



VERTICAL AEROSPACE'S STANDARD TERMS AND CONDITIONS

FOR THE PURCHASE OF GOODS AND/OR SERVICES

1. INTERPRETATION

The definitions and rules of interpretation set out in Schedule 1 (Interpretation) apply to the Contract.

2. APPLICABILITY

These GCP will apply to the exclusion of any other terms and conditions of business contained or referenced in any document issued by the Supplier to Vertical (including any: order acknowledgement, confirmation or other form of acceptance; quotation; delivery note; standard form; or proposal) or implied by trade custom, practice or any course of dealings between the Parties, unless such terms and conditions are expressly stated in the Order to apply.

3. DELIVERY OF GOODS

- 3.1 The Supplier will deliver the Deliverables on a DDP basis (Incoterms 2020) to the location specified in the Order together with a delivery note specifying the date of the Order, the Order number, the type and quantity of the Deliverables (including any code numbers), special storage instructions and any other documentation or information required by the Contract.
- 3.2 The Supplier will Deliver the Deliverables on the date specified in the Order (the "**Scheduled Delivery Date**"). Delivery must take place during Vertical's normal business hours.
- 3.3 Vertical may, at its sole discretion, require the Supplier to delay Delivery of the Deliverables for up to six months.
- 3.4 Title to all Deliverables will transfer to Vertical on Delivery with full title guarantee and free from all Security Interests.

4. SERVICES DELIVERY PERIOD

- 4.1 The Supplier will provide the Services to Vertical:
- (a) from the start date specified in the Order or, if no start date is specified in the Order, from the start date last notified by Vertical to the Supplier before the Order was agreed, or if no such date was notified to the Supplier, with immediate effect (the "**Service Start Date**").
 - (b) until the service completion date specified in the Order or, where no service completion date is specified in the Order, from the date last notified by Vertical to the Supplier before the Order was agreed, or if no such date was notified to the Supplier:
 - (i) for Services relating to the completion of a particular project or task: until the Services have been completed in accordance with the Contract; or
 - (ii) for ongoing Services that do not relate to the completion of a particular project or task: 12 months from the Service Start Date; and
 - (c) at the frequency, and in accordance with any timescales, specified in the Order or, if no frequency or timescales are specified in the Order, as reasonably required by Vertical.
- 4.2 Vertical may, at its sole discretion, require the Supplier to suspend performance of the Services for up to six months.

5. PRICE AND PAYMENT

- 5.1 The price of the Deliverables and Services will be set out in the Order. Unless otherwise stated in the Order, the currency for payment will be United States Dollars (USD) and prices include everything needed to deliver the Services and the Deliverables.
- 5.2 Prices are exclusive of value added tax or any other similar tax ("**VAT**") payable in Vertical's jurisdiction of incorporation but include all other taxes, duties and levies. If VAT is chargeable in Vertical's jurisdiction of incorporation, it will be separately identified on the invoice.
- 5.3 For Deliverables, the Supplier will submit an invoice (being a valid VAT invoice where appropriate) to Vertical after the later of the Scheduled Delivery Date or the Delivery of all the Deliverables.
- 5.4 For Services, the Supplier will submit an invoice (being a valid VAT invoice where appropriate) to Vertical after the invoicing date(s) set out in the Order, or if such dates are not contained in the Order, on completion of the Services.
- 5.5 The Supplier will follow any reasonable instructions of Vertical with respect to the format of the invoice and will include on the invoice the Order number and a full price breakdown (to enable Vertical to verify the price).
- 5.6 Subject to Vertical's rights under the Contract, including clauses 5.7 and 8.2, Vertical will transfer payment to the Supplier on or before the date falling 60 days after the end of the calendar month in which Vertical received the Supplier's invoice. If such a day is not a normal banking day in Vertical's place of business, then payment will be made on the following normal banking day in

Vertical's place of business. If any Deliverables or Services are found to be Defective before payment is made, Vertical reserves the right to withhold payment for those Deliverables or Services until those Defects are corrected in accordance with clause 8.

5.7 Vertical will be entitled to set-off any liability (including amounts invoiced but not yet due) owed by it to the Supplier against any liability of the Supplier or any of its Affiliates to Vertical under the Contract or any other agreement.

5.8 If the Supplier does not receive any undisputed amount due from Vertical under the Contract on its due date (as set out in clause 5.6 above), the Supplier will be entitled to charge interest on all undisputed overdue amounts at a rate of 3% per annum above the Base Rate, accruing on a simple basis from the day the amount became overdue and ending on the day payment is received in full by the Supplier.

6. QUALITY

6.1 The Supplier will comply in full with any quality requirements set out in or referenced in the Order and any other reasonable quality requirements notified by Vertical to the Supplier from time to time.

6.2 The Supplier will not change, before delivering the Deliverables:

- (a) the materials used in the Deliverables;
- (b) the specification of the Deliverables; or
- (c) the processes used to manufacture the Deliverables,

without the prior written consent of Vertical. The Supplier will not change the location where the Deliverables are manufactured or assembled without notifying Vertical in advance.

