

PURCHASE TERMS AND CONDITIONS

The terms and conditions of this Purchase Order shall override any terms and conditions of SELLER. Any special conditions of BUYER stated on the front of this Purchase Order shall apply equally with these General Conditions. In the event of any conflict the Special Conditions shall prevail.

1. DEFINITION

In these Terms and Conditions

- a) GOODS shall mean the materials, products, equipment or supplies to be purchased as specified in this Purchase Order and any part of component thereof.
- b) PURCHASE PRICE shall mean the price stated in the Form of Purchase Order which shall be deemed to include all taxes (other than UK VAT) and duties of every kind, packing, loading carriage license permit and insurance costs, overheads and profit except where otherwise stated in the Form of Purchase Order.
- c) BUYER shall mean the Company who has ordered the GOODS which are the subject of this Purchase Order and the ultimate parent Company of the BUYER and any affiliate of the BUYER and subsidiaries of the ultimate parent company.
- d) SELLER shall mean the person, firm or company with whom this Purchase Order is placed.

2. SUPPLY OF GOODS

The GOODS shall be supplied strictly in accordance with the specification and other special requirements stipulated in the Purchase Order. No deviation therefrom is permitted without agreement in writing from the BUYER.

3. QUANTITY, QUALITY AND DESCRIPTION OF GOODS

The goods shall conform as regards quality, quantity and description with all the requirements of the Order and the Contract shall be of sound materials, workmanship and design. If samples or patterns or specifications shall have been provided or given the Goods shall also conform to them. The purchaser relies upon the skill and judgment of the Supplier and the Supplier warrants that the Goods shall be fit for the purpose and capable of the performance required by the purchaser.

4. INSPECTION

- 4.1 The BUYER serves the right to inspect all work or services relating to the manufacture of the GOODS but such inspection shall not relieve SELLER from any liability or obligation under this Purchase Order.
- 4.2 The GOODS and/or services, unless subject to other Quality Assurance Conditions as specified on the Purchase Order, shall be of best materials and workmanship of new manufacture and conform to the specification(s) and samples (where appropriate).

4.3 The BUYER(s) representative(s) and the representative(s) of any other organisation on the authority of the BUYER, shall be allowed to visit the SELLER'S premises and those of its sub-contractors and shall be afforded all necessary facilities at any reasonable time to check the progress or quality of the work of the GOODS and or Service(s).

5. REJECTION

If any GOODS do not comply with any provision of the Purchase Order BUYER reserves the right to reject those GOODS at any time.

6. OWNERSHIP TITLE

- a) GOODS manufactured in accordance with the drawings furnished by the BUYER shall be considered BUYERS design and as such SELLER shall not furnish to anyone else identical, or similar GOODS or parts thereof without the BUYERS written permission.
- b) All drawing, designs, specifications, formulae and technical information supplied by BUYER and the copyright therein shall remain property of BUYER and shall not be used, reproduced or adapted or divulged to any person except to employees of the SELLER or SELLERS authorised subcontractors for the purpose of carrying out this Purchase Order.
- c) Title to all GOODS supplied under this Purchase Order shall pass to the BUYER upon delivery at his premises or other specified point of delivery or on payment of the PURCHASE PRICE whichever occurs earlier.

7. TOOLING

Where BUYER pays SELLER the whole part of the cost of the provision of any tooling necessary for the performance of this Purchase Order the property in such tooling shall pass to BUYER when the manufacture of such tooling is complete and it has been tested to the satisfaction of the BUYER SELLER shall maintain such tooling in good order and condition and shall use such tooling solely in connection with this Purchase Order. SELLER shall deliver up such tooling to BUYER on demand.

8. VARIATION

BUYER shall have the right to make changes to the drawings or specifications relating to this Purchase Order. If any such change causes a variation in the cost of furnishing the GOODS covered hereby the price of such GOODS will be varied by such aforesaid additional cost of proportion thereby as is agreed between BUYER and SELLER in writing.

9. RISK

Risk of loss or damage to GOODS said under this Order shall not rest upon the BUYER until such GOODS are delivered to the BUYER at his premises or other point of delivery specified by the BUYER.

10. TIME

The time stipulated for delivery shall be of the essence.

