser acknowledges that there are no representations outside these Conditions which have induced it to enter into these Conditions.
- d. No alterations or modifications to these Conditions shall be binding on YASA unless expressly accepted in writing by YASA.

3. SPECIFICATION, FITNESS FOR PURPOSE AND AIRBORNE USE

- a. Each Product supplied to the Purchaser under these Conditions shall conform in all material respects to the Specification unless otherwise stated in the Acknowledgement of Order.
- b. The responsibility for ensuring that the Product is sufficient and suitable for a particular purpose is the Purchaser's, unless specifically stated in writing by a director of YASA. Any advice or recommendation given by an employee of YASA which is not confirmed in writing by a director of YASA is acted on entirely at the Purchaser's risk and the Company shall not be liable for any such advice or recommendation which is not so confirmed. Except as set out in Clause 11, the liability of the Company to the Customer, should any warranty, statement, advice or recommendation confirmed in accordance with this Clause 3.2 prove to be incorrect, inaccurate or misleading, will be limited to the refund of the price paid for the Products or, at the Company's option, the supply of replacement Products which are sufficient and suitable.
- c. The Purchaser must not use the Products, or sell the Products for use in any spacecraft or in any military missile.
- d. The Product has not been designed, developed for or tested for use in or with aircraft, aeroplanes, helicopters or other objects designed for or capable of flight or maintaining their position whilst not fixed to the ground ("Airborne Use"), and the Product is not intended for such use or function. The Purchaser acknowledges that YASA provides no warranty, representation, undertaking or other term that the Products are or could be suitable for Airborne Use..
- e. If the Purchaser wishes to use, operate or apply the Products for Airborne Use or with a view to testing their suitability for Airborne Use or military use, the Purchaser acknowledges that it does so at its sole risk and responsibility and Purchaser shall:
 - i. be solely responsible for compliance with all laws, regulatory requirements, mandatory standards and codes of practice of any competent authority for the time being in force (including those pertaining to product safety, product liability, and health and safety) applicable to Airborne Use ("Applicable Law");
 - ii. identify, obtain and maintain all relevant approvals, authorisations, certifications, consents and licences

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- and permits as may be required by Applicable Law and shall promptly provide copies of the same to YASA;
and
- iii. not allow the Product to be exported outside the United Kingdom without YASA Motor's prior written consent.
 - f. The Purchaser acknowledges and agrees that YASA and its auditors have the right, on reasonable prior notice, to inspect and audit the Purchaser's books, records and related information (including those held in electronic form), and its facilities, operations, procedures and controls, and the Purchaser agrees to provide reasonable access, during its normal working hours and subject to its reasonable security procedures, to the Purchaser's premises, systems and personnel and to provide all reasonable co-operation (including the provision of requested information and the necessary facilities to take copies of documents) for the purposes of inspecting and auditing Purchaser's compliance with Clause d and/or e.
 - g. YASA may, at its option and absolute discretion, purchase back the Products from the Purchaser at any time if it reasonably deems Purchaser is or is likely to be in breach of Clause d and/or e. If YASA exercises its right in accordance with this clause, the price of purchasing the Products back from the Purchaser shall be the original price paid by Purchaser to YASA ("Original Price") less a reasonable amount in respect of economic use, fair wear and tear not exceeding [50%] of the Original Price.
 - h. The Purchaser shall fully indemnify and hold harmless YASA on demand from and against all actions, claims, losses, costs, damages and expenses whatsoever arising out of or in connection with Purchaser's breach of or failure to comply with Clause d, e and/or f.
 - i. Without prejudice to the Purchaser's obligations and liabilities under these Conditions, the Purchaser shall affect and maintain in force, with reputable and substantial insurers, such policies of insurance as are sufficient for a business of the Purchaser's type and to cover all potential liability of the Purchaser under these Conditions. The Purchaser shall, on YASA ' request, produce both the insurance certificate giving details of cover and the receipt for the current year's premium in respect of such insurance.

4. INTELLECTUAL PROPERTY

- a. The Purchaser acknowledges that all Intellectual Property Rights in the YASA Electric Motor and/or any documentation relating thereto (together with any enhancements, modifications, derivatives and/or any other amendments thereto) shall remain vested in YASA and/or its licensors. The Purchaser shall have no rights in respect of any Intellectual Property Rights belonging to YASA (or its licensors) nor any goodwill associated therein.
- b. The Purchaser acknowledges that the Motor Controller may be subject to the Intellectual Property Rights of third parties. No right or licence is granted to the Purchaser, except the right to use the Motor Controller(s) in the Customer's ordinary course of business. YASA shall have no liability whatsoever in the event of any claim of infringement of any such rights howsoever arising. In particular, without limiting the above, title in any software program forming any part of the Motor Controller is reserved to its manufacturer. The Customer is responsible for informing itself of the terms of its licence or use and paying any royalty payable.
- c. The Purchaser shall not copy, reverse engineer, dismantle, modify, or enhance the Product.

5. INDEMNITY

- a. The Purchaser shall be liable for and shall indemnify YASA in full against any claim or proceedings, expense, fees (including legal fees), liability and/or other losses whether arising directly or indirectly where the Purchaser is in breach of these Conditions so as to constitute an infringement of any Intellectual Property Rights belonging to YASA or its suppliers.
- b. In the event that the Purchaser becomes party to any claim or action that the normal use or possession of the Products within the Territory infringes the Intellectual Property Rights of a third party ("IPR Claim"), YASA shall be entitled at its own expense and option either to:
 - i. procure the right for Purchaser to continue to use or sell the Product; or
 - ii. modify the Product (without materially detracting from its functionality) so as to avoid the IPR Claim; or
 - iii. replace the Product with non-infringing substitutes provided that such substitutes do not entail a material reduction in functionality.
 - iv. If YASA in its reasonable judgement is not able to exercise any of the options set out in Clause 5.2 above then Purchaser shall return the Product(s) which are the subject of the IPR Claim and YASA shall refund the Price paid in respect of such Product(s). Clauses 5.2 and 5.3 state YASA 's entire liability and Purchaser's sole remedy with regard to an IPR Claim.

6. PRICE

- a. Except as otherwise agreed, the quoted price for the Product is exclusive of any Value Added Tax or other applicable sales tax, levy or duty required by law. For the avoidance of doubt, the Purchaser shall pay all charges, duties and/or other taxes required by law and/or which are assessed against the Product in any relevant jurisdictions.

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- b. Except as otherwise agreed, the price for the Product shall be YASA 's price for the Product at the date of YASA 's Acknowledgement of Order or, in the event of YASA requiring payment before Delivery of the Product, the date upon which such payment is requested.
- c. YASA reserves the right to increase the price of any Product, on written notice to the Purchaser, to reflect any additional costs and expenses to YASA in manufacturing, assembling or delivering the Product. Such price increase shall only apply to orders received after the date on which YASA provides the Purchaser with such written notice pursuant to this Clause 6.3.

7. PAYMENT

- a. Payment for the Product and any other amount payable by the Purchaser shall be in pounds sterling (or such other currency as YASA shall direct in its sole discretion) and an amount between 50% and 100% of the total amount payable as agreed with YASA shall be due from the Purchaser in advance of Delivery. Payment for other support or services will be phased in accordance with milestones in a written agreement with the Purchaser. Interest on unpaid invoices will run from day to day at the rate of 4% per annum above the base rate of the Bank of England from the date when payment for the Product is due until the date of payment in full by the Purchaser and shall accrue after as well as before any judgement. The Purchaser shall reimburse YASA all costs and expenses (including legal costs) incurred in the collection of any overdue payments.
- b. No payment shall be deemed to have been received until YASA has received cleared funds.
- c. Payment of all sums provided for under these Conditions shall be made in full and free from any deductions, rights of settlement, counterclaims or liens.
- d. The Purchaser shall if requested by YASA secure payment by way of a confirmed stand-by letter of credit within 30 days of the date of the Purchaser's order or of YASA 's written request (whichever shall be the later). If the Purchaser fails to open the stand-by letter of credit by such date YASA shall be entitled to terminate the Purchaser's order forthwith without liability or YASA may be entitled to claim interest in accordance with Clause 7.1 above.

8. RESERVATION OF TITLE AND RISK

- a. The risk in the Product shall remain with YASA until Delivery or payment for the Product by the Purchaser in full, whichever is the earlier, at which time the risk in the Product shall be transferred to the Purchaser.
- b. Title to the Product shall only pass to the Purchaser upon the happening of any one of the following events: -
 - i. the Purchaser having paid to YASA all sums (including any default interest and/or any applicable taxes) due from it to YASA under these Conditions and all other contracts made at any time between YASA and the Purchaser whether or not the same are immediately payable; or
 - ii. YASA serving notice in writing specifying that the title in the Product has passed.
- c. YASA may recover any Product in respect of which title has not passed to the Purchaser if the Purchaser, being a company, does anything or fails to do anything which could entitle a creditor to appoint a receiver to take possession of any of the Purchaser's assets; or which would entitle any person (including the Purchaser itself) to present a valid petition for winding up the Purchaser or to propose an application for administration of or voluntary arrangements in relation to the Purchaser under the Insolvency Act 1986; or if a resolution is passed for the winding up of the Purchaser (otherwise than for the purpose of amalgamation or reconstruction while solvent); or if the Purchaser ceases or threatens to carry on business by reason of insolvency or approaching insolvency; or otherwise if anything analogous under the law of any jurisdiction occurs to the Purchaser; or if distress or execution is levied against the Purchaser's assets; or if a judgement against the Purchaser remains unsatisfied for more than seven days or if the Purchaser fails to pay its debts as and when they fall due.
- d. Until title to the Product has passed to the Purchaser under these Conditions it shall possess the Product as fiduciary agent and Bailee of YASA. If YASA so requires, the Purchaser shall store the Product separately from other goods and shall ensure that they are clearly identifiable as belonging to YASA. During such time as the Purchaser possesses any Product with YASA 's consent, the Purchaser may in the normal course of its business sell or hire the goods as principal and without committing YASA for any liability to the person dealing with the Purchaser.
- e. The Purchaser irrevocably licenses YASA, its officers, employees and agents to enter upon any premises of the Purchaser, with or without vehicles for the purpose either of satisfying itself that Clause 8.4 above is being complied with by the Purchaser or of recovering any Product in respect of which title has not passed to the Purchaser.

9. DELIVERY

- a. Unless agreed otherwise, Delivery of the Product shall be deemed to take place when YASA notifies the Purchaser that the Product is available for collection from the Premises and the Purchaser shall arrange for collection of the Products within five Working Days of receipt of such notice.
- b. If five Working Days after notification pursuant to Clause 9.1, the Purchaser refuses and/or fails to collect any Product(s), YASA shall be entitled to arrange storage of the Product(s) either at the Premises or elsewhere on the Purchaser's behalf and at the Purchaser's risk and expense.

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- c. Any dates specified by YASA for delivery of the Products are intended to be an estimate and time for delivery shall not be made of the essence by notice. If no dates are so specified, delivery will be within a reasonable time.
- d. YASA shall not be liable in any way for any direct or indirect loss, damage or expense (including without limitation loss of any profits, loss of business or turnover, or consequential loss and all liability to third parties) suffered or incurred by the Purchaser as a consequence of any delay in any Delivery.
- e. YASA shall be entitled to deliver instalments in any sequence. No default or failure by YASA to deliver one or more instalments shall entitle the Purchaser to repudiate these Conditions to which the instalments relates and/or to claim damages in respect thereof. Each instalment shall be a separate contract provided that Delivery for instalments may be withheld until the price for the Product comprised in earlier instalments has been fully paid.
- f. The Purchaser shall notify YASA that the Product is accepted in accordance with the Specification within ten Working Days of Delivery. If the Purchaser has not notified YASA in accordance with this Clause 9.6 then acceptance of the Product shall be deemed to have occurred.
- g. The Purchaser shall comply with all export control laws and regulations applicable in the Territory and shall not export the Products or any part thereof or any technical data without obtaining all of the applicable licences, authorisations and regulatory approvals. The Purchaser shall be solely responsible at its cost for obtaining such licences and authorisations and shall indemnify YASA for any costs, damages or expenses which YASA incurs as a result of the Purchaser's failure to obtain the relevant licences and approvals.
- h. The quantity of any consignment of Products as recorded by YASA at Delivery shall be conclusive evidence of the quantity received by the Purchaser unless the Purchaser can provide conclusive evidence proving the contrary.

10. WARRANTY

- a. Subject to the provisions of this Clause 10, YASA hereby warrants to the Purchaser that the YASA Electric Motor shall be free from any material defects in materials and workmanship for a period of 12 months from the date of manufacture. In respect of the Motor Controller, YASA will endeavour to transfer to the Customer the benefit of any warranty or guarantee given by the manufacturer of the Motor Controller.
- b. If YASA receives written notice from the Purchaser of any breach by YASA of the warranty contained in Clause 10.1 YASA shall, at its own expense and as soon as it is reasonably able, investigate that breach following receipt of such notice.
- c. Subject to Clauses 10.4 and 10.5, in the event of any breach by YASA of the warranties specified in Clause 10.1 of these Conditions then the Purchaser's sole and exclusive remedy and YASA 's entire liability will be for YASA to use its commercially reasonable endeavours to, at YASA 's discretion, repair and/or replace the Product in question or in the case of services, re-perform the services at its own cost. Save that if the Purchaser seeks repair or replacement of Products under this Clause 10.3 but YASA or the manufacturer of the Motor Controller no longer manufactures that Product, YASA shall be entitled to replace the Products with products of an equivalent standard and quality or (at its discretion) refund the Price paid for that Product(s).
- d. YASA shall be under no liability in respect of a defect arising from:
 - i. interference, tampering or work performed on the Product;
 - ii. misuse, wilful damage, abnormal working conditions, failure to follow YASA 's or the manufacturer of the Motor Controller's instructions (whether oral or in writing) or negligence;
 - iii. accidental damage or any other damage not consistent with fair wear and tear;
- e. YASA shall not be liable for a breach of the warranties set out in Clause 10.1 unless:
 - i. the Purchaser gives notice of the breach to YASA within 7 Working Days of the time when the Purchaser discovers or ought to have discovered the breach; and
 - ii. YASA is given a reasonable opportunity after receiving the notice of examining such Products and the Purchaser (if asked to do so under YASA Returned Materials Authorisation process) returns such Products to YASA 's place of business for the examination to take place there.
- f. The warranty set forth in this Clause 10 is expressly subject to Clause 12 (Limitation of Use and Liability).

11. LIMITATION OF USE AND WARRANTY

- a. The Purchaser accepts that the Motor(s) is a first off production product and it is the responsibility of the Purchaser to prove fitness for purpose in their application and no guarantee of reliability and operating life can be given. Unless notified otherwise and save for the warranty provision of Clause 10, any commercial-off-the-shelf components supplied with the Motor will be provided with standard manufacturer's warranty.
- b. The limited warranty set forth in clause 10 shall be in lieu of, and YASA specifically disclaims, any other warranty, express or implied, including any implied warranty of satisfactory quality or fitness for a particular purpose. The foregoing limited warranty is personal to the Purchaser and any sale or other transfer of Motors by Purchaser shall void such limited warranty. The Purchaser shall be entitled to rely on the accuracy, sufficiency and completeness of information provided by YASA.



- c. Except as expressly stated in these Conditions all warranties, terms and conditions, whether oral or written, express or implied by statute, common law, or otherwise (including but not limited to any warranties, terms and conditions of fitness for purpose, description or quality) are hereby excluded to the fullest extent permitted by law.

12. LIMITATION OF LIABILITY

- a. YASA does not exclude its liability to the Purchaser:
 - i. for death or personal injury caused by the negligence of YASA, its employees, agents or sub-contractors;
 - ii. under part 1 of the Consumer Protection Act 1987;
 - iii. due to any breach by YASA of conditions as to title or warranty as to quiet possession; or
 - iv. for fraud (including without limit fraudulent misrepresentation);
- b. The liability of YASA in respect of direct physical loss or damage to the Purchaser's tangible property (excluding the Products) caused by the negligence of YASA or its employee's agents or sub-contractors shall not exceed in aggregate one million pounds sterling (£1,000,000).
- c. Except as stated in Clauses 12.1 and 12.2 above, YASA's maximum aggregate liability for all claims made under these Conditions, howsoever arising, including (without limitation) due to negligence, breach of contract, misrepresentation (excluding fraudulent misrepresentation) or for any other reason, shall not exceed the lesser of: one million pounds sterling (£1,000,000); or an aggregate sum equal to 120% of the total Price paid and payable by the Purchaser to YASA in respect of Products purchased by the Purchaser during the 12 month period in which the liability arose.
- d. Subject to Clause 12.1 and whether or not YASA has been advised of the possibility of such loss or damage YASA shall not be liable to the Purchaser, whether such losses or damages arise due to negligence, breach of contract, misrepresentation (excluding fraudulent misrepresentation) or for any other reason, in respect of the following whether direct or indirect:
 - k. loss of profits;
 - l. loss of anticipated savings;
 - m. loss of revenue;
 - n. loss of business; and/or
 - o. any type of indirect loss or damage howsoever caused.
- e. The Purchaser acknowledges that the Product price is based on the assumption that the liability of YASA and the Purchaser is as set out herein. The Purchaser is advised to insure against any risk not accepted by YASA.

13. CONFIDENTIALITY

- a. Each of YASA and the Purchaser shall at all times:
 - i. use its best endeavours to keep all Confidential Information confidential and accordingly, not disclose any Confidential Information to any other person; and
 - ii. not use any Confidential Information for any purpose other than the performance of its obligations under these Conditions.
- b. Confidential Information may be disclosed by either Party:
 - i. to the extent required by law; or
 - ii. where it is public knowledge at the date of disclosure or can be shown by the disclosing party to have been known prior to such disclosure.
- c. The Purchaser acknowledges that the Products contain the proprietary, confidential and trade secret information of YASA.
- d. Each party shall only divulge Confidential Information of the other to those of its employees, agents or sub-contractors who are directly involved in the performance of these Conditions and shall take all reasonable precautions to ensure that such employees, agents of sub-contractors are aware of and comply with these obligations as to confidentiality.
- e. The provisions of this Clause 13 shall remain in full force and effect for period of ten (10) years from the date of the last Acknowledgement of Order issued by YASA to the Purchaser.

14. TERMINATION AND CANCELLATION

- a. YASA shall be entitled to forthwith terminate any order placed by the Purchaser by written notice if the Purchaser fails to pay any invoice, or in advance if requested, in accordance with these Conditions, or the Purchaser commits any continuing or material breach of these Conditions; or makes any composition with its creditors; or suffers any distress or execution to be levied upon its assets; or is wound up either compulsorily or voluntarily; or suffers a receiver of any of its assets to be appointed; or ceases or threatens to cease carrying on business; or otherwise fails to pay its debts as and when they fall due.
- b. If the Purchaser purports to cancel any order or any part thereof or refuses to accept Delivery then without

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prejudice to any other rights or claims which YASA may have, the Purchaser shall:

- i. pay to YASA an amount equal to the full cost to YASA of all components, purchased by YASA or which YASA is committed to purchase as at the date of such cancellation and which relate to the relevant order, provided that YASA shall use its reasonable endeavours to mitigate its losses arising from such cancellation by utilising such components wherever possible to meet orders of other purchasers; or
- ii. take Delivery of and pay to YASA, the price in accordance with the terms of these Conditions in relation to any Product that is in the process of being delivered to Purchaser at the date of cancellation.

15. FORCE MAJEURE

Except for the payment of the Price by the Purchaser, neither party shall be liable to the other for any delay or non-performance of its obligations under these Conditions arising from any cause or causes beyond its reasonable control including, without limitation, any of the following: act of God, governmental act, delay or failure of any supplier, sub-contractor or carrier, war, fire, flood, explosion or civil commotion.

16. MISCELLANEOUS

- a. The Purchaser may not assign, novate, sub-licence, subcontract or in any way dispose of its rights or obligations under these Conditions to any third party without the prior consent of YASA.
- b. Any notice required to be served pursuant to these Conditions shall be served on YASA at the Premises or such other address as YASA may from time to time notify to the Purchaser and on the Purchaser at the address notified to YASA by first class registered post, registered air mail or by e-mail, telex or facsimile. Any such notice served by post shall be deemed to have been served in the case of a destination in the UK 2 days after the date of despatch and 7 days after the date of despatch to any other destination. In the case of service by telex or facsimile when the addressee's machine acknowledges receipt thereof and in the case of email, when the email is available to be read in the recipient's inbox.
- c. Save to the extent permitted by law, these Conditions set forth and shall constitute the entire agreement between the parties and shall supersede any and all previous agreements or understandings between the parties. The parties acknowledge that any supplementary agreements drafted by YASA relating to the Products shall be read in conjunction with these Conditions.
- d. All conditions, warranties or other terms implied by statute, common law or otherwise are hereby excluded to the fullest extent permitted by law. No term of these Conditions is intended to confer a benefit on, or to be enforceable by, any person who is not a party to these Conditions.
- e. Any term of these Conditions which is judged to be void or unenforceable shall to the extent of such invalidity be severable and the continuation in full force and effect of the remainder of the provisions will not be prejudiced.
- f. Failure by YASA at any time to enforce any of these Conditions shall not be construed as a waiver by YASA of such Conditions or any other Conditions and YASA shall be entitled to enforce any such breach at any time.
- g. These Conditions and any contract formed between the Parties pursuant to these Conditions shall be governed and interpreted in accordance with the laws of England and shall be subject to the jurisdiction of the English Courts but nothing in this Clause shall limit the right of YASA at its sole discretion to bring proceedings in connection with these Conditions, or any such contract in any other court of competent jurisdiction.
- h. Dispute Resolution: The parties agree that they shall attempt to resolve any dispute regarding any right, obligation, duty, or liability arising out of the provisions of this Agreement through informal discussions or negotiations prior to resorting to formal dispute resolution. If, at any time following the commencement of any such discussions or negotiations, either party determines such discussions or negotiations are not likely to result in a reasonable resolution of the dispute, it may send to the other party a written statement of the issues or problems being discussed or negotiated ("Dispute Statement"). If the dispute has not been resolved within sixty (60) days after the mailing of the Dispute Statement, either party shall have the right to serve a written demand for arbitration upon the other and thereby commence binding arbitration in accordance with governing laws.
- i. Nothing in these Conditions is intended to confer any benefit on any third party (whether referred to herein by name, class, description or otherwise) or any right to enforce a term contained in these conditions.
- j. Disposal: Motors sold to Customer for Test & Evaluation purposes that reach the end of their useful life will be disposed of in accordance with formal Purchaser WEE Procedures or, preferably, formally scrapped by Purchaser and returned to YASA in 'as-is' condition for potential investigation and/or disposal in accordance with YASA WEE procedures.



STANDARD TERMS AND CONDITIONS OF SALE

(Engineering Services)

1. DEFINITIONS

1.1. YASA means YASA Limited and successors and/or permitted assigns.

1.2. The Customer means the entity to whom the Services are supplied subject to these Terms and whose order is accepted by YASA.

1.3. In these Terms (and any appendices or attachments hereto) the following words and phrases shall, unless the context otherwise requires, have the following meanings:

Confidential Information means all communications and all information whether written, visual or oral and all other materials of a confidential or proprietary nature (including trade secrets and information of commercial value) supplied by either Party to the other;

Deliver/Delivery means ex works at the Premises (INCOTERMS 2000);

Deliverables means a version of a YASA electric motor and/or related components as set out in a SoW;

"Insolvency Event" in relation to a person, means any of the following: (a) a meeting of creditors of that person being held or an arrangement or composition with or for the benefit of its creditors (including a voluntary arrangement as defined in the Insolvency Act 1986) being proposed by or in relation to that person; (b) a charge holder, receiver, administrative receiver or other similar person taking possession of or being appointed over or any distress, execution or other process being levied or enforced (and not being discharged within seven days) on the whole or a material part of the assets of that person; (c) that person ceasing to carry on business or being deemed to be unable to pay its debts within the meaning of section 123 Insolvency Act 1986; (d) that person or its directors or the holder of a qualifying floating charge giving notice of their intention to appoint, or making an application to the court for the appointment of, an administrator; (e) a petition being presented (and not being discharged within 28 days) or a resolution being passed or an order being made for the administration or the winding-up, bankruptcy or dissolution of that person; or (f) the happening in relation to that person of an event analogous to any of the above in any jurisdiction in which it is incorporated or resident or in which it carries on business or has assets;

Intellectual Property Rights means all patents, copyrights, design rights, trademarks, service marks, trade secrets, know-how, rights in confidential information, database rights, intellectual property rights (whether registered or unregistered) and all applications for the same, anywhere in the world;

Motor Controller means any suitable motor controller (hardware and software) manufactured by a third party to be supplied under these Terms;

Party/Parties means YASA and/or the Customer;

Premises means YASA Ltd, Units 11-14, Oxford Industrial Park, Mead Road, Yarnton, Oxford, OX5 1QU or such other location as notified to the Customer;

Services means engineering and/or development services set out in a SoW;

SoW means a statement of work, proposal or other similar document signed on behalf of YASA and agreed by the Customer and which references these Terms;

Terms means these terms and conditions; and

Working Day means any day (other than a Saturday or a Sunday) when clearing banks are open for business for the transaction of normal banking business but excluding days on which YASA'S Premises is closed for business.