7. WARRANTY

7.1 The Supplier represents and warrants to Vertical that each Deliverable will:

- (a) be new and unused on Delivery;
- (b) fully conform and perform in accordance with the requirements of the Contract, including any specification referenced in or attached to the Order;
- (c) be fit for any purpose either set out in the Order or that Vertical makes known to the Supplier in writing before the Effective Date;
- (d) be free from any defects (whether actual or latent) in workmanship and materials; and
- (e) where Vertical is not responsible for the design of the Deliverables, be free from defects in design (whether actual or latent).

7.2 The Supplier warrants that:

- (a) the Services will conform with all descriptions, standards and specifications set out or referenced in the Order or as otherwise agreed in writing by Vertical and the Supplier, and shall be fit for any purpose either set out in the Order or that Vertical makes known to the Supplier in writing before the Effective Date;
- (b) the Services will be performed with the skill, care and diligence to be reasonably expected from a Supplier with expertise in the provision of the Services (or similar services) acting in accordance with best industry practice;
- (c) it will provide the Services in accordance with any applicable Law and industry standards and, through the provision of the Services it will not, to the best of its knowledge (whether actual, constructive or imputed), cause Vertical to breach any applicable Law or industry standards; and
- (d) it has, and will maintain throughout the Contract, all the necessary authorities and licences from third parties that it needs to carry out the Services and to allow Vertical to use and exploit the Services.

8. REMEDY FOR DEFECTS

8.1 If a Deliverable or Service has a Defect within the Warranty Period then Vertical may instruct the Supplier to rectify the Defect within the timescales reasonably required by Vertical and at the Supplier's cost (such costs to include any transportation costs and any other costs that Vertical incurs that it would not have incurred but for the Defect) (a "**Rectification Instruction**"). The Supplier will immediately perform in accordance with such Rectification Instruction or inform Vertical if it believes it will be unable to do so.

8.2 If:

- (a) Vertical (at its sole discretion) does not believe it is desirable for the Supplier to rectify the Defect;
- (b) the Supplier does not (or informs Vertical it will not be able to) successfully rectify the Defect in accordance with the Rectification Instruction,

then Vertical may, without prejudice to any rights or remedies it may have:

- (c) adjust the Contract price by an amount determined by Vertical at its sole and absolute discretion, to reflect Vertical's assessment of the extent and impact of the Defect;
- (d) rectify or arrange to have rectified such Defect at the Supplier's cost; or

- (e) procure the Service or Deliverable (and any other Deliverable (or any equivalent item or items) that Vertical is not able to use as intended as a result of the Defective Deliverable), from alternate sources in order to meet Vertical's requirements, at the Supplier's cost.

To the extent that Vertical reduces the Contract price under sub-clause (c) above to an amount lower than the amount of the price for such Service or Deliverables already paid to the Supplier, the Supplier will reimburse Vertical for the difference between the price paid and the adjusted price, within 14 days of Vertical invoicing the Supplier for such amounts. To the extent that Vertical incurs costs under sub-clauses (d) and (e) above, the Supplier will reimburse Vertical within 14 days of Vertical invoicing the Supplier for such costs

- 8.3 If Vertical informs the Supplier that it has procured alternate Deliverables elsewhere under clause 8.2(e), the Supplier will collect the relevant Deliverable(s), at the Supplier's sole cost, from Vertical within 30 days and risk and title to the Deliverable(s) will pass to the Supplier on collection. If the Supplier does not collect the Deliverable(s) within 30 days, Vertical will be entitled to scrap or dispose of the Deliverable(s) at the Supplier's cost. If Vertical exercises its rights under clause 8.1, risk in the Deliverable will pass to the Supplier on collection and pass back to Vertical on re-Delivery.

9. VERTICAL PROPERTY

- 9.1 The Supplier is fully responsible for any loss of, or damage to, any Vertical Property. The Supplier will maintain the Vertical Property in good condition (fair wear and tear excepted), keep it insured (at full replacement cost) with a reputable insurance company (with all losses payable to Vertical) and ensure that it is clearly identified as belonging to Vertical. The Supplier will maintain comprehensive records of Vertical Property and will keep any logbooks, records (including maintenance or use records) and any other documents relating to Vertical Property, fully up to date. The Supplier will not use Vertical Property except for the purposes of the Contract or dispose of it without Vertical's written permission.

- 9.2 The Supplier will provide Vertical with a list of Vertical Property and the location of such Vertical Property promptly on the request of Vertical. The Supplier will immediately follow any instructions of Vertical to return any Vertical Property.

10. FORCE MAJEURE

- 10.1 Subject to the affected Party's compliance with clauses 10.2 and 10.3, the time specified for the performance by a Party of any obligation of that Party in the Contract will be extended by a period equal to the period for which such performance is prevented by a Force Majeure Event.

- 10.2 Where the Supplier is the affected Party, it will use all reasonable endeavours to anticipate, plan for, and mitigate the effect of, Force Majeure Events.

