

## Standard Conditions of Purchase

### 1 DEFINITIONS AND INTERPRETATION

1.1 In these Conditions and the Order (as defined below) the following expressions shall have the following meanings:-“Condition” means the provisions set out herein.

“Force Majeure” means events proved to be beyond the Purchaser’s or the Suppliers reasonable control including without limitation an act of God, fire, flood, explosions, earthquakes, any act of Government, war, insurrection or riots, national industrial action.

“Intellectual Property” means information and data of all kinds whether subject to statutory protection or not, including but not limited to inventions, drawings, designs, computer software, technical data packages, test results, manufacturing information, financial or commercial information, know-how and trade secrets or other proprietary information.

“Order” means the purchase order, the Specifications, the Special Conditions and these Conditions of Purchase which are incorporated by reference and any amendments to the Purchase Order, the Specification, the Special conditions and the Conditions of Purchase.

“Order Acknowledgement Form” means the form of acknowledgement document issued by the Purchaser with the Order.

“Parties” means the Purchaser and the Supplier.

“Purchaser” means Helander Precision Engineering Limited whose registered office is at 5230, Kennet Close, Tewkesbury Business Park, Tewkesbury, Glos. GL20 8HF

“Special Conditions” means these conditions appearing on the face of or otherwise incorporated in the Order.

“Specification” means the Purchaser’s written technical requirements or other agreed means of defining the technical requirements for the Supplies referred to by the Order.

“Supplier” means the party supplying the Supplies to the Purchaser.

“Supplies” means the products being the subject matter of the Order.

1.2 In the event of any conflict between the documents or requirements included within the order, they shall be interpreted in accordance with the following order of precedence

1. The Special Conditions
2. The Conditions of Purchase
3. The Specification

1.3 Headings are for convenience only and shall not affect the interpretation of the Order or any documents incorporated in the Order.

### 2 WHOLE AGREEMENT

The Order supersedes all prior agreements, understanding, representations and agreements whether or oral between the Parties relating to the subject matter and performance of the Order.

### 3 ORDER AND ACKNOWLEDGMENT.

3.1 If the Parties have agreed the Conditions, the Special Conditions and the Specifications (as appropriate) and any document referred to therein at the date of Order, the Order is the Purchaser’s acceptance of the Supplier’s offer and the remainder of this Condition shall not apply.

3.2 If the Parties have not agreed the Conditions, the Special Conditions and the Specification (as appropriate) and any document referred to therein at the date of the Order, the Order shall be the Purchaser's offer to the supplier and the Supplier's acceptance, by either returning the Order Acknowledgement Form or by starting work on the Order, shall only be accepted within the terms of the Order.

3.3 The Supplier shall accept the Purchase offer, as described in Condition 3.2 within seven (7) calendar days of the date of the Order otherwise the offer will lapse without the Purchaser incurring any liability.

3.4 If trading is being conducted by Electronic Data Interchange, the contract is formed at the moment the Order is transmitted from the Purchaser's electronic system.

#### **4 ADHERENCE TO THE ORDER**

4.1 The Supplier shall provide the Supplies in all respects in accordance with the Order.

4.2 The Order number and item number as set out on the Order shall be quoted on all documents and packages sent by the Supplier to the Purchaser and the Supplier shall ensure all Supplies dispatched are marked sufficient for the Purchaser to fully and accurately identify them on receipt.

#### **5 QUALITY ASSURANCE – ADVISE AND RELEASE CERTIFICATES**

5.1 The Supplies shall be subject to the Quality Assurance Conditions specified on the Order.

5.2 Each consignment of parts will be despatched with advice note(s) and such Certificates of Confirmatory, Regulatory Requirements or Customer Release Documentation or other documents as is required to meet the Quality Assurance Conditions or other conditions or requirements specified under the Order.

5.3 A stockist may provide copies of the original manufacturer's Certificate of Conformity or Release Documentation together with test figures, heat treatment particulars etc as applicable.

5.4 Non-conforming product may not be shipped to the Purchaser without written approval from the Quality Department of the Purchaser.

5.5 The Purchaser must be notified in writing immediately if any Supplies are found to be non-conforming after shipment has been made.

#### **6 PRICE**

6.1 Prices shall be set out on the Order, fixed (non-revisable) and exclusive of United Kingdom value added tax (V.A.T) but inclusive of all other taxes, imports, fees and duties. If V.A.T. is payable it shall be separately identified on the invoice and shall be payable by the Purchaser subject to receipt of a valid V.A.T. invoice.

6.2 No additional charge shall be made for packing, insurance or delivery unless otherwise agreed and set out in the Order and any such charge shall be separately identified on the invoice.

#### **7 PAYMENT**

7.1 On or after delivery of the Supplies, the Supplier shall submit an invoice to the address of the Purchaser stated on the Order for those delivered Supplies.

7.2 The Purchaser shall pay the invoice within sixty (60) days after month end of invoice date or delivery if this is later, provided the invoice quotes correctly the amount of the payment, the correct Order number, the item number, the part and drawing numbers and a description of the Supplies (including without limitation quantities and weights if applicable); and all conditions of purchase have been met.

#### **8 DELIVERY**

8.1 Delivery shall be made in accordance with the instructions set out on the Order and time shall be of the essence in relation to the delivery dates set out on the Order.

8.2 If there is any delay in delivery due to causes (other than Force Majeure) which are not attributable to the negligence of the Purchaser, the Purchaser may terminate the Order with immediate effect and the Supplier shall be liable for damages in accordance with condition 12.2

8.3 The Supplier shall not be liable for delays in delivery due to Force Majeure provided that the Supplier promptly notifies the Purchaser of any delay or anticipated delay as soon as it is known and resumes performance as soon as possible thereafter. However, if such delay exceeds fourteen (14) days the Purchaser shall be entitled to terminate

the Order without incurring any liability whatsoever except in respect of that part of the Supplies already delivered to and accepted by the Purchaser prior to such termination.

8.4 Should an event of Force Majeure occur, the Purchaser may wholly (or partly) suspend or postpone any of its obligations under the Order (without incurring any liability) by the prompt notification of the Supplier in writing. Such suspension or postponement will continue until the circumstances of Force Majeure have ceased or been overcome or the Purchaser notifies the Supplier in writing that it wishes to resume its obligations under the Order.

8.5 The Purchaser shall have the right to request the Supplier to delay delivery of any of the Supplies without revision of the price.

## **9 TITLE AND RISK**

Title to and risk in the Supplies shall pass to the Purchaser on acceptance of delivery by the Purchaser.

## **10 ACCEPTANCE**

10.1 If the Purchaser is not satisfied that the Supplies are delivered in good condition, properly identified and in accordance with the Order the Purchaser may:-

- a) Reject the Supplies delivered in whole or in part;
- b) Give notice to the Supplier to replace or repair promptly the Supplies delivered at the Supplier's expense and risk;
- c) Require the Supplier to pay all the Purchaser's expenses, losses incurred and additional costs directly arising from the failure to deliver the Supplies to the satisfaction of the Purchaser, and/or
- d) Set off any amounts owed to the Supplier against any amount owed to the Purchaser arising under 10 c.

## **11 WARRANTY**

11.1 The Supplier warrants that the Supplies conform in all respects with the terms of the Order including but not limited to the Specification; and are free from defects (whether actual or latