

RICARDO, INC.
STANDARD TERMS AND CONDITIONS FOR THE SUPPLY OF SERVICES

1 Interpretation

1.1 The words and phrases used in these Conditions shall have the following meanings unless the context otherwise requires:

"Associated Company" means all subsidiary companies and holding companies (as defined in sections 1159 and 1162 of the Companies Act 2006) from time to time of Ricardo plc including, at the date of the Contract, Ricardo UK Limited, Ricardo Deutschland GmbH, Ricardo Japan, Ricardo S.A., Ricardo Prague s.r.o, Ricardo Shanghai Company Limited, Ricardo India Private Limited, Ricardo Inc. and Ricardo Tarragon Limited;

"Background Intellectual Property" means all intellectual property, including, but not limited to calculation procedures, data, models, software, know-how, ideas, inventions, methods, operations, trade secrets, knowledge and expertise existing prior to the date of the Contract which Ricardo and/or any Associated Companies bring to bear or provide in the course of carrying out or supplying the Services and the Deliverables, whether or not contained in Documents or other materials, and whether or not in the public domain but not including common knowledge in the field in which the Services and the Deliverables are provided at the date of the Proposal;

"Client" means the party named on the Proposal for whom Ricardo has agreed to provide the Services and the Deliverables in accordance with these Conditions;

"Conditions" means the standard terms and conditions for the supply of the Services set out in this document and (unless the context otherwise requires) and the Deliverables includes any special terms and conditions agreed in writing between Ricardo and the Client as set out in the Contract and/or the Proposal;

"Confidential Information" means any information or data relating to each party and its technology, research, business or affairs including, without limitation, the Contract, the Price, the Proposal, these Conditions and, in the case of Ricardo, the Background Intellectual Property and all Developments and, in the case of the Client, the Input Material, disclosed either in writing, orally or by any other means to the other party by that party, or by a third party on that party's behalf, and whether before or after the date of the Contract;

"Confidentiality Agreement" means the confidentiality agreement (if any) entered into between the parties;

"Contract" means the contract between Ricardo and the Client for the provision of the Services including these Conditions, the Proposal and the Confidentiality Agreement and the Deliverables (if any);

"Deliverables" means the goods and other deliverables (including any installment of them or any parts of them) (if any) which Ricardo is to supply to the Client in accordance with these Conditions as more particularly set out in the Proposal;

"Developments" means all intellectual property, including, but not limited to calculation procedures, data, models, software, know-how, ideas, inventions, methods, operations, trade secrets, knowledge and expertise that is created, conceived or developed by or on behalf of Ricardo and/or any Associated Companies on or following the date of the Contract (including without limitation all developments, improvements, modifications and variations of Background Intellectual Property), whether or not contained in Documents or other materials, whether created, conceived or developed alone or jointly with the Client and whether or not in the public domain but not including common knowledge in the field in which the Services and the Deliverables are provided at the date of the Proposal;

"Document" includes, in addition to a document in writing, any map, plan, graph, drawing or photograph, any film, negative, tape, software, CAD data, CAD software, electronic transmission, algorithm, model or other device embodying visual images and any disc, tape or other device embodying any other data;

"Duly Authorized Officer" means, in respect of Ricardo, any President, Vice President or or the General Counsel of any Associated Company or division of any Associated Company and, in respect of the Client, any person designated in writing by the Client to Ricardo to be considered the same;

"Engineering Design Defect" means a significant defect that is agreed by the parties, or in the absence of such agreement, is determined in accordance with Conditions 20.2 to have been caused by Ricardo in:

- (i) drawings including tolerances;
- (ii) material selection;
- (iii) analysis and modeling;
- (iv) written technical advice and data;
- (v) testing; and
- (vi) prototypes, demonstration vehicles, components or parts manufactured and delivered to the Client and which is not the result of a defect in the Input Material provided by the Client and/or their suppliers and/or sub-contractors;