- 10.3 If a Force Majeure Event occurs that will or may prevent the timely performance of a Party's obligations under the Contract, the affected Party will notify the other Party as soon as possible and in any event within five days of the start of the Force Majeure Event and will provide full details of the Force Majeure Event, its anticipated effect and the affected Party's proposed measures to mitigate its effect.

- 10.4 If Vertical receives a notification from the Supplier under clause 10.3 or if Vertical reasonably believes that a Force Majeure Event has occurred that will or may prevent the timely performance of the Supplier's obligations, Vertical may immediately, on written notice to the Supplier, cancel the Contract in respect of some or all of the Services or Deliverables. In the event of such a cancellation the Supplier will repay to Vertical any amount paid by Vertical in respect of the cancelled Services or Deliverables before their cancellation and neither Party will have any other liability to the other in respect of such cancellation. Clause 13 will not apply to any cancellation made under this clause 10.4.

11. SUPPLY OF INFORMATION AND RIGHTS OF INSPECTION

- 11.1 Vertical may, at its absolute discretion and at any time inspect, or nominate a customer of Vertical, a regulatory body or an independent third party to inspect:

- (a) the Supplier's premises where any work related to the Contract is, was or will be carried out, including any tooling or equipment used in connection with the supply of the Services or Deliverables;
- (b) any processes, policies, systems or plans used by the Supplier in connection with the Services or Deliverables;
- (c) any materials used, or to be used, by the Supplier in connection with the supply of the Services or Deliverables;
- (d) any Deliverables, regardless of what stage they are at in the manufacturing or assembly process; and
- (e) any financial information of the Supplier, including any annual report, interim accounts or monthly management accounts, to the extent such financial information is relevant to the Supplier's compliance with the Contract,

and the Supplier will co-operate to the fullest possible extent with Vertical to ensure that such inspections are conducted promptly and to Vertical's satisfaction.

- 11.2 The Supplier will ensure that Vertical is able to exercise all its rights set out in this clause 11, against a subcontractor or supplier of the Supplier in connection with the Contract

- 11.3 If the Order specifies certain tests are to be carried out on the Deliverables before their Delivery, the Supplier will give Vertical as much notice as practicable, not to be less than 14 days, to allow Vertical to attend such tests.

- 11.4 Vertical will usually give the Supplier reasonable written notice of its intention to exercise its rights under clause 11.1, however Vertical retains, at its sole discretion, the right to conduct inspections without prior notice to the Supplier.
- 11.5 If any inspection is required by Vertical under clause 11.1 as a result of reasonable concerns relating to the Supplier's ability to perform its obligations, the Supplier will be responsible for the costs of the inspection.
- 11.6 If Vertical has reasonable grounds for believing the Supplier may be unable to perform its obligations under the Contract, Vertical may require the Supplier to provide written evidence, to Vertical's satisfaction, that the Supplier is able to fulfil its obligations under the Contract, within 14 days of Vertical's request.
- 11.7 If the Supplier comes under, or believes it is about to come under, the Control directly or indirectly of an entity who does not Control the Supplier at the Effective Date, then subject to confidentiality obligations imposed by Law, the Supplier will immediately notify Vertical with full details of such an entity.
- 11.8 Any inspections carried out by Vertical, a customer of Vertical, a regulatory body or an independent third party will not imply an acceptance of the Services or Deliverables or any waiver of the Supplier's obligations.
- 11.9 The Supplier will, on request, promptly provide Vertical with:
- (a) any point of origin certifications in relation to any Deliverable or part of any Deliverable; and
 - (b) any cooperation and/or information pertaining to the Supplier's Deliverables or Services, as reasonably required by Vertical to: meet its airworthiness obligations under UK Regulation (EU) 2018/1139; obtain and maintain its Design Organisation Approval (DoA) and Production Organisation Approval (PoA) from the Civil Aviation Authority; and meet the requirements of any Type Certificate (TC) for aircraft produced by Vertical.

12. SUPPLIER PERSONNEL

- 12.1 The Supplier shall ensure that all Staff are suitably experienced, qualified, skilled and trained to the level expected of a specialist professional providing services similar to the Services and shall ensure that all Staff shall act at all times in a professional manner.
- 12.2 If Vertical reasonably believes that any Staff are sub-standard or otherwise unsuitable to perform their obligations in connection with the Contract, Vertical may give notice requiring the Supplier to remove such Staff from the performance of the Services. The Supplier shall (at its own cost) promptly arrange for such Staff to be replaced with personnel acceptable to Vertical.
- 12.3 The Staff will, at all times, remain employed or engaged by the Supplier and the Supplier shall meet all employment costs and liabilities in respect of the Staff.
- 12.4 Subject to clause 12.5, if, as a result of the cancellation, termination or expiry of the Contract (whether in whole or in part), the contract of employment or engagement of any person who was engaged in performing the Supplier's obligations under the Contract has effect, or is alleged to have effect, pursuant to TUPE (or any equivalent legislation), as if originally made with Vertical or any Successor Supplier (a "**TUPE Transfer**"), then the Supplier will indemnify Vertical or the Successor Supplier (as applicable) in full against all losses, expenses or costs arising from or in connection with such employment or engagement and its termination (regardless of such a termination is classed as an unfair dismissal, wrongful dismissal or otherwise).
- 12.5 The indemnity in clause 12.4 shall only apply if Vertical or the Successor Supplier (as applicable), gives such person a notice of termination within 90 days of becoming aware of the TUPE Transfer.

