



TERMS AND CONDITIONS OF PURCHASE ORDER

As this purchase order may be in support of a Government contract, your quality system must meet the requirements of AQAP 2110, 2120 or 2130, as applicable.

1. Acceptance

The order shall not be binding upon the Purchaser until accepted by the Supplier (by return of the Acknowledgement attached hereto). The Purchaser reserves the right to reject any acceptance which is received by the Purchaser more than fourteen working days after the date of the order. Other terms and conditions shall only apply where expressly agreed in writing by the Purchaser.

2. Authority

The Purchaser shall not be liable for any order, order amendment or instructions to proceed with orders unless and until authorised or confirmed on the Purchaser's printed Order or Amendment form.

3. Prices

Unless specifically agreed otherwise all prices shall be fixed firm and not subject to any form of surcharge or variation.

4. Cancellation

Any time or period for delivery despatch or completion shall be of the essence. The Purchaser shall also be entitled to cancel the Order or any part thereof and/or claim for reimbursement for all losses and expenses suffered in the event:

- (a) the supplier fails to deliver goods or provide services in accordance with the terms of the order.
- (b) the supplier fails to make progress with the order so as to jeopardise the purpose of the order.

5. Sub Contracting

None of the work covered by the order shall be sub-contracted without the prior permission of the Purchaser except as is customary in the trade. The supplier shall remain responsible for the performance of the order.

6. New Materials

- 6.1. Unless specifically agreed otherwise all materials to be supplied under the orders are to be new and no materials disposed of as surplus by Her Majesty's Government are to be included.
- 6.2. Further to 6.1, all components supplied must be new and in no way reconditioned or counterfeit stock.

7. Inspection

The Purchaser's inspector or representative and any inspector or representative of the Purchaser's customer or his agent or of any government department concerned shall be entitled on the Purchaser's authority to witness the inspection or testing of the goods or work which are the subject matter of the order at any reasonable time at the suppliers work or at the works of the suppliers sub-contractors. If required by the purchaser the supplier will give the purchaser adequate notice to the suppliers works test which the Purchaser shall be entitled to attend. Reasonable facilities shall be provided at the suppliers expense for the inspector or representative. The supplier will provide the Purchaser with such certificates as the purchaser may require. Such inspection does not relieve the supplier of any liability nor does it imply acceptance of the goods or work which are not the subject matter of the order.

8. Delivery, Packing and Marking

8.1 All goods supplied against the order must be adequately protected against damage and deterioration in transit and delivered, carriage paid or as otherwise notified in writing to the supplier and must bear the Purchaser's order number on the package thereof. The goods shall be at the suppliers risk until delivered to the purchasers at the point specified in the order unless the purchaser otherwise agrees in writing. Unless otherwise provided in the order all containers and packing materials supplied by the supplier shall be considered non-returnable and their costs shall be included in the price. Where the purchaser receives goods unexamined the purchasers right to subsequently inspect the goods and reject them they do not comply with the specification or claim for shortages shall not be prejudiced. When goods are rejected they will be returned at the suppliers risk and expense.

8.2 Seller shall deliver the work in the manner and at the time(s) specified by buyer. If Seller fails to deliver in accordance with such manner and time(s) then Buyer shall be entitled to recover from Seller by way of liquidated damages and not as a penalty (either directly or by deduction from any monies due or which become due to seller) a sum equivalent to 1% of the price for each week, or part of a week, of delay up to a maximum of 10% of the price (or such other percentage and /or period as may be specified in the Order).

9. Passing of Property

Property in the subject matter of the order shall pass to the purchaser no later than the time of delivery provided that any passing of title shall not prejudice either the purchasers right to reject for non-conformity with specification or any other rights that the purchaser may have under the order provided that where advance or progress payments are made title but not risk shall pass to the purchaser as soon as items are allocated to the order. All the items so allocated shall be adequately marked and recorded as being the property of the purchaser.