"Force Majeure" means any cause beyond the affected party's reasonable control including, without limitation, any act of God, riots or insurrections, acts of terrorism, war (whether declared or not), civil disturbance, requisitioning, governmental or parliamentary restrictions, prohibitions or enactments of any kind, acts of destruction, computer failure due to software viruses and other malfunctions, import or export regulations, strike lock-out or trade dispute (whether involving its own employees or those of any other person) or other industrial disturbances, difficulties in obtaining

labor or materials, breakdown of machinery, fire, flood or unavoidable accident;

"Input Material" means any Documents or other materials, and any data or other information provided by or required from the Client relating to the Services and the Deliverables;

"Intellectual Property Rights" means all and any intellectual property rights of any kind and rights of a like nature wherever and whenever arising and whether registered or unregistered and including, without limitation, any patents, copyright, registered designs, design rights, trade secret rights, topographic rights, database rights and rights in Confidential Information, trademarks, trade names, including, without limitation, the name "Ricardo", or service marks;

"Payment Schedule" means the payment schedule set out in the Proposal for the payment of the Price and other sums due from the Client to Ricardo;

"Price" means the price for the Services and Deliverables as set out in the Proposal and any variations;

"Project Manager" means the individual identified by Ricardo to manage the provision of the Services under the Contract and to communicate with the Client regarding the Contract;

"Proposal" means the proposal of Ricardo to Client to which these Conditions are attached, as may be amended or revised by a writing executed by Ricardo and delivered to Client;

"Ricardo" means the Associated Company detailed in the Proposal as the primary contractor for the Contract; and

"Services" means the services to be provided by Ricardo for the Client as more particularly set out in the Proposal.

1.2 Headings used in these Conditions are used for the purposes of identification and reference only and shall not constitute part of these Conditions, nor be taken into account in the interpretation, construction or meaning thereof.

2 Application of these Conditions

2.1 Ricardo shall provide, and the Client shall purchase, the Services and Deliverables described in the Proposal or any written order of the Client which is accepted by Ricardo, subject in either case to these Conditions which shall govern, apply to and be incorporated into the Contract.

2.2 These Conditions supersede and shall govern the Contract to the exclusion of all other terms and conditions contained in any purchase order, acceptance or any other document submitted by the Client or in any catalogue, advertisement or other publication of either Ricardo or the Client. No other terms or conditions shall be valid or binding upon Ricardo unless specifically agreed to in writing by a Duly Authorized Officer of Ricardo.

2.3 The Client shall be deemed to have accepted these Conditions if the Client requests Ricardo to provide the Services or Deliverables.

2.4 Unless specified to the contrary in the Proposal, each Proposal submitted by Ricardo to the Client shall be open for acceptance for a period of thirty days from the date of the Proposal. Ricardo may withdraw any Proposal at any time prior to acceptance. If the Client requests Ricardo to provide the Services or Deliverables after expiration of the Proposal, Ricardo shall be entitled to vary the terms of the Proposal including the Price, the estimated timetable and the scope of work to be carried out.

2.5 No order submitted or Proposal accepted by the Client shall be deemed to be accepted by Ricardo unless and until confirmed in writing by a Duly Authorized Officer.

2.6 These Conditions may only be modified by a variation expressed in writing and signed by a Duly Authorized Officer of Ricardo and no other action on the part of Ricardo (whether delivery of the Deliverables, performance of the Services or otherwise) shall be construed as an acceptance of any other conditions. No other employee, representative or agent of Ricardo has any authority to amend, modify or vary these Conditions or to make any representations concerning the Deliverables or the Services. Ricardo shall not be bound by any such amendment, modification, variation or representation unless such amendment, modification or variation is specifically confirmed in writing by a Duly Authorized Officer of Ricardo.

3 Services

3.1 Ricardo will perform the Services subject to these Conditions using reasonable skill and care and in accordance with good engineering practice.

3.2 The extent and scope of the Services and any assumptions on which the Services are to be provided by Ricardo to the Client are detailed in the Proposal. It shall be the Client's sole responsibility to ensure that the assumptions made in the Proposal are correct and to advise Ricardo of any incorrect assumptions prior to the commencement of the Services. In the event that any of the assumptions are incorrect, Ricardo reserves the right to make such amendments to the Proposal (including without limitation the scope of work, the Price, the estimated timetable and any other matters) as it deems appropriate.