13. CANCELLATION

- 13.1 Vertical may at any time, on written notice to the Supplier, cancel its order under the Contract in respect of any undelivered Deliverables and/or unperformed Services, after which the Supplier will immediately stop all work in respect of such cancelled Deliverables and/or Services and will ensure that its subcontractors and suppliers immediately stop all work in respect of such cancelled Deliverables and/or Services.
- 13.2 Subject to clause 13.3, if Vertical exercises its right to cancel under clause 13 above, Vertical will pay to the Supplier in full and final satisfaction of all claims arising out of such cancellation:
- (a) any direct costs that the Supplier can demonstrate it has reasonably and properly incurred in respect of the cancelled Deliverables and/or Services up to the date of cancellation; and
 - (b) any costs incurred by the Supplier, which the Supplier has not recovered under sub-clause (a) or through any other payment already made and which Supplier can prove it reasonably and properly incurred as a direct result of the cancellation of the Deliverables and/or Services,
- minus any payment made by Vertical to the Supplier in respect of the cancelled Deliverables and/or Services in advance of their Delivery or performance, and provided that the total amount payable to the Supplier by Vertical in respect of the cancelled Deliverables and/or Services will in no circumstances exceed their total price.
- 13.3 The Supplier must submit its full claim under clause 13.2 to Vertical within 60 days of the cancellation date. If the Supplier fails to submit its full claim under clause 13.2 within such 60 day period, the Supplier's right to make such a claim will lapse and Vertical will have no further liability to the Supplier arising out of the relevant cancellation.

- 13.4 If Vertical has exercised its right to cancel outstanding Deliverables under clause 13 and Vertical has made a payment to the Supplier under Clause 13.2, Vertical reserves the right to require the Supplier to deliver to Vertical: all work-in-progress; and any material purchased by the Supplier, in connection with the cancelled Deliverables.

14. TERMINATION FOR DEFAULT

- 14.1 Vertical may terminate the Contract in whole or in part immediately on written notice to the Supplier if:
- (a) if the Supplier suffers an Insolvency Event;
 - (b) if the Supplier becomes an Affiliate of a Competitor;
 - (c) if the Supplier breaches clauses 3.2, 3.4, 11.1, 11.2, 11.6, 15, 16, 17 or 19;
 - (d) if, in respect of any other agreement between Vertical and the Supplier or an Affiliate of the Supplier, Vertical has a right to terminate such agreement following a breach by the Supplier or an Affiliate of the Supplier of such agreement;
 - (e) if the Supplier breaches any other clause of this Contract and (in the case of a breach that is remediable) does not remedy such breach within 30 days of receiving from Vertical a written request to remedy the breach; or
 - (f) if the Supplier does anything which results in, or has, in the reasonable opinion of Vertical, the potential to result in, material reputational damage to Vertical.
- 14.2 On termination in accordance with clause 14.1, the Supplier will, if required by Vertical to do so, promptly provide Vertical with, and license Vertical (and any third party engaged by Vertical to complete the Deliverables and/or the Services) to use, all such designs, documentation and information as may be necessary to enable Vertical to complete the Deliverables and/or Services itself, or have a third party complete the Deliverables and/or Services. Subject to clause 16, Vertical will have no right to use such designs, documentation and information provided under this clause 14.2 for any purpose other than completing the Deliverables and/or Services or having a third party do so.
- 14.3 The Supplier may terminate the Contract in the following circumstances only and any right the Supplier may otherwise have to terminate or cancel the Contract is excluded:
- (a) if Vertical suffers an Insolvency Event; or
 - (b) if Vertical is in breach of any obligation to make any payment under the Contract and such breach continues for a period of 60 days from the date that Vertical received a written notice from the Supplier notifying Vertical that the payment was overdue, provided that the amount of the payment is not disputed.