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ID: 28833 Version 4. February 2018

www.yasa.com

Page 19 of 27



2. GENERAL

2.1. All Services are provided by YASA subject to these Terms and, except as otherwise provided herein, all other terms, conditions or warranties are excluded from any contract between YASA and the Customer including any terms and conditions which may purport to apply under any order or similar document.

2.2. Any written quotation or estimate provided by YASA in relation to Services shall constitute an invitation to treat and no binding contract shall be created by the placing of an order by the Customer unless and until a SoW has been agreed by the parties.

2.3. No particulars contained in any advertising matter, catalogues web site, publications and/or any other information supplied by YASA or the manufacturer of the Motor Controller, nor any verbal representation by any employee or agent of YASA shall be part of these Terms nor shall they be treated as constituting a representation on the part of YASA. The Customer acknowledges that there are no representations outside these Terms which have induced it to enter into these Terms.

2.4. No alterations or modifications to these Terms shall be binding on YASA unless expressly accepted in writing by YASA.

3. SOWS & CHANGE CONTROL

3.1. Before YASA provides any Services or Deliverables, YASA and the Customer will in each case first agree: (a) what Services are to be supplied; (b) any Deliverables to be produced or supplied as part of the Services; (c) specifications for particular Deliverables (if required); (d) time scales (if specific time scales are required); (e) charges (if a specific basis of charging is to apply other than as set out in these terms); and (e) any other relevant details.

3.2. In each case all of this information will be included in a SoW. Other documents and materials will only be incorporated into the SoW if expressly and unambiguously identified and incorporated therein. YASA will not be liable to provide (and the Customer will not be liable to pay for) any Services or Deliverables unless and until a SoW has been agreed and signed in relation to the Services and/or Deliverables concerned.

3.3. If a SoW conflicts with the provisions of these Terms then the provisions of that SoW will take precedence in relation to the Services or Deliverables to be supplied in accordance with that SoW.

3.4. Each agreed SoW will form a separate contract (a "Contract") between the Customer and YASA on the terms contained in the SoW and in these Terms. Each Contract will be separately terminable in accordance with clause 12.

3.5. YASA will supply the Services and the Deliverables in accordance with each Contract.

3.6. YASA and the Customer shall discuss any change to a Contract ("Change") proposed by the other and such discussion shall result in either: (a) a written request for a Change by the Customer; or (b) a written recommendation for a Change by YASA or, if neither of the Customer nor YASA wishes to submit a request or recommendation, the proposal for the Change will not proceed.

3.7. Where a written request for a Change is received from the Customer, YASA shall, unless otherwise agreed, submit a Change control note ("CCN") to the Customer within the period agreed between them or, if no such period is agreed, within ten (10) Working Days from the date of receipt of such request for a Change, or inform the Customer that YASA is not able to comply with such written request for a Change.

3.8. A written recommendation for a Change by YASA shall be submitted as a CCN direct to the Customer at the time of such recommendation.



3.9. Each CCN shall contain: (a) the title of the Change, (b) the originator and the date of the request or recommendation for the Change; (c) details of the Change, (d) the price, if any, of or associated with the Change; (e) a timetable for implementation of the Change; (f) the impact, if any, of the Change on other aspects of the SoW and/or these Terms, including the fees.

3.10. If a Change is approved, both parties will sign the approved CCN. The signing of the CCN shall signify acceptance of a Change by both the Customer and YASA.

3.11. Once signed by the Customer and YASA, the Change shall be immediately effective and the Customer and YASA shall perform their respective obligations on the basis of the agreed amendment.

4. INTELLECTUAL PROPERTY

4.1. The Customer acknowledges that all Intellectual Property Rights in the Deliverables and/or any documentation relating thereto (together with any enhancements, modifications, derivatives and/or any other amendments thereto whether created pursuant to a SoW or otherwise) shall remain vested in YASA and/or its licensors. The Customer shall have no rights in respect of any Intellectual Property Rights belonging to YASA (or its licensors).

4.2. The Customer acknowledges that elements of Deliverables (e.g. the Motor Controller supplied with an electric motor) may be subject to the Intellectual Property Rights of third parties. No right or licence is granted to the Customer, except the right to use the Motor Controller(s) in the Customer's ordinary course of business. YASA shall have no liability whatsoever in the event of any claim of infringement of any such rights howsoever arising. In particular, without limiting the above, title in any software program forming any part of the Motor Controller is reserved to its manufacturer. The Customer is responsible for informing itself of the terms of its licence or use and paying any royalty payable.

4.3. The Customer shall not copy, reverse engineer, dismantle, modify, or enhance any Deliverable.

5. INDEMNITY

5.1. The Customer shall be liable for and shall indemnify YASA in full against any claim or proceedings, expense, fees (including legal fees), liability and/or other losses whether arising directly where the Customer is in breach of these Terms so as to constitute an infringement of any Intellectual Property Rights belonging to YASA or its suppliers.

5.2. YASA shall indemnify the Customer against any loss or damage suffered or incurred by the Customer as a result of any claim by a third party that the Customer's use of the Deliverables in accordance with these Terms infringes the Intellectual Property Rights of any third party. It is a condition of this indemnity that (a) the Customer fully co-operates with YASA in defending or settling the claim, (b) YASA is notified immediately in writing of any claim and is given complete authority required for the conduct of the claim, (c) YASA will have the sole control of the conduct of any claim and all negotiations for its settlement or compromise, and (d) the Customer and its group companies, agents and contractors make no admission of liability in connection with the claim and do not otherwise materially prejudice its defence or settlement.