3.3 Ricardo may at any time make changes to the Services which are necessary to comply with applicable safety and/or other statutory requirements.

4 Timetable

- 4.1 Ricardo shall not be obliged to commence work in respect of the Services until:
- 4.1.1 Ricardo has received and accepted, in accordance with Condition 2.5, the Client's purchase order for the Services to signify the Client's acceptance of the Proposal and these Conditions; and
- 4.1.2 Ricardo has received from the Client all appropriate and necessary Input Material to commence the Services as identified in the Proposal.
- 4.2 All dates and periods of time referred to in the Proposal regarding obligations or commitments of Ricardo are approximate only unless expressly stated otherwise in the Proposal.

5 Payment

- 5.1 The Price shall be as specified in the Proposal. The Price shall be exclusive of all taxes including VAT and duties including export and/or import duties which shall be additionally paid by the Client. Unless otherwise provided in the Proposal, the Price shall include all administrative charges including, without limitation, postage, telephone, fax and similar expenses [together with all travel and accommodation costs of Ricardo personnel] specifically identified as being part of the Price in the Proposal. All other costs and expenses not so identified, including, without limitation, shipping, freight, packaging, transport, spare and replacement parts, equipment and materials, shall be invoiced separately by Ricardo to the Client and shall include a handling charge of 10 per cent. All travel and accommodation costs of the Client's personnel shall be the sole responsibility of the Client. For the avoidance of doubt, the Price does not include the cost of searches in third party indexes to identify any existing third party rights and Ricardo shall not conduct any such searches unless specifically requested to do so by the Client at the Client's sole cost.
- 5.2 Ricardo shall invoice the Client for the Price and other sums payable in accordance with the Payment Schedule set out in the Proposal. In the absence of a Payment Schedule in the Proposal, Ricardo shall be entitled to invoice the Client for all work undertaken on a monthly basis.
- 5.3 All payments from the Client to Ricardo are due within 14 days of the date of Ricardo's invoice and shall be paid (in full without set off or other deduction) in U.S. Dollars. Payment shall be made by wire transfer of immediately available funds to such bank and account as Ricardo shall direct.
- 5.4 In the event that payment is not received within 14 days of the date of the Ricardo's invoice, Ricardo shall be entitled in its sole discretion to:
- 5.4.1 charge interest on the outstanding amount from day to day at the rate of 4% per annum over the prime base lending rate of Citibank applying from time to time, both before and after judgment in respect of all invoices outstanding from their due date until payment is actually received;
- 5.4.2 suspend performance hereunder without liability until the outstanding amount is paid in full and the timetable and any other times agreed for the provision of the Services or Deliverables shall be amended accordingly; and/or
- 5.4.3 terminate the Contract in accordance with Condition 14.2.2.
- 5.5 If, by reason of any rise in costs beyond Ricardo's reasonable control (including, without limitation, the cost of materials, fuel, transport, shipping, insurance or the cost of complying with any statutory provision or order, regulation or by-law), the cost to Ricardo of providing the Services or Deliverables shall increase Ricardo shall, in its sole discretion, be entitled to increase the Price to reflect such increased cost.

6 Client's Responsibilities

- 6.1 The Client shall:
- 6.1.1 Supply to Ricardo, at its own expense, all Input Material necessary for Ricardo's performance hereunder, within sufficient time to enable Ricardo to provide the Services or the Deliverables in accordance with the Contract as set out in the Proposal and otherwise from time to time as requested by Ricardo or as otherwise required to permit Ricardo to maintain its performance hereunder;
- 6.1.2 be responsible for ensuring that any Input Material supplied is accurate, in working order and free from defects of any kind and complies with all applicable laws and regulations;
- 6.1.3 supply and/or deliver spares and service replacements for any Input Material as required by Ricardo free of all charges in a timely manner;
- 6.1.4 provide or procure the provision of technical support in respect of any Input Material or components thereof from time to time as required in order to support Ricardo's performance hereunder;
- 6.1.5 provide instructions and feedback when requested in a timely manner and, in the event of suspension of the Contract due to lack of instructions, reimburse Ricardo for extra costs and expenses suffered or incurred;
- 6.1.6 provide Ricardo's employees, contractors and such other personnel involved in performing the Services or providing the Deliverables, as identified by Ricardo, with training in the Client's systems and equipment, including without limitation software, procedures, working methods and product introduction processes, as required for the satisfactory delivery of the Services or Deliverables. Such training will take place at Ricardo's or the Client's premises, as reasonably determined by Ricardo, at times agreed between the parties to meet the Services requirement and will be given in English. Any training materials and appropriate manuals will only

be provided in English;

