

REACTION ENGINES LIMITED

TERMS AND CONDITIONS OF PURCHASE

1. Contract

- 1.1 This Contract shall apply to the sale of the Products by the Supplier to RE.
- 1.2 This Contract shall apply to the exclusion of all other terms and conditions. Any other terms and conditions delivered with the Products or otherwise provided to RE shall not form part of this Contract.
- 1.3 The Purchase Order constitutes an offer by RE to purchase the Products from the Supplier on the terms of this Contract. By accepting the Purchase Order, the Supplier agrees to be bound by the terms of this Contract.

2. Delivery

- 2.1 The Supplier shall deliver the Products by the Delivery Date to the Delivery Address. The Supplier shall carefully test and inspect the Products before delivery to ensure that they comply with the requirements of this Contract. Time shall be of the essence for delivery of the Products.
- 2.2 If the Supplier fails to deliver the Products to the Delivery Address by the Delivery Date, RE may terminate this Contract on written notice to the Supplier. The Supplier shall promptly reimburse RE for any costs and expenses incurred by RE as a result of a failure to deliver the Products to the Delivery Address by the Delivery Date subject to a limit of the Purchase Order value.
- 2.3 The Products shall be properly packaged and protected by the Supplier in such manner as to enable them to reach the Delivery Address in good condition. The Supplier shall not charge RE for packaging or shipping materials. RE shall not be responsible for the return of any packaging or shipping materials to the Supplier.
- 2.4 The time at which the risk of damage to or loss of the Products shall pass from the Supplier to RE shall be determined in accordance with the INCOTERMS 2020 of the International Chamber of Commerce. For this purpose, the Products shall be deemed to be sold DAP (Delivered At Place).
- 2.5 Title in the Products shall pass to RE on delivery of the Products to the Delivery Address.

3. Acceptance or rejection of Products

- 3.1 All Products may be inspected or tested by RE.
- 3.2 If RE determines that a Product does not comply with this Contract, RE may:
 - a. reject the Product (or all Products under this Contract) by notifying the Supplier and returning the Product(s) to the Supplier (at the Supplier's cost and risk) or making the Product(s) available for collection by the Supplier at the Delivery Address; or
 - b. accept the Product for a reduced Price agreed with the Supplier.
- 3.3 Acceptance of a Product by RE shall not relieve the Supplier from any of its obligations under this Contract.

4. Price and Payment

- 4.1 RE shall pay the Price to the Supplier. The Price is fixed and, unless otherwise specified in the Purchase Order, is inclusive of all Sales Taxes and delivery, packaging, insurance and carriage charges.
- 4.2 The Supplier shall invoice RE for the Price [on delivery of the Products] and RE shall pay such invoice within 60 days of the date of the invoice (provided that such invoice is not disputed by RE in good faith). Payment of an invoice by RE shall not constitute acceptance of the Products.
- 4.3 RE may, at any time, set off any amount owing to it from the Supplier against any amount payable by RE to the Supplier under this Contract.

5. Supplier's Obligations

- 5.1 The Supplier represents and warrants that the Products:
 - a. are new, of merchantable quality and fit for the purposes for which they are supplied;
 - b. are free from any encumbrances or defects in title and comply with all applicable laws; and
 - c. for a period of 12 months from the date of delivery, shall conform with the quality, description and other particulars stated in the Purchase Order and the Specification and shall be free from all defects in materials and workmanship.
- 5.2 The Supplier shall be responsible, at its own risk and expense, for obtaining all permits, licences (including export and import licences), registrations, consents and authorisations required to perform its obligations under this Contract.
- 5.3 The Supplier must adhere to the requirements of AS9100D Section 8.4.3, points k to m, and ensure that any external providers used in the supply of Product to RE must also adhere to these requirements.

6. RE Remedies

- 6.1 If RE rejects a Product (or Products) under Clause 3.2(a) or a Product does not comply with one or more of the representations and warranties set out in Clause 5.1, RE may require the Supplier to either:
 - a. promptly refund to RE the Price paid for such Product(s); or
 - b. promptly deliver a replacement Product to the Delivery Address on a date agreed with RE (and such replacement Product shall be subject to this Contract as if it was the original Product).
- 6.2 The Supplier shall reimburse RE for any costs and expenses incurred by RE as a consequence of the rejection of a Product or the failure of a Product to comply with the representations and warranties set out in Clause 5.1, limited to the value of the Purchase order.

7. Indemnities

- 7.1 The Supplier indemnifies, defends and holds harmless RE, and any person who receives the Products from RE, from and against all claims:
 - a. in respect of damage to real or personal property and death of or personal injury to any person caused by the Supplier or the Products;
 - b. that the Products infringe the intellectual property rights of a third party; or
 - c. arising from any breach of this Contract by the Supplier.

8. Liability

- 8.1 Nothing in this Contract shall exclude or limit the liability of a party for:
 - a. death or personal injury caused by its negligence;
 - b. fraud or fraudulent misrepresentation; or
 - c. any other liability that cannot be excluded or limited by law.