5.3. In the event that the Customer becomes party to any claim or action that the normal use or possession of the Deliverables within the Territory infringes the Intellectual Property Rights of a third party ("IPR Claim"), YASA shall be entitled at its own expense and option either to:

5.3.1. procure the right for Customer to continue to use or sell the Deliverable; or

5.3.2. modify the Deliverable (without materially detracting from its functionality) so as to avoid the IPR Claim; or

5.3.3. replace the Deliverable with non-infringing substitutes provided that such substitutes do not entail a material reduction in functionality.

5.4. If YASA in its reasonable judgement is not able to exercise any of the options set out in Clause 5.3 above then Customer shall return the Deliverable(s) which are the subject of the IPR Claim and YASA shall refund the price paid in respect of such Deliverable(s).

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ID: 28833 Version 4. February 2018

www.yasa.com

Page 21 of 27



Clauses 5.2 and 5.3 and 5.4 state YASA'S entire liability and Customer's sole remedy with regard to an IPR Claim.

6. FEES AND PAYMENT

6.1. In each case the SoW may set out the charges for the Deliverables and Services to be supplied in accordance with that SoW. In that case, the charges will be due on the dates (or on the happening of the events) specified in that SoW.

6.2. If (a) the SoW does not specify the charges for a Service or Deliverable, or (b) these Terms otherwise say that YASA may charge for anything on a time and materials basis, then YASA will charge for the relevant Services or Deliverables on a time and materials basis at YASA'S standard day and hourly rates subsisting at the time the relevant Services are provided.

6.3. Unless otherwise specified in the relevant SoW, charges will be due in arrears at the end of every calendar month for everything done in relation to the Services and Deliverables to be supplied in accordance with the relevant SoW by YASA or on YASA'S behalf during that month. YASA may invoice the Customer for the charges as soon as they become due. The Customer must pay the invoices within 30 days of receiving them.

6.4. The amounts specified in each SoW do not include VAT or any other taxes on supplies and the Customer will pay these to YASA as well as the amounts concerned. The Customer shall pay all charges, customs duties and/or other taxes required by law and/or which are assessed against the Deliverable in any relevant jurisdictions.

6.5. Payment shall be in pounds sterling (or such other currency as a SoW may specify). Interest on unpaid invoices will run from day to day at the rate of 4% per annum above the base rate of the Bank of England from the date when payment is due until the date of payment in full by the Customer and shall accrue after as well as before any judgement. The Customer shall reimburse YASA all costs and expenses (including legal costs) incurred in the collection of any overdue payments.

6.6. No payment shall be deemed to have been received until YASA has received cleared funds.

6.7. Payment of all sums provided for under these Terms shall be made in full and free from any deductions, rights of set-off, counterclaims or liens.

7. RESERVATION OF TITLE AND RISK

7.1. The risk in Deliverables shall remain with YASA until Delivery or payment for the Deliverables in question by the Customer in full, whichever is the earlier, at which time the risk in the Deliverables shall be transferred to the Customer.

7.2. Title to Deliverables shall only pass to the Customer upon the happening of any one of the following events: -

7.2.1. the Customer having paid to YASA all sums (including any default interest and/or any applicable taxes) due from it to YASA under these Terms and all other contracts made at any time between YASA and the Customer whether or not the same are immediately payable; or

7.2.2. YASA serving notice in writing specifying that the title in the Deliverable has passed.

7.3. YASA may recover any Deliverables in respect of which title has not passed to the Customer if the Customer, being a company, does anything or fails to do anything which could entitle a creditor to appoint a receiver to take possession of any of the Customer's assets; or which would entitle any person (including the Customer itself) to present a valid petition for winding up the Customer or to propose an application for administration of or voluntary arrangements in relation to the Customer under the Insolvency Act 1986; or if a resolution is passed for the winding up of the Customer (otherwise than for the purpose of amalgamation or reconstruction while solvent); or if the Customer ceases or threatens to carry on business by reason of insolvency or approaching insolvency; or otherwise if anything analogous under the law of any jurisdiction occurs to the Customer; or if distress or execution is levied against the Customer's assets; or if a judgement against the Customer remains unsatisfied for more than seven days or if the Customer fails to pay its debts as and when they fall due.



7.4. Until title to Deliverables has passed to the Customer under these Terms it shall possess the Deliverables as fiduciary agent and bailee of YASA. If YASA so requires, the Customer shall store the Deliverables separately from other goods and shall ensure that they are clearly identifiable as belonging to YASA. During such time as the Customer possesses any Deliverable with YASA'S consent, the Customer may in the normal course of its business sell or hire the goods as principal and without committing YASA for any liability to the person dealing with the Customer.

7.5. The Customer irrevocably licenses YASA, its officers, employees and agents to enter upon any premises of the Customer, with or without vehicles for the purpose either of satisfying itself that Clause 7.4 above is being complied with by the Customer or of recovering any Deliverable in respect of which title has not passed to the Customer.

8. DELIVERY

8.1. Unless agreed otherwise, Delivery of a Deliverable shall be deemed to take place when YASA notifies the Customer that the Deliverable is available for collection from the Premises and the Customer shall arrange for collection of the Deliverables within five Working Days of receipt of such notice.

8.2. If five Working Days after notification pursuant to Clause 8.1, the Customer refuses and/or fails to collect any Deliverable(s), YASA shall be entitled to arrange storage of the Deliverable(s) either at the Premises or elsewhere on the Customer's behalf and at the Customer's risk and expense.

8.3. Any dates specified by YASA for delivery of the Deliverables are intended to be an estimate and time for delivery shall not be made of the essence by notice. If no dates are so specified, delivery will be within a reasonable time.

8.4. Subject to clause 10.1, YASA shall not be liable in any way for any direct or indirect loss, damage or expense (including without limitation loss of any profits, loss of business or turnover, or consequential loss and all liability to third parties) suffered or incurred by the Customer as a consequence of any delay in any Delivery.

8.5. Should any project stipulated in a SoW be delayed beyond the date for final delivery (as set out in the relevant SoW) wholly or mainly due to any cause attributable to (i) YASA, the effective term for the project shall be extended for a time period to be agreed to by the parties and YASA shall not be entitled to further payment for Services beyond the agreed delivery date or (ii) the Purchaser, the effective term for the project shall be extended for a time period to be agreed to by the parties, and the Purchaser shall pay for the actual out-of-pocket costs incurred by YASA to complete the project at YASA'S standard day and hourly rates as set out in the relevant SoW or (if none are set out) YASA'S standard rates from time to time for time spent to complete the Project.