- 6.1.7 be responsible for the health and safety of Ricardo's employees, contractors and personnel while on the Client's premises or using any of the Client's systems or equipment including, without limitation, Input Materials, whether on or off the Client's premises; and
- 6.1.8 notify Ricardo promptly of any risk, safety issues or incidents arising regarding the Input Material or in any processes or systems used at the Client's premises.

7 Project Management

- 7.1 Ricardo shall appoint a Project Manager to manage the provision of the Services and communicate with the Client as necessary by appropriate means. The Client shall identify a representative to communicate with the Project Manager in respect of the provision of the Services. Any instruction given by the Client's representative shall be binding on the Client.

8 Deliverables

- 8.1 The Deliverables shall be as specified in the Proposal and, unless otherwise specified in the Proposal, will be delivered ex works at Ricardo's premises.
- 8.2 Any tests, designs, analysis, results, reports, prototypes, demonstration vehicles, parts or models delivered to the Client or issued to the Client during the course of the Services do not constitute complete designs or production validation of any component, part, engine, transmission or vehicle.

9 Risk and Property

- 9.1 Risk of loss of the Deliverables shall pass to the Client immediately upon notification from Ricardo to the Client that the Deliverables are available.
- 9.2 Notwithstanding delivery and/or the passing of risk of loss of the Deliverables or any other provision in these Conditions, ownership of the Deliverables shall not pass to the Client until Ricardo has been paid in full for the Services and the Deliverables.

10 Rights

- 10.1 Upon payment by the Client of the total Price due to Ricardo and any other costs and expenses provided for under the Contract, all Deliverables, but excluding any Intellectual Property Rights therein, shall become the sole property of the Client.
- 10.2 The Client accepts that, during the performance of the Services, Ricardo may use and/or apply Ricardo's Background Intellectual Property and/or Ricardo's Developments. The Client shall not obtain or have any rights in such Background Intellectual Property or Developments made by Ricardo or on Ricardo's behalf or any representation of the same whether developed or made by Ricardo or on Ricardo's behalf in connection with Ricardo's performance hereunder. All title, rights and Intellectual Property Rights in the Background Intellectual Property and Developments made by Ricardo or on Ricardo's behalf, whether solely or jointly with the Client, are and shall remain the sole and exclusive property of Ricardo, subject only to the limited license set forth in Condition 10.6.
- 10.3 Any Input Material provided by the Client shall belong to the Client subject to Ricardo's right to use such Input Material in connection with Ricardo's performance hereunder.
- 10.4 Any intellectual property created, conceived and developed solely by either party in efforts unrelated to the Services shall belong to the party developing such intellectual property.
- 10.5 Subject to Condition 10.2, any intellectual property that the Client may solely create, conceive or develop during the execution of the Services shall belong to the Client. The Client shall notify Ricardo of any proposed application for any Intellectual Property Rights protection or registration in respect of any such intellectual property and shall keep each Ricardo informed in respect of progress.
- 10.6 Upon the passing of property in the Deliverables to the Client in accordance with Condition 10.1, Ricardo shall grant the Client a non-exclusive, non-transferable, perpetual, royalty free license, but without the right of sub-license (save in accordance with this Condition), under Ricardo's Intellectual Property Rights to use the Background Intellectual Property and Developments in the Deliverables solely for the purpose of and in connection with the Deliverables as contemplated in the Proposal and not for any other purpose without Ricardo's express prior written consent. The rights granted by this Condition may only be sub-licensed to such of the Client's production suppliers who have a need to know and solely on the basis that (i) such sub-license is only for use in connection with the Deliverables and (ii) notice and details of such sub-license, including without limitation the name of the sub-licensee, are promptly given to Ricardo.
- 10.7 Notwithstanding any other provision of the Contract, the Client shall not be entitled to use in any way the name "Ricardo" without the express prior written consent of a Duly Authorized Officer to the specific use.
- 10.8 Ricardo shall be entitled to use all Intellectual Property Rights (including without limitation any patents) belonging to the Client for its own internal research and development work and for other work for the Client.