15. CONFIDENTIALITY AND DATA PROTECTION

- 15.1 Subject to clause 15.2, each Party agrees to hold in confidence any Information that it acquires directly or indirectly from the other Party and agrees:
- (a) to protect the Information with the same degree of care used to protect its own Information (which will never be less than a reasonable degree of care);
 - (b) not to use the Information other than for the purposes of the Contract; and
 - (c) during the term of this Contract operate and maintain an information security program, including administrative, physical and technical safeguards, to protect against and prevent any unauthorised use, access, Processing, destruction, loss, alteration or disclosure of any Information or Personal Data.
- 15.2 The provisions of clause 15.1:
- (a) do not apply to Information which is:
 - (i) already in the public domain;
 - (ii) received from a third party who is without an obligation of non-disclosure;
 - (iii) required to be produced by a legitimate legal authority (including a recognised stock exchange); or
 - (iv) already known by the receiving Party at the time of receipt;
 - (b) will not prevent either Party from disclosing the Contract and financial information concerning the business between the Parties to appointed auditors, legal advisers, insurers and accountants; and
 - (c) will not prevent either Party from disclosing Information to subcontractors and suppliers solely to the extent necessary for the purposes of supplying the Deliverables and/or Services.
- 15.3 To the extent the Supplier receives from, or Processes any Personal Data on behalf of, Vertical, the Supplier shall:
- (a) not Process such Personal Data for any purpose other than those set out in this Contract and only in accordance with Vertical's written instructions from time to time;
 - (b) take reasonable steps to ensure the reliability of all its personnel who have access to such Personal Data, and ensure that any such personnel are committed to binding obligations of confidentiality when Processing such Personal Data;
 - (c) implement and maintain technical and organisational measures and procedures to ensure an appropriate level of security for such Personal Data, including protecting such Personal Data against the risks of accidental, unlawful or unauthorised destruction, loss, alteration, disclosure, dissemination or access;

- (d) if transferring, accessing or Processing such Personal Data outside the UK or the European Economic Area is envisaged by the Contract and necessary to comply with the Contract, take such steps as are required to ensure that the relevant transfer, access or Processing complies with the Data Protection Laws;
- (e) inform Vertical within 24 hours if any such Personal Data is subject to a personal data breach or is lost or destroyed or becomes damaged, corrupted or unusable;
- (f) only appoint a third party (including any subcontractors and Affiliates) to Process such Personal Data with the prior written consent of Vertical, and notwithstanding any such appointment the Supplier shall be liable for the acts and omissions of any such third party as if they were the acts and omissions of the Supplier;
- (g) not disclose any Personal Data to any Data Subject or to a third party other than at the written request of Vertical or as expressly provided for in this Agreement;
- (h) as Vertical so directs, return or irretrievably delete all Personal Data on termination or expiry of this Agreement, and not make any further use of such Personal Data (except to the extent applicable law requires continued storage of the Personal Data by the Supplier and the Supplier has notified Vertical accordingly, in which case the provisions of this clause 13 shall continue to apply to such Personal Data); and
- (i) notify Vertical within two Business Days if it receives a request from a Data Subject to exercise its rights under the Data Protection Laws in relation to that person's Personal Data and provide Vertical with its full co-operation and assistance in relation to that request;

15.4 If either Party receives any complaint, notice or communication which relates directly or indirectly to the Processing of Personal Data by the other Party or to either Party's compliance with the Data Protection Laws, it shall as soon as reasonably practicable notify the other Party and it shall provide the other Party with reasonable co-operation and assistance in relation to any such complaint, notice or communication.

15.5 Each Party will be responsible for the observance of the provisions of this clause 15 by any third parties to whom they disclose or grant access to Information and/or Personal Data.

16. INTELLECTUAL PROPERTY RIGHTS

16.1 Subject to clause 14.2, 16.2 and 16.3, neither Party will acquire any title, right or interest in or to any IPR subsisting before the Effective Date and belonging to or licensed to the other Party .

16.2 All IPR (including any IPR in any new technologies, products, processes, business methods or methods of manufacture) created by the Supplier, its suppliers, subcontractors or agents in connection with the performance of the Services or creation of the Deliverables will vest in and become the absolute property of Vertical. The Supplier will transfer, or will ensure the transfer of, any such IPR created to Vertical with full title guarantee and the Supplier will:

- (a) take all necessary actions, or will ensure that the necessary actions are taken, (including signing any documents) to ensure that such IPR vests in full with Vertical immediately on creation; and
- (b) ensure that its (and its suppliers') employees and contractors waive any moral rights in or relating to any works to which such IPR relate and will on request provide Vertical with written evidence of such waiver.

16.3 The Supplier grants Vertical an irrevocable, perpetual, non-exclusive, worldwide, royalty-free, and transferable licence to use its IPR embedded in any Deliverables and/or provided to Vertical in performance of the Services, for all reasonable purposes associated with enjoying the full benefit of such Deliverables and/or Services.

16.4 The Supplier will not use, exploit, develop, transfer or license any IPR created as a result of work undertaken under or in connection with the Contract or any IPR belonging to, or provided to the Supplier by, Vertical, for any purpose other than fulfilling its obligations to Vertical under this Contract.

16.5 The Supplier will indemnify Vertical in full against any loss suffered by Vertical as a result of any claim that the possession, use, exploitation or repair by Vertical, or any end-user, of the Deliverables and/or Services infringes a third party's IPR. This clause 16.5 will not apply where the third party claim is the direct and unavoidable result of the Supplier using IPR that was provided to the Supplier by Vertical for the express purpose of incorporating into a Deliverable.

17. COMPLIANCE WITH LAW

17.1 The Supplier will, at all times:

- (a) comply with all applicable Laws in providing the Deliverables and/or performing the Services;
- (b) obtain, maintain and observe all regulatory approvals applicable in connection with the supply of the Deliverables and/or the Services; and
- (c) notify Vertical of any restrictions or provisos:
 - (i) that exist in respect of any regulatory approvals granted in connection with the Deliverables and/or Services; and
 - (ii) provide Vertical with any information reasonably requested by Vertical and any information which it knows or should know that Vertical will or may need to comply with or manage its obligations under any Laws.