8.6. YASA shall be entitled to deliver instalments in any sequence. No default or failure by YASA to deliver one or more instalments shall entitle the Customer to repudiate these Terms to which the instalments relate and/or to claim damages in respect thereof. Each instalment shall be a separate contract provided that Delivery for instalments may be withheld until the price for the Deliverable comprised in earlier instalments has been fully paid.

8.7. The Customer shall comply with all export control laws and regulations applicable in the Territory and shall not export the Deliverables or any part thereof or any technical data without obtaining all of the applicable licences, authorisations and regulatory approvals. The Customer shall be solely responsible at its cost for obtaining such licences and authorisations and shall indemnify YASA for any costs, damages or expenses which YASA incurs as a result of the Customer's failure to obtain the relevant licences and approvals.

9. WARRANTY

9.1. Subject to the provisions of this Clause 9, YASA hereby warrants to the Customer that the Services will be provided with reasonable care and skill and Deliverables shall on Delivery be free from any material defects in materials and workmanship of which YASA should reasonably have been aware at the time the relevant Deliverable was supplied to the Customer. In respect of the Motor Controller, YASA will endeavour to transfer to the Customer the benefit of any warranty or guarantee given by the manufacturer of the Motor Controller. The Customer recognises that the objective of the Services is in part to assess the feasibility of producing a motor



that suits the Customer's requirements and (where required by a SoW) to make and test sample electric motors as a part of that assessment. Accordingly, YASA does not warrant or provide any other kind of assurance that Deliverables will function in accordance with any specification or that they will meet the Customer's requirements.

9.2. If YASA receives written notice from the Customer of any breach by YASA of the warranty contained in Clause 9.1 YASA shall, at its own expense and as soon as it is reasonably able, investigate that breach following receipt of such notice.

9.3. Subject to Clauses 9.4 and 9.5, in the event of any breach by YASA of the warranties specified in Clause 9.1 of these Terms then YASA will use its reasonable endeavours to, at YASA'Ss discretion, repair and/or replace the Deliverable in question or in the case of Services, re-perform the Services at its own cost. Save that if the Customer seeks repair or replacement of Deliverables under this Clause 9.3 but YASA or the manufacturer of the Motor Controller no longer manufactures that Deliverable, YASA shall be entitled to replace the Deliverables with products of an equivalent standard and quality or (at its discretion) refund the price paid for that Deliverable(s). Where YASA is able to repair or replace the relevant Deliverable, or to re-perform the relevant Services in accordance with this clause 9.3, that will (subject to clause 10.1) be the Customer's exclusive remedy and YASA'Ss sole liability in respect of the breach in question.

9.4. YASA shall be under no liability in respect of a breach of clause 9.1 arising from:

9.4.1. interference, tampering or work performed on a Deliverable;

9.4.2. misuse, wilful damage, abnormal working conditions, failure to follow YASA'S or the manufacturer of the Motor Controller's instructions (whether oral or in writing) or negligence;

9.4.3. accidental damage or any other damage not consistent with fair wear and tear;

9.5. YASA shall not be liable for a breach of the warranties set out in Clause 9.1 unless:

9.5.1. the Customer gives notice of the breach to YASA within 7 Working Days of the time when the Customer discovers or ought to have discovered the breach; and

9.5.2. YASA is given a reasonable opportunity after receiving the notice of examining such Deliverables or assessing the results of Services (as appropriate) and, in the case of allegedly defective Deliverables, the Customer (if asked to do so under YASA Returned Materials Authorisation process) returns such Deliverables to YASA'S place of business for the examination to take place there at the sole expense of YASA.

9.6. The warranties set forth in this Clause 9 are expressly subject to Clause 10.

9.7. Unless notified otherwise and save for the warranty in Clause 9.1, any commercial-off-the-shelf components supplied with the Motor Controller will be provided with standard manufacturer's warranty.

9.8. THE LIMITED WARRANTY SET FORTH IN THIS CLAUSE 9 SHALL BE IN LIEU OF, AND SUBJECT TO CLAUSE 10.1, YASA SPECIFICALLY DISCLAIMS, ANY OTHER WARRANTY, EXPRESS OR IMPLIED, AND WHETHER IMPLIED BY STATUTE, COMMON LAW, COURSE OF DEALING OR OTHERWISE INCLUDING ANY IMPLIED WARRANTY, CONDITION OR OTHER TERM OF SATISFACTORY QUALITY OR FITNESS FOR PURPOSE. The foregoing limited warranty is personal to the Customer and any sale or other transfer of Deliverables by Customer shall void such limited warranty.

10. LIMITATION OF LIABILITY

10.1. YASA does not exclude or limit its liability to the Customer:

10.1.1. for death or personal injury caused by the negligence of YASA, its employees, agents or sub-contractors;



10.1.2. under part 1 of the Consumer Protection Act 1987;

10.1.3. due to any breach by YASA of implied condition as to title or warranty as to quiet possession; or

10.1.4. for fraud (including without limit fraudulent misrepresentation);

10.2. Subject to clause 10.1, the liability of YASA in respect of direct physical loss or damage to the Customer's tangible property (excluding the Deliverables) caused by the negligence of YASA or its employees agents or sub-contractors shall not exceed in aggregate one million pounds sterling (£1,000,000).

10.3. Except as stated in Clauses 10.1 and 10.2 above, YASA's maximum aggregate liability for all claims made under or in connection these Terms, howsoever arising, including (without limitation) due to negligence, breach of contract, misrepresentation (excluding fraudulent misrepresentation) or for any other reason, shall be limited in respect of each Contract, to 120% of the total fees payable by the Customer to YASA in relation to the relevant Contract.

10.4. Subject to Clause 10.1 and whether or not YASA has been advised of the possibility of such loss or damage YASA shall not be liable to the Customer, whether such losses or damages arise due to negligence, breach of contract, misrepresentation (excluding fraudulent misrepresentation) or for any other reason, in respect of the following (and for sub-clauses a – d inclusive whether such losses are direct or indirect and/or consequential):

- a. loss of profits;
- b. loss of anticipated savings;
- c. loss of revenue;
- d. loss of business; and/or
- e. any type of indirect or consequential loss or damage howsoever caused.

10.5. The Customer acknowledges that the fees payable under each Contract are based on the assumption that the liability of YASA and the Customer is as set out herein. The Customer is advised to insure against any risk not accepted by YASA.