10. Payment

Inattention of the following details may mean delay in payment but no prompt payment discount shall be forfeited by the purchaser on account of the supplier's failure:

- (a) to send on the day of despatch for each consignment such advice/s of despatch and invoice/s as may be indicated in the order, or
- (b) to mark the purchaser's order number on the consignment package, packing notes, invoices, monthly statements and all other correspondence or
- (c) to provide any certificate or other documentation required under this order.

All payments made will be without prejudice to the purchaser's rights should the goods, materials or services prove unsatisfactory or not in accordance with the purchasers order or instructions.

11. Suspension

In the event of any alteration of the purchaser's business due to circumstances beyond the purchaser's control such as but not limited to any industrial dispute, fire explosion or accident which would prevent or hinder the use of goods or work which is the subject of the order the purchaser shall have the right to suspend the order until such circumstances have ceased.

12. Tools and Materials

Where tools and/or test equipment and/or materials are supplied by the purchaser the supplier shall accept full responsibility for their proper storage, safe custody and method of use and shall accept the risk of loss and damage howsoever arising. Any such tools, test equipment and materials shall be used by the supplier only for performing the work placed by the purchaser and shall be returned at the suppliers expense at the completion of the work unless otherwise agreed by the purchaser in writing. Surplus materials and/or scrap shall be disposed of in accordance with the purchaser's instructions.

13. Confidentiality and Publicity

The Supplier shall treat all information provided by the purchaser as confidential and use such information only for the purpose of performing the purchaser's orders. Where drawings or other data are issued the supplier shall exercise proper custody and control and return/dispose of in accordance with the purchasers instructions.

14. Defective Material/Workmanship

14.1 The supplier will keep the purchaser indemnified in respect of all and/or expense which results during proper use directly or indirectly from defective materials goods, workmanship or design supplied by the supplier and the supplier will repair at the purchaser's request or replace the defective items free of charge.

The supplier will also keep the purchaser indemnified against any damage to the purchaser's property (including any materials, tools or patterns sent to the supplier for any purpose) and against any claims for loss or injury or any person or death to any person or to the property by reason of the supplier's negligence or any act or omission on the part of the supplier's employees, sub-contractors or agents arising out of the performance of the order.

14.2 If any defects which seller is obliged to remedy under this Clause, are not remedied within a reasonable time or circumstances render it impracticable for Seller to do the same. Buyer may do so himself or authorise others to do the same, and Seller shall reimburse Buyer for all costs arising there from. Any such action taken by Buyer shall not in any way invalidate the warranty given by Seller or relieve Seller from its obligations and liabilities under the Order.

15. Health and Safety at Work Act 1974

In accordance with the requirements of the Health and Safety at Work Act 1974 and any re-enactment thereof, any safety precautions required for the handling of the material covered by the order are to be clearly indicated on each consignment.

16. Government and other Special Conditions

Where government or other conditions are incorporated by reference in the order such special conditions shall apply.

17. Insolvency

The purchaser shall be entitled at any time by notice in writing to terminate this contract without compensation to the supplier in respect of the terminated portion in the event that:

- (a) The supplier becomes insolvent or the supplier makes any composition or arrangements with its creditors.
- (b) Any petition is presented for the suppliers winding up.
- (c) The supplier passes any resolution for the suppliers winding up.

18. Waiver

Any concession or indulgence made by the purchaser shall not be considered as a waiver of the purchaser's rights under the order unless specifically authorised in writing on the purchaser's printed order or amendment form.

19. Security

Where a security classification appears on the face of the order, the supplier shall at all times comply with the relevant security procedures. Particular security aspects will be covered in an aspects letter issued by the purchaser's security controller which shall form part of the order.

20. Indemnity

The seller shall indemnify the buyer against all claims, costs, expenses, loss or damage whether direct or consequential which the buyer may suffer howsoever arising from the sellers breach of any of its obligations under the contract.

21. Law

The construction validity and performance of the order shall be governed by the Law of England and subject to the exchange jurisdiction of the English courts.