18. INSURANCE

- 18.1 In respect of the provision of the Deliverables and/or any Services related to the Deliverables, the Supplier will take out and maintain public and products liability insurance with a reputable insurance company, with a minimum level of indemnity of the higher of £1,000,000 (or equivalent in the local currency) or twenty times the value of the order, which level shall apply to each and every claim. Such insurance will operate on a 'claims occurring' basis, shall include an indemnity to principals clause, shall include coverage for liability in respect of personal injury and damage to property and shall be maintained by the Supplier until the Warranty Period in respect of all Deliverables ends.
- 18.2 In respect of the performance of any other Services, including the provision of any advice unrelated to specific Deliverables being supplied by the Supplier, the Supplier will take out and maintain professional indemnity insurance with a minimum level of indemnity of the higher of £1,000,000 (or equivalent in local currency) or five times the value of the order, which level shall apply to each and every claim. Such insurance will operate on a 'claims occurring' basis, shall include an indemnity to principals clause and shall be maintained by the Supplier until the Warranty Period in respect of all Services performed ends.
- 18.3 Certificates of insurance acceptable to Vertical shall be provided by the Supplier to Vertical on request.
- 18.4 If the Supplier fails to take out or maintain any insurance required by this clause 18, Vertical may purchase such insurance itself and the Supplier will be responsible for such costs.

19. ETHICS

- 19.1 The Supplier will at all times comply with Vertical's Supplier Code of Conduct, a copy of which can be found at <https://vertical-aerospace.com/suppliers/> and is available on request. The Supplier, will on request, provide Vertical with any information which Vertical may reasonably require in order to reassure itself that the Supplier is complying with such Code of Conduct.
- 19.2 The Supplier warrants to Vertical that, on the Effective Date and on an ongoing basis neither it nor any person acting on its behalf has given, or agreed or promised to give, or will give, agree or promise to give, any financial or other advantage, to or for the benefit of any other person in order to obtain or influence the award of the Contract or to reward any act or decision of any representatives of Vertical in relation to the award or negotiation of the Contract.
- 19.3 The Supplier warrants that it has not, and none of its Associated Persons or, to the extent it is aware, its former Associated Persons, have:
- (a) authorised, offered, promised or given any financial or other advantage, directly or indirectly, to or for the use or benefit of any other natural or legal person, in order to improperly obtain a business advantage; or
 - (b) engaged in any other conduct which would constitute an offence under the Ethical Legislation,
 - (c) and the Supplier undertakes that for the duration of the Contract it will not, and will, to the extent it is legally able, procure that none of its Associated Persons will, engage in any of the conduct described in sub-clauses (a) and (b) above.
- 19.4 The Supplier warrants that:
- (a) it has in place, and for the duration of the term of the Contract will maintain, adequate policies, systems, controls and procedures:
 - (i) to prevent it and its Associated Persons from violating the Ethical Legislation or Vertical's Code of Conduct for Suppliers;
 - (ii) for reporting a violation or suspected violation of the Ethical Legislation and/or generally accepted standards of business ethics and conduct (including the Vertical's Code of Conduct for Suppliers), and for ensuring that all such reports are fully investigated and acted upon appropriately.
 - (b) it will promptly report to Vertical any request or demand for any undue financial or other advantage of any kind received by the Supplier in connection with the performance of the Contract.
- 19.5 The Supplier will keep, and will ensure that each of its Associated Persons will keep, accurate and up to date records:
- (a) showing all payments made by the Supplier in connection with the Contract; and
 - (b) the steps it takes to comply with the Ethical Legislation and Vertical's Code of Conduct for Suppliers,
- and will permit Vertical, or any independent third party nominated by Vertical, to inspect and take copies of such records and accounts and to meet with the Supplier's or Associated Persons' personnel, in order to audit the Supplier's and Associated Persons' compliance with this clause 19. Such rights or inspection audit shall continue for three years after expiry or termination of the Contract.

20. MISCELLANEOUS

- 20.1 Subject to clause 2, if there is a conflict of provisions, the following order of precedence will apply:
- (a) any provisions expressly set out (not referred to) in the Order;
 - (b) these GCP; and
 - (c) any other document referred to in the Order or these GCP.
- 20.2 The rights of each Party may be exercised as often as needed, are cumulative and without prejudice to that Party's other rights, and may be waived only in writing and specifically. Not exercising, or a delay in exercising, any right is not a waiver of that right.

