

SPECIAL TERMS AND CONDITIONS OF PURCHASE

CodaOctopus Martech Ltd [Buyer] is required to comply with the terms and conditions imposed and flowed-down by our customers. These included but are not limited to export control, counterfeit materials, modern slavery, cyber security, ethics, and other mandated levels of compliance.

In accepting our purchase order, the supplier confirms compliance with these requirements.

These Terms and Conditions (“Terms”) apply to all purchases of goods and/or services (“Deliverables”) by [Buyer] from [Supplier] under any purchase order, contract, or agreement (each a “PO”). Acceptance of a PO constitutes Supplier’s acceptance of these Terms.

1. Flow-Down and Compliance Obligation

1.1 Supplier shall comply with all applicable **laws, regulations, contract clauses, and customer requirements** applicable to the Deliverables, including those flowed down from Buyer’s customer(s), whether commercial or governmental.

1.2 Supplier shall **flow down all applicable requirements** of these Terms to its sub-tier suppliers and subcontractors.

2. Counterfeit Parts and Materials

2.1 Supplier warrants that all Deliverables are **new, authentic, and conforming**, unless otherwise expressly authorised in writing.

2.2 Supplier shall implement and maintain **counterfeit-part prevention controls** appropriate to the risk, including traceability to the Original Equipment Manufacturer (OEM) or authorised distributor.

2.3 **Counterfeit or Suspect Counterfeit Parts** are strictly prohibited. If detected, Supplier shall:

- Immediately notify Buyer,
- Quarantine affected items,
- Cooperate fully in investigations, reporting, and corrective action, and
- Bear all costs associated with removal, replacement, investigation, and customer impact.

3. Modern Slavery, Human Trafficking, and Ethical Labour

3.1 Supplier warrants compliance with all applicable modern slavery and human trafficking laws, including (where applicable):

- UK Modern Slavery Act 2015
- US FAR 52.222-50 and equivalent requirements

3.2 Supplier shall not use forced, bonded, child, or involuntary prison labour.

3.3 Supplier shall maintain policies, due diligence processes, and training to prevent modern slavery within its operations and supply chain.

4. Conflict Minerals and Responsible Sourcing

4.1 Supplier shall comply with applicable **conflict minerals regulations** (including US Dodd-Frank Act Section 1502 where applicable).

4.2 Upon request, Supplier shall provide **Conflict Minerals Reporting Templates (CMRT)** or equivalent declarations.

4.3 Supplier shall implement reasonable due diligence to ensure minerals do not directly or indirectly finance armed conflict or human rights abuses.

5. Export Control and Trade Compliance

5.1 Supplier shall comply with all applicable export, re-export, and import control laws, including but not limited to:

- UK Export Control Order
- US ITAR and EAR

5.2 It is the responsibility of the supplier to advise if the product being quoted/ordered is subject to U.S Export Controls (ITAR/EAR) regulations. If no mention of International Traffic in Arms Regulations (ITAR) Export Administration Regulations (EAR) appears on the quote/order confirmation, Coda Octopus Martech assume the products ordered are NOT affected by ITAR/EAR regulations.

- EU and international sanctions regimes

5.3 Supplier shall not transfer controlled items, data, or services without required authorisations.

5.4 Supplier shall notify Buyer in writing of any **export-controlled content** in the Deliverables.

6. Quality Management and Right of Access

6.1 Supplier shall maintain an effective **Quality Management System** appropriate to the Deliverables (e.g., ISO 9001, AS9100, or equivalent where required).

6.2 Buyer, Buyer's customer(s), and relevant authorities shall have the **right of access** to Supplier's and sub-tier facilities, processes, and records related to the PO, with reasonable notice.

7. Records Retention

Supplier shall retain all records relating to the PO for a minimum of **seven (7) years** (or longer if contractually required) and make them available upon request.

8. Ethics, Integrity, and Reporting

8.1 Supplier shall conduct business ethically and in compliance with all applicable **anti-bribery, anti-corruption, and competition laws**, including the UK Bribery Act and US FCPA where applicable.

8.2 Supplier shall maintain a mechanism for employees and suppliers to raise concerns anonymously and without retaliation.

8.3 Supplier shall promptly notify Buyer of any actual or suspected violations.

9. Cybersecurity and Information Protection

9.1 Supplier shall protect Buyer and customer information against unauthorised access, loss, or disclosure.

9.2 Where required by contract or flowed-down obligations, Supplier shall comply with applicable cybersecurity standards (e.g., **CYBER ESSENTIALS, NIST SP 800-171** or equivalent).

9.3 Supplier shall notify Buyer **without undue delay** of any cybersecurity incident affecting contract information.

10. Inspection, Acceptance, and Non-Conformance

10.1 All Deliverables are subject to inspection and acceptance by Buyer and/or Buyer's customer.

10.2 Non-conforming Deliverables may be rejected, returned, or require corrective action at Supplier's expense.

11. Changes and Configuration Control

Supplier shall not change design, process, materials, manufacturing location, or sub-tier suppliers without **prior written approval** where such changes may affect fit, form, function, quality, or compliance.

12. Indemnity and Liability

Supplier shall indemnify and hold harmless Buyer against all claims, losses, damages, costs, and expenses arising from Supplier's breach of these Terms, including counterfeit parts, regulatory non-compliance, or ethical violations.

13. Termination

Buyer may terminate the PO for convenience or for cause, including breach of compliance, ethics, or regulatory obligations.

14. Governing Law

The PO shall be governed by the laws of **England & Wales** unless otherwise stated.

15. Survival

Compliance-related obligations (including counterfeit, modern slavery, conflict minerals, records, audit, and export control) shall survive completion or termination of the PO.