11. WARRANTY

- a) SELLER undertakes at BUYERS option to repair, replace or refund the cost of any of the GOODS which are found to be defective or unfit for purpose for which they are required within a period of 12 months from the date of delivery.
- b) SELLER further warrants that any replacement part of components orders by BUYER shall be manufactured strictly in accordance with the original specification. Component parts or identical replacement will be available to BUYER for at least five (5) years from the date of delivery of the GOODS supplied against the Purchase Order. In the case of these parts being made obsolete SELLER shall give BUYER nine(9) months prior written notice of such event.

12. INDEMNITY ASSURANCE

- 1) SELLER shall indemnify and hold BUYER harmless from and against (1) all claims for death or injury to employees of the SELLER or loss or damage to the property of SELLER (including without any limitation the GOODS covered hereby) or of the SELLERS employees and (2) all claims by third parties in respect of death or personal injury or damage to or loss of property arising directly or indirectly out of or in connection with the performance of this Purchase Order, regardless of whether the negligence product liability or breach of contract of BUYER caused or contributed to such personal injury, death, property loss or damage.
- 2) SELLER shall take out and maintain insurance appropriate to cover SELLER'S liabilities under clause 11 (1) herein, which shall include but not be limited to Employer's Liability Insurance, General Public Liability or Property Damage Insurance. All such insurance shall include BUYER as and additional insured and shall provide for wavier of underwriter's rights of subrogation in favour of BUYER.

13. PATENTS

SELLER shall indemnify BUYER from and against all costs, claims, proceeding or demands in respect of any or any alleged infringement of letters patent, registered design, trademarks, copyright or other intellectual property rights arising out of the sale or use of any GOODS supplied under this Purchase Order, provided always that the SELLER shall not be required to

indemnify the BUYER against such infringement where the GOODS are supplied to the particular design or specifications or the BUYER.

14. PAYMENT

BUYER shall pay for GOODS at the end of the second month following the month in which the GOODS are delivered in accordance with this Purchase Order or in which the invoice for such GOODS is received whichever is the latter.

15. AUDIT

BUYERS shall have the right to audit all reimbursable costs and expenses under the Purchase Order. SELLER shall maintain and shall require its subcontractors to maintain records of all transactions connected with the Purchase Order for a period of two (2) years after the final payment made to the BUYER and SELLER.

16. ASSIGNMENT AND SUBCONTRACTING

SELLER shall not assign or subcontract any part of the Purchase Order without the prior written consent of the BUYER.

- a) BUYER shall have the right at any time at its absolute discretion to terminate this Purchase Order by giving SELLER a written notice which shall become effective immediately upon delivery of the notification or such later date as may be stated in the notification.
- b) If the termination is not due to default of the SELLER the SELLER shall only be entitled to payment for GOODS delivered in accordance with this Purchase Order prior to the date of termination.
- c) If the termination is due to a default of SELLER including failure to comply with the delivery date BUYER without prejudice to any other rights, may return any GOODS previously supplied under this Purchase Order for full credit by SELLER and may recover from SELLER any additional costs incurred by BUYER in obtaining the GOODS elsewhere.
- d) Requirements regarding the need for the SELLER to
 - implement a quality management system; use customer approved external providers, including special processes,
 - notify the Quality Department of the BUYER of nonconforming product and obtain approval from the BUYER for their disposition,
 - prevent the use of counterfeit parts,
 - notify the BUYER of changes, in the product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain approval from the BUYER,
 - flow down to the supply chain the applicable requirements including customer requirements,
 - provide test specimens for design approval, inspection/verification, investigation or auditing,

- e) Records Retention & disposition requirements by the SELLER:
 - 5 years for non-aerospace GOODS
 - 50 years for Aerospace and Defence Contracts.
 - After the retention period as lapsed, all records shall be handled as confidential waste and suitably disposed as such.
- f) Right of access by the BUYER, their customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.
- g) Ensuring that persons are aware of: their contribution to product or service conformity; their contribution to product safety and their importance of ethical behaviour.

17. CONFIDENTIALITY

All information obtained by SELLER in performing the Purchase Order shall be confidential and shall not be divulged by SELLER to any third party.

18. HEALTH AND SAFETY

SELLER shall provide Health and Safety Guidelines which comply with local and or international regulations if applicable. Any Toxic or Carcinogenic materials shall be clearly labelled.

19. LAW AND JURISDICTION

This Purchase Order shall be construed in accordance with and governed by English law and each party submits to the exclusive jurisdiction of the British Courts.