11. CONFIDENTIALITY

11.1. Each of YASA and the Customer shall at all times:

11.1.1. use its best endeavours to keep all Confidential Information confidential and accordingly, not disclose any Confidential Information to any other person; and

11.1.2. not use any Confidential Information for any purpose other than the performance of its obligations under these Terms.

11.2. Confidential Information may be disclosed by either Party:

11.2.1. to the extent required by law; or

11.2.2. where it is public knowledge at the date of disclosure or can be shown by the disclosing party to have been known prior to such disclosure.

11.3. The Customer acknowledges that the Deliverables contain the proprietary, confidential and trade secret information of YASA.

11.4. Each party shall only divulge Confidential Information of the other to those of its employees, agents or sub- contractors who are directly involved in the performance of these Terms and shall take all reasonable precautions to ensure that such employees, agents of sub-contractors are aware of and comply with these obligations as to confidentiality.

YASA Limited. Registered in England & Wales No 06975790

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ID: 28833 Version 4. February 2018 www.yasa.com

Page 25 of 27



11.5. The provisions of this Clause 11 shall remain in full force and effect for period of ten (10) years from the date of the last Contract agreed between the parties.

12. TERMINATION AND CANCELLATION

12.1. Each party shall be entitled to forthwith terminate any Contract by written notice if the other party fails to pay any invoice in accordance with these Terms, or the other party commits any continuing or material breach of these Terms; or an Insolvency Event occurs in respect of the other party.

12.2. Unless a SoW states otherwise, the Customer may terminate a Contract on giving not less than thirty (30) days prior written notice. On such termination the Customer shall immediately pay YASA:

12.2.1. all outstanding invoices; and

12.2.2. any fees and costs incurred by YASA in accordance with any Contract and these Terms (which YASA may invoice at any time following notice of termination by the Customer).

12.3. Unless a SoW states otherwise, where YASA terminates any Contract other than in accordance with Clause 12.1, YASA shall refund unused prepaid fees for unused Services upon termination.

13. FORCE MAJEURE

13.1. Except for the payment of the price by the Customer, neither party shall be liable to the other for any delay or non-performance of its obligations under these Terms arising from any cause or causes beyond its reasonable control including, without limitation, any of the following: act of God, governmental act, delay or failure of any supplier, sub-contractor or carrier, war, fire, flood, explosion or civil commotion.

14. MISCELLANEOUS

14.1. Neither party may assign, novate, sub-licence or sub-contract or in any way dispose of its rights or obligations under these Terms to any third party without the prior consent of the other party, provided that YASA may use external suppliers for the supply of components of Deliverables and manufacture of Deliverables.

14.2. Any notice required to be served pursuant to these Terms shall be served on YASA at the Premises or such other address as YASA may from time to time notify to the Customer by first class registered post, registered air mail or by e-mail, telex or facsimile. Any such notice served by post shall be deemed to have been served in the case of a destination in the UK 2 days after the date of dispatch and 7 days after the date of despatch to any other destination. In the case of service by telex or facsimile when the addressee's machine acknowledges receipt thereof and in the case of email, when the email is available to be read in the recipient's inbox.

14.3. Any notice required to be served pursuant to these Terms shall be served on the Customer at an address nominated by the Customer or such other address as the Customer may from time to time notify to YASA by first class registered post, registered air mail or by e-mail, telex or facsimile. Any such notice served by post shall be deemed to have been served in the case of a destination in the UK 2 days after the date of dispatch and 7 days after the date of dispatch to any other destination. In the case of service by telex or facsimile when the addressee's machine acknowledges receipt thereof and in the case of email, when the email is available to be read in the recipient's inbox.

14.4. Save in respect of fraudulent misrepresentations, these Terms set forth and shall constitute the entire agreement between the parties and shall supersede any and all previous agreements or understandings between the parties relating to their subject-matter.

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Page 26 of 27



14.5. No term of these Terms is intended to confer a benefit on, or to be enforceable by, any person who is not a party to these Terms.

14.6. Any term of these Terms which is judged to be void or unenforceable shall to the extent of such invalidity be severable and the continuation in full force and effect of the remainder of the provisions will not be prejudiced.

14.7. Failure by either party at any time to enforce any of these Terms shall not be construed as a waiver by such party of such Terms or any other Terms and such party shall be entitled to enforce any such breach at any time.

14.8. These Terms and any Contract formed between the Parties pursuant to these Terms shall be governed and interpreted in accordance with the laws of England and, subject to clauses 14.8 and 14.9, shall be subject to the jurisdiction of the English Courts.

14.9. **Dispute Resolution:** The parties agree that they shall attempt to resolve any dispute regarding any right, obligation, duty, or liability arising out of the provisions of a Contract and/or these Terms through informal discussions or negotiations prior to resorting to formal dispute resolution. If, at any time following the commencement of any such discussions or negotiations, either party determines such discussions or negotiations are not likely to result in a reasonable resolution of the dispute, it may send to the other party a written statement of the issues or problems being discussed or negotiated ("Dispute Statement"). If the dispute has not been resolved within sixty (60) days after the mailing of the Dispute Statement, either party shall have the right to serve a written demand for arbitration upon the other and thereby commence binding arbitration in accordance with clause 14.9.

14.10. Any dispute arising out of or in connection with these Terms and any Contract formed between the Parties pursuant to these Terms, including any question regarding their existence, validity or termination, shall be referred to and finally resolved by arbitration under the rules of the London Court of International Arbitration ("LCIA"), which rules are deemed to be incorporated by reference into this clause. The place and seat of arbitration shall be London, England. The language to be used in the arbitration proceedings shall be English. The number of arbitrators shall be one.

14.11. Notwithstanding clause 14.9, YASA may bring proceedings in the courts of any state or territory which has jurisdiction for reasons other than the parties' choice, for the purpose of seeking an interim injunction, order or other non-monetary relief to protect its Intellectual Property Rights and/or rights in trade secrets

14.12. Nothing in these Terms is intended to confer any benefit on any third party (whether referred to herein by name, class, description or otherwise) or any right to enforce a term contained in these Terms.

14.13. **Disposal:** Deliverables sold to Customer that reach the end of their useful life will be disposed of in accordance with formal Customer WEE Procedures or, preferably, formally scrapped by Customer and returned to YASA in 'as-is' condition for potential investigation and/or disposal in accordance with YASA WEE procedures.