11 Warranties and Liability

- 11.1 Ricardo warrants that:
- 11.1.1 it will perform the Services using all reasonable skill and care in accordance with good engineering practice;

- 11.1.2 Ricardo or one of the Associated Companies is the owner of physical possession of the Deliverables and is free to transfer physical ownership of the Deliverables to the Client as indicated in the Contract, except for those instances when, at the Client's request, Ricardo has been asked to include products and/or information of the Client or any third party in the Deliverables; and
- 11.1.3 to Ricardo's knowledge, the Client's use of the Deliverables in the manner contemplated in the Proposal will not infringe the intellectual property rights of any third party, except that Ricardo makes no representation or warranty with respect to products and/or information specified by the Client.
- 11.2 In the event of a breach of the warranty in Condition 11.1.3 above, Ricardo shall be entitled at its own expense and sole option and as the Client's sole remedy for such breach either to:
- 11.2.1 procure the right for the Client to continue using the Deliverables; or
- 11.2.2 make such alterations, modifications or adjustments to the Deliverables so that they become non-infringing without incurring a material diminution in performance or function; or
- 11.2.3 replace the Deliverables with non-infringing substitutes provided that such substitutes do not entail a material diminution in performance or function.
- 11.3 The Client warrants that it is the owner of the beneficial rights in the Input Material and its use by Ricardo for the purpose of providing the Services will not infringe the copyright or any other rights or Intellectual Property Rights of any third party.
- 11.4 In the event of a breach of the warranty in Condition 11.3 above, Ricardo shall be entitled, at its sole option and without prejudice to any other right or remedy it may have, to suspend provision of the Services without liability to the Client to allow the Client, at its own expense, a maximum of 14 days to:
- 11.4.1 procure the right for Ricardo to continue using the Input Material; or
- 11.4.2 make such alterations, modifications or adjustments to the Input Material so that it becomes non-infringing without incurring a material diminution in performance or function; or
- 11.4.3 replace the Input Material with non-infringing substitutes provided that such substitutes do not entail a material diminution in performance or function.
- Provided that any times agreed for the provision of the Services and Deliverables shall be amended accordingly, the Client shall be additionally liable for Ricardo's costs incurred during the period of suspension and, if the Client is unable to rectify the infringement in accordance with Condition 11.4.1, 11.4.2 or 11.4.3, Ricardo shall be entitled to terminate the Contract in accordance with Condition 14.2.1.
- 11.5 Except as specifically set forth in the Proposal, Ricardo gives no warranty regarding freedom from defect in material or workmanship, noninfringement, merchantability, fitness for particular purpose or intended use and the Client acknowledges its sole responsibility to ensure the same. Except as otherwise expressly provided in the Proposal or these Conditions, all warranties, conditions or other terms implied by statute or common law are excluded to the fullest extent permitted by law. The Client acknowledges that, except as expressly set forth in the Proposal or Condition 11.1, the Deliverables are provided on an "as is" basis and agrees that it will determine and conduct any and all desired testing, evaluation and analysis of the Deliverables, including without limitation any desired intellectual property clearance work.
- 11.6 Where Ricardo provides any Deliverables which contain or rely upon components, parts, software or other third party products, Ricardo gives no warranty, guarantee or other term as to their freedom from defect in material or workmanship, noninfringement, merchantability, fitness for particular purpose or intended use or otherwise. Ricardo shall to the extent possible assign to the Client the benefit of any warranty, guarantee or indemnity given by the supplier of the relevant components, parts, software or third party products to Ricardo.
- 11.7 Ricardo shall not be liable for any failure, damage, personal injury or delay in respect of Input Material or any defect arising from fair wear and tear, misuse, alteration, amendment or repair of the Deliverables.
- 11.8 To the fullest extent permitted by Governing Law Ricardo shall not be liable to the Client for any liability, whether arising in contract or in tort including, but not limited to, negligence and breach of statutory duty, misrepresentation, infringement, any breach of warranty, any condition or other term, or any duty at common law for any loss of profit or indirect, special or consequential loss, damage, costs, expenses or other claims (whether caused by the negligence of Ricardo, its servants, agents or otherwise) which arise out of or in connection with the provision of the Services or the Deliverables or their use by the Client; and
- 11.9 To the fullest extent permitted by Governing Law Ricardo's total liability to the Client shall not exceed, in aggregate, the sum of \$200,000 or the Price, if greater, and in any event shall be limited to a maximum of \$1,000,000.
- 11.10 Ricardo will use its reasonable efforts to deliver the Deliverables in accordance with the estimated timetable set out in the Proposal. The timetable is an estimate only and Ricardo accepts no responsibility or liability, financial or otherwise, in the event that the estimated delivery schedule is not complied with. For the avoidance of doubt, Ricardo shall not be liable to reimburse the Client in respect of any delay payments or other penalties for which the Client may become liable to third parties, whether or not Ricardo was aware of such liability.