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9. Termination

- 9.1 RE may terminate this Contract (in whole or in part):
- [on written notice to the Supplier at any time before delivery of the Products]; and
 - in accordance with Clause 2.2.
- 9.2 Either party may terminate this Contract (in whole or in part) at any time on written notice to the other party if:
- the other party commits a material breach of this Contract and (i) the breach cannot be remedied or (ii) if the breach can be remedied, the other party has failed to remedy it within 14 days after being notified in writing to do so; or
 - the other party suffers an Insolvency Event.
- 9.3 Any provision of this Contract which is intended to have effect following expiry or termination of this Contract shall survive expiry or termination of this Contract.

10. Confidentiality

- 10.1 Each party shall keep the other party's Confidential Information confidential and shall not use or disclose such Confidential Information other than for purposes of performing its obligations or exercising its rights under this Contract.

11. Subcontracting

- 11.1 The Supplier shall not subcontract any part of the Contract without the prior written consent of RE. The Supplier shall warrant and be held responsible for their subcontractor's performance and shall only contract with another party under terms no less onerous than those stated within this Contract.

12. Assignment

- 12.1 This Contract is personal to the Supplier who shall not assign the same (other than for the purposes of a solvent corporate reconstruction, reorganisation or merger) without the prior written consent of RE which shall not be unreasonably withheld or delayed; provided that in all cases of assignment the assignee effectively undertakes to RE to perform all the obligations of the assignor as though the assignee had been an original party to this Contract. This Contract shall be binding upon and inure to the benefit of the parties and their successors and assignees.

13. General

- 13.1 If any provision of this Contract becomes or is declared by any competent court or body to be illegal, invalid or unenforceable under the law of any jurisdiction, it shall not affect or impair the legality, validity or enforceability of the remaining provisions of this Contract.
- 13.2 The rights and remedies provided under this Contract are in addition to, and not exclusive of, any rights or remedies provided by law.
- 13.3 Any notice to be given under this Contract must be in writing and may be given by post or personal delivery. Notices to RE shall be sent to Contracts Office at Building F5, Culham Campus, Abingdon, OX14 3DB, UK, and notices to the Supplier shall be sent to such place or fax as the Supplier notifies to RE under this Clause 13.3. Any notice shall be deemed effective (a) when left at the address mentioned above (if delivered personally) or (b) two business days after posting by first class post addressed as required above (if given by post).
- 13.4 No purported amendment or variation of this Contract shall be effective unless it is in writing and duly executed by or on behalf of each of the parties.
- 13.5 A party shall have no liability for any delay in performance or any non-performance of any obligation under this Contract to the extent that such delay or non-performance is due to Force Majeure.
- 13.6 The failure by a party to exercise or delay in exercising a right or remedy under this Contract shall not constitute a waiver of that right or remedy, and no waiver by a party of any breach of this Contract shall constitute a waiver of any subsequent breach of the same or any other provision.
- 13.7 This Contract constitutes the entire agreement and understanding between the parties relating to the sale of the Products by the Supplier to RE and supersedes any other agreement or understanding (written or oral) between the parties relating to the same. Nothing in this Clause 13.7 shall operate or be construed to exclude or limit any liability of any person for fraud, including fraudulent misrepresentation.
- 13.8 This Contract and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by English law. The parties submit to the non-exclusive jurisdiction of the English courts for all purposes relating to and in connection with this Contract and any such dispute or claim referred to in this Clause 13.8.

14. Interpretation

- 14.1 In this Contract, unless specified to the contrary:
- "Contract"** means the contract formed between the Supplier and RE upon the Supplier's acceptance of the Purchase Order and which consists of these Terms and Conditions and the Purchase Order;
- "Confidential Information"** means any information which is marked or identified as confidential or proprietary or which is confidential or proprietary by its nature;
- "Delivery Address"** means address for delivery of the Products specified in the Purchase Order or, if no such address is specified, Building F5, Culham Campus, Abingdon, OX14 3DB, UK;
- "Delivery Date"** means the date specified in the Purchase Order for delivery of the Products or, if no such date is specified, within 90 days of the date of the Purchase Order;
- "Force Majeure"** means any cause or event that is beyond the reasonable control of the affected party, the effect of which could not have been circumvented by reasonable precautions by the affected party, but shall not include strikes or other industrial disputes relating to the workforce of the affected party or its subcontractors;
- "Insolvency Event"** means where a person ceases or threatens to cease to carry on business, is unable to pay its debts within the meaning of the Insolvency Act 1986 section 123, has an administrator, receiver, administrative receiver or manager appointed over the whole or any part of its assets, enters any composition with creditors generally, has an order made or resolution passed for it to be wound up (otherwise than in furtherance of any scheme for solvent amalgamation or solvent reconstruction), undergoes any other arrangement which affects the rights of creditors or undergoes any similar or equivalent process in any jurisdiction;
- "Price"** means the price for the Products as specified in the Purchase Order;
- "Products"** means the products specified in the Purchase Order;
- "Purchase Order"** means a written order for products in the form of RE's standard purchase order;
- "RE"** means Reaction Engines Limited incorporated in England and Wales with company number 2413577 whose registered office is at Building F5, Culham Campus, Abingdon, OX14 3DB, UK;
- "Sales Taxes"** means any value added taxes, goods taxes or other sales taxes which may at any time be chargeable in
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respect of the sale or supply of Products; and

"Specification" means the technical and functional specifications for the Products provided by the Supplier (including on its website).