- 20.3 Any notice given to a Party under or in connection with the Contract will be emailed to the senior point of contact at that Party with a copy (for Vertical) also sent to legal@vertical-aerospace.com. If there is no known email address for that Party's senior point of contact or in the event the email is returned as undeliverable (or the Party delivering the notice is otherwise made aware within 12 hours that the email will not reach its intended recipient), notices will be posted by registered post to that other Party at its registered office or its principal place of business, addressed for the other Party's Head of Procurement. Posted notices shall be deemed received no later than 96 hours after international posting or 48 hours after domestic posting.
- 20.4 Nothing in the Contract will: constitute a partnership or joint venture between the Parties; constitute any Party the agent of any other Party; or create any fiduciary obligations between the Parties and neither Party will: represent itself as the agent or partner of the other Party; or do anything (or omit to do anything) which might result in any person believing that such Party has the authority to contract or enter into commitments on behalf of, or in the name of, the other Party.
- 20.5 The Contract constitutes the entire agreement between the Parties with respect to the Deliverables and/or Services. Neither Party has placed any reliance on any representations made before the Effective Date, whether orally or in writing, relating to the provision of the Deliverables and/or Services other than those expressly incorporated or set out in the Contract. This clause does not apply to any representation made fraudulently.
- 20.6 The Supplier will not assign, transfer or subcontract its rights or obligations under the Contract without Vertical's prior written permission.
- 20.7 If any provision of the Contract is, or becomes, illegal, invalid or unenforceable in any jurisdiction in relation to any Party, that will not invalidate the remaining provisions or affect the legality, validity or enforceability of that or any other provision in any other jurisdiction.
- 20.8 Clauses 1, 2, 5.7, 5.8, 7, 8, 9, 11, 12.4, 12.5, 14.2, 15, 16, 17, 18, 19, 20, 21 of the Contract, together with any other provisions which by their nature are required or intended to, will survive the termination or expiry of the Contract and such provisions will continue in full force and effect.

21. LAW AND JURISDICTION

- 21.1 The Contract and any non-contractual obligations arising out of or in relation to the Contract, will be governed by and construed in accordance with English law. The United Nations Convention for International Sale of Goods dated April 11th 1980 will not apply to the Contract.
- 21.2 If the Supplier is incorporated or has a place of business in the United Kingdom, the English courts have jurisdiction to settle any dispute arising out of or in connection with the Contract, the legal relationships created by it, and any non-contractual obligations arising out of or in relation to it, and the Supplier submits to the exclusive jurisdiction of the English courts with respect to such disputes.
- 21.3 If the Supplier is neither incorporated nor has a place of business in the United Kingdom, any dispute arising out of or in connection with the Contract, whether arising in contract, tort, equity, for breach of statutory duty or otherwise, will be finally resolved in accordance with the Rules of the International Court of Arbitration of the International Chamber of Commerce ("ICC"). The seat and place of any such arbitration will be London, UK and the language of the arbitration will be English. There will be one arbitrator, selected and appointed by the Parties. If the Parties are unable within 30 days to agree the identity of an arbitrator, then the ICC will make the relevant appointment. This clause does not limit the right of any Party at any time to seek interim measures of protection in any appropriate courts. Such preservation of rights will not be construed as a waiver or limitation of either Party's consent to arbitration.

SCHEDULE 1: INTERPRETATION**1. INTERPRETATION****1.1 Definitions**

"Affiliates" means as to any person, any other person that is in Control of, is Controlled by, or is under common Control with, such person.

"Associated Persons" means, in relation to a company, a person (including any director, officer, employee, agent or other intermediary) who performs services for or on behalf of that company (in each case when performing such services or acting in such capacity).

"Base Rate" means for the period 1st January to 30th June, the Bank of England base rate at the close of business on 31st December of the previous year and, for the period 1st July to 31st December, the Bank of England base rate at the close of business on 30th June the same year.

"Competitor" means any entity, or any Affiliate of an entity, that offers or supplies goods or services in competition with any goods or services offered or supplied by Vertical.

"Contract" means the Order as accepted by the Supplier, these GCP and any other terms and conditions that the Order and these GCP expressly stipulate will apply to the supply of the Deliverables and/or Services.

"Control" means the power, directly or indirectly, either to: (a) vote 50% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of such person; or, (b) direct or cause the direction of the management and policies of such person, whether by contract or otherwise.

"Data Protection Laws" means any laws and regulations in any relevant jurisdiction relating to privacy or the use or processing of data relating to natural persons, including EU Regulation 2016/679 and the UK Data Protection Act 2018; in each case, to the extent in force, and as such are updated, amended or replaced from time to time.

"Data Subject" shall have the meaning set out in the UK Data Protection Act 2018.

"DP Regulator" means any governmental or regulatory body or authority with responsibility for monitoring or enforcing compliance with the Data Protection Laws.

"Defect" means non-conformance to the warranties in clause 7 and the term "Defective" shall be construed accordingly.

"Deliverables" means those products or goods that the Supplier has agreed to supply to Vertical as specified in the Order.

"Delivery" means the delivery of a Deliverable pursuant to clause 3.1 and "Deliver" shall be construed accordingly.

"Effective Date" means the date the Contract was entered into by the Parties.