12 Confidentiality

- 12.1 The parties acknowledge and agree that the Confidentiality Agreement (if

any) shall continue to apply regarding the Contract. If there is not a Confidentiality Agreement in place between the parties, the following terms of this Condition 12 shall apply.

- 12.2 The parties (as a "Receiving Party") hereby acknowledge that the other (the "Disclosing Party") has provided to the Receiving Party Confidential Information and, in respect of all such Confidential Information, the Receiving Party will:
- 12.2.1 treat it as confidential;
- 12.2.2 restrict its disclosure to such of its employees, agents and professional advisors as have a need to know and subject always to such employees and agents being under a similar duty of confidentiality; and
- 12.2.3 not disclose it to any third party without the prior written consent of the Disclosing Party.
- 12.3 The requirements of Condition 12.2 shall not apply to any Confidential Information which:
- 12.3.1 is or becomes public knowledge without breach of this Condition by the Receiving Party; or
- 12.3.2 was in the Receiving Party's possession prior to receipt from the Disclosing Party or developed for or by the Receiving Party at any time independently of any disclosure by the Disclosing Party; or
- 12.3.3 the Receiving Party is required to disclose by law or other competent authority provided that the Receiving Party notifies the Disclosing Party, if permitted by law, as soon as it receives such a request for disclosure and affords to the Disclosing Party all such reasonable assistance (at the sole cost of Disclosing Party) as the Disclosing Party may request to prevent or limit such disclosure.

13 Assignment

- 13.1 Subject to Condition 13.2, neither party may assign the Contract or any of the benefits or liabilities thereof in whole or in part without the express prior written consent of the other party.
- 13.2 Ricardo is entitled to sub-contract any of its rights or obligations under the Contract, whether in connection with the performance of the Services or otherwise, to any one or more of the Associated Companies as it may determine in its sole discretion.