"Ethical Legislation" means (a) any legislation enacted in Vertical or the Supplier's jurisdiction of incorporation or in any other jurisdiction connected to the performance or receipt of the Service, to enforce or implement either the United Nations Convention against Corruption (being the subject of General Resolution 58/4 of 31 October 2003 of the General Assembly of the United Nations) or the OECD Convention on Combatting Bribery of Foreign Public Officials in International Business Transactions adopted on 21 November 1997; and (b) the United Kingdom Anti-Terrorism, Crime and Security Act 2001, the United Kingdom Proceeds of Crime Act 2002, the United Kingdom Bribery Act 2010 and the United States Foreign and Corrupt Practices Act (15 U.S.C. Section 78dd-1 et. Seq.).

"Force Majeure Event" means, subject to such events being beyond the reasonable control of the affected Party taking reasonable precautions, acts of God; the refusal of any government to grant a necessary export license or the withdrawal or suspension of such license; any other government or other legal or regulatory authority action or inaction; fires; floods; wars or threats of war; riots; national labour disputes; acts of terrorism; extreme weather; quarantine or any government or regulatory authority mandated precautions against contagious disease.

"GCP" means this document and its contents.

"Information" means any commercial, financial, technical or operational information, know-how, trade secrets or other information of or in the possession of a Party in any form or medium (including all data, know-how, calculations, designs, drawings, systems, explanations and demonstrations) which has been or may be disclosed or otherwise made available to the other Party, whether orally or in written, electronic or other form, including any copies or reproductions of such information in any form or medium, and any part or parts of the same, including the provisions and subject matter of the Contract and any other agreements or documents executed by the Parties in connection with the Contract.

"Insolvency Event" means where a person (a) is deemed to be or states that it is insolvent, (b) is subject to any types of insolvency or collective judicial or administrative proceedings, including interim proceedings, in which its assets are subject to control or supervision by any court or other governmental entity for purposes of dissolving, liquidating or reorganising that person or its assets, (c) proposes to enter or enters into any composition or arrangement with its creditors generally or any class of creditors, (d) suspends or declares in writing its intention to suspend payments to creditors generally or any class thereof, or suspends or ceases all or substantially all of its business, (e) any other steps are taken to enforce any encumbrance over all or part of that persons assets and/or undertaking, or (f) takes steps, or is subject to actions, analogous to the items specified in (a) to (e) above.

"IPR" means patents, registered designs, trade-marks, service marks (in each case whether registered or not), domain names, copyright, design rights, database rights, moral rights, trade secrets, know-how, metatags, petty patents, utility models and all similar or equivalent property rights including those subsisting in any part of the world in inventions, designs, drawings, computer programs,

business names, IP addresses, goodwill, 'get-up' and the style and presentation of goods or services and in applications for protection of the same and any continuations, re-issues or divisions relating to them in any part of the world.

"**Law**" means all applicable statutes, regulations, by laws, ordinances, subordinate legislation and other laws (regardless of their source), including any judicial or administrative interpretation of them, in force from time to time.

"**Order**" means a purchase order, scheduling agreement or any other form of purchase document issued by Vertical that incorporates these GCP by reference.

"**Parties**" means Vertical and the Supplier; and a "**Party**" means one of them.

"**Personal Data**" has the meaning given to it by the UK Data Protection Act 2018.

"**Processing**" has the meaning given to it by the UK Data Protection Act 2018 and "Process" and "Processed" shall be construed accordingly".

"**Rectification Instruction**" means as set out in clause 8.1.

"**Services Start Date**" has the meaning given to it in clause 4.1(a).

"**Scheduled Delivery Date**" means as set out in clause 3.2.

"**Security Interest**" means any mortgage, charge, pledge, encumbrance, lien, right of set-off, assignment, hypothecation or any other arrangement or agreement having the effect of conferring security.

"**Services**" means those services that the Supplier has agreed to supply to, or perform for, Vertical as specified in the Order.

"**Staff**" means any employees, officers and individuals contracted to the Supplier and involved to any extent in the performance of Services.

"**Successor Supplier**" means each and any supplier who Vertical appoints to provide any service equivalent to, or substantially the same as, the Services (or any part of the Services) immediately after the termination or expiry of the Contract (whether in whole or in part) or after any occasion of the termination of the Services (whether in whole or in part).

"**Supplier**" means the entity accepting the Order.

"**TUPE**" means the Transfer of Undertakings (protection of Employment) Regulations 2006, as amended, consolidated or replaced from time to time.

"**TUPE Transfer**" has the meaning given to it by clause 12.4.

"**Vertical**" means Vertical Aerospace Group Ltd or any nominee of Vertical Aerospace Group Ltd.

"**Vertical Property**" means any property of Vertical that Vertical has loaned, bailed, consigned or supplied to the Supplier in connection with the Contract, including tooling, plant, jigs, machinery, dies, moulds or any other equipment, in each case where Vertical have directly reimbursed (in advance or in arrears) the Supplier for the majority of the cost of such equipment.

"**Warranty Period**" means the period of time expressly set out in the Order as being the 'warranty period' for the Deliverable or, if no such period of time is set out in the Order, a period of 24 months from the Delivery of the Deliverable.

1.2 Construction

- (a) In these GCP, unless the context otherwise requires, any reference to:
 - (i) "include", "includes", "including" will mean "including, without limitation";
 - (ii) "days" is a reference to calendar days.