14 Termination

- 14.1 The Contract shall continue in full force and effect until completion by both parties of their respective obligations hereunder unless otherwise provided in the Proposal or terminated earlier in accordance with Condition 14.2.
- 14.2 The Contract may be terminated by:
- 14.2.1 either party if the other continues in default of any obligation imposed upon it hereunder for more than 30 days after written notice requesting the other to remedy such default;
- 14.2.2 Ricardo on written notice to the Client in the event that the Client fails to pay Ricardo amounts due hereunder and/or fails to make payment after a further request for payment;
- 14.2.3 either party in the event the other party (i) applies for or consents to the appointment of a receiver, trustee, liquidator, or custodian or the like for itself or any of its properties; (ii) is unable to pay its debts generally as they become due; (iii) makes a general assignment for the benefit of creditors; (iv) is adjudicated bankrupt or insolvent; (v) commences a voluntary case under the federal bankruptcy laws of the United States of America or (vi) if without its application, approval, or consent a proceeding shall be instituted in any court of competent jurisdiction, under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors; or
- 14.2.4 by either party on 30 days written notice to the other party if an event of Force Majeure affects the other party from properly performing its obligations under the Contract for a continuous period of at least 4 weeks.
- 14.3 In the event of termination of the Contract for any reason, the Client shall pay Ricardo for all Services performed and Deliverables produced up to the date of termination.
- 14.4 In the event of termination of the Contract for any reason (other than by the Client pursuant to Condition 14.2.1), the Client shall additionally pay Ricardo for all costs incurred after the date of termination in winding down the Services, including without limitation, the dismantling of any test facilities, the storage and/or return of Input Material, delivery of the Deliverables the use of Ricardo's facilities and resources which are unavailable as a result of the termination, any third party supplier costs in respect of goods and/or services which cannot be terminated and the labor costs for Ricardo's personnel and/or sub-contractors, involved in the performance of the Services, for up to a maximum of four weeks from termination or such shorter period until Ricardo can place such personnel with alternative work
- 14.5 Unless otherwise specified in the Proposal, the Input Material will, at Ricardo's sole option, be returned to the Client by Ricardo and/or made available for collection from Ricardo's premises. If the Client is responsible for collecting any of the Input Material from Ricardo's premises, such collection may be made at any time during business hours and on at least 48 hours notice to Ricardo after Ricardo has given notice that the Input Material are available for collection.
- 14.6 If the Client fails to collect any Input Material or fails to provide delivery instructions within the time stated in the notification then, without prejudice to any other right or remedy which Ricardo may have, Ricardo may at its sole discretion:

- 14.6.1 store the Input Material at its own premises or elsewhere and charge the Client for its reasonable costs including without limitation insurance for storage; and/or
- 14.6.2 on notice to the Client, destroy the Input Material and charge the Client for its reasonable costs.
- 14.7 No termination of the Contract shall affect the accrued rights and obligations of the parties, nor shall it affect any provision which is expressly or by implication intended to come into force or continue in force on or after such termination.
- 15 Delays**
- 15.1 Ricardo shall not be responsible for any delay caused by:
- 15.1.1 the inadequacy or the delay in provision of any Input Material to be supplied by the Client and/or third party suppliers, whether or not use of such supplier was directed by the Client; or
- 15.1.2 the failure or malfunction of any Input Material.
- 15.2 In the event of such delay, Ricardo may extend the timetable and charge the Client for any additional cost incurred in re-allocating estimated resources.
- 16 Taxes**
- 16.1 The Price is exclusive of all taxes (other than income tax) including, but not limited to VAT and customs and import duties which will be invoiced to, and payable by, the Client in addition to the Price.
- 16.2 If Ricardo is liable for any tax levied by a foreign government in connection with the provision of the Services and/or the supply of the Deliverables, the Client shall provide Ricardo with the necessary tax certificates to enable Ricardo to recover the taxes to the greatest extent possible under any agreement for the avoidance of double taxation between the U.S. government and the foreign government levying the tax charge.
- 16.3 If any deduction or withholding is required by any law, practice or regulation (whether or not such practice or regulation has the force of law) in respect of any payment due from the Client to Ricardo under the Contract or is in any event made, the relative sum payable by the Client shall be increased so that, after making the minimum deduction or withholding so required, the Client shall pay to Ricardo and Ricardo shall receive and be entitled to retain on the due date for payment a net sum at least equal to the sum which it would have received had no such deduction or withholding been required to be, or had in fact been, made.
- 17 Variations**
- 17.1 To allow appropriate flexibility regarding the provision of the Services, a system of project variation requests will be implemented. The project variation request may be made by Client or Ricardo and may include, without limitation, changes to the objectives, scope of work, Deliverables, timing, responsibilities, assumptions, Price or delays caused by the Client and/or third party suppliers, whether or not use of such supplier was directed by the Client, and shall be agreed by the parties in writing in a timely manner so as not to prejudice any timing schedule agreed between the parties. Ricardo shall be entitled to charge for any additional cost incurred as a result of any project variation. Subject to Condition 3.3, no project variation shall take effect unless and until agreed to in writing by the Project Manager of Ricardo or such other person who may be designated by Ricardo to the Client as duly authorized for the purposes of this Condition.
- 18 Insurance**
- 18.1 The Client will provide a list all Input Material supplied to Ricardo and will advise Ricardo of the value of that Input Material prior to delivery so that Ricardo may, subject to verification, take steps to insure the same for such value while at Ricardo's premises and under Ricardo's control. Ricardo shall not be obliged to insure Input Material which is being used by employees or representatives of the Client at Ricardo's premises or elsewhere.
- 19 General**
- 19.1 The Client shall not be entitled to exercise any right of set off arising out of the Contract or otherwise.
- 19.2 These Conditions, the Proposal and the Confidentiality Agreement (if any) embody the entire understanding of the parties in respect of the provision of the Services and Deliverables by Ricardo and no prior statements, undertakings, documents or promises whether written or oral, express or implied made by either party shall have any force or effect.
- 19.3 If any of the provisions of these Conditions is found by any court, arbitrator or other competent authority to be void or otherwise unenforceable, either in whole or in part, such provision or part thereof shall be deleted and the remaining conditions shall apply.
- 19.4 Neither party shall be liable to the other party for the non-performance or delay in the performance of any of its obligations hereunder, other than for payment, due to events of Force Majeure. Upon the occurrence of an event of Force Majeure, the affected party shall immediately notify the other party with as much detail as possible and shall promptly inform the other party of continuing developments. Once the event of Force Majeure is removed or ended, the affected party shall perform its obligations with all due speed unless the Contract has been terminated in accordance with Condition 14.2.4.
- 19.5 Nothing in these Conditions shall create a partnership or joint venture between the parties hereto and, except as expressly provided in these Conditions, neither party shall enter into or have authority to enter into any engagement or make any representations or give any warranty either express or implied on behalf of or pledge the credit of or otherwise bind or oblige the other party.
- 19.6 Nothing contained in these Conditions shall prevent either party from working with any third party.
- 19.7 No failure or delay by Ricardo in exercising any of its rights under the Contract shall be deemed to be a waiver of such right, and no waiver by Ricardo of any breach of the Contract by the Client shall be considered a waiver of any subsequent breach of the same or any other provision.
- 19.8 Any notice required or permitted to be given under these Conditions shall be in writing addressed to the other party at its registered office or principal place of business or such other address as may be directed to the party giving the notice.
- 19.9 Except for Associated Companies, a person who is not a party to the Contract has no rights to enforce any term of the Contract.
- 19.10 The language for communication, training and training manuals and correspondence between the parties in respect of the provision of the Services and the Deliverables shall be English.
- 20 Law and Dispute Resolution**
- 20.1 The parties agree that the Contract and these Conditions shall be governed and construed in accordance with the law of the State of Michigan and, subject to Condition 20.2 below, the parties submit to the exclusive jurisdiction of the Michigan Courts.
- 20.2 Should any dispute arise out of the Contract or these Conditions, including the interpretation thereof or any other matter specifically referred to herein, the parties agree to negotiate for the settlement thereof by the following procedure:
- 20.2.1 The parties shall use all reasonable efforts to promptly negotiate in good faith and settle amicably any dispute that may arise out of or relate to the Contract or a breach thereof within 14 days of notification by one party to the other of such dispute. If any such dispute cannot be settled amicably through ordinary negotiations by appropriate representatives of the parties within such 14 day period, the dispute shall be immediately referred to the Project Managers of both parties who shall meet (either by themselves or through their authorized representatives and either in person, by telephone or through such other means of communication as may be agreed between them) in good faith within 14 days of the request of either party in order to attempt to resolve the dispute within a further 14 days from the initial date of such meeting.
- 20.2.2 In the event that the parties are unable to resolve the dispute pursuant to Condition 20.2.1, or either party at any time, acting reasonably, no longer considers the matter to be resolvable by such means, the matter may, at the election of either party, be referred to and finally resolved by arbitration using the Rules for Commercial Disputes of the American Arbitration Association. Such arbitration shall be conducted in the English language and shall be held in Michigan. The decision of such arbitration shall be final and binding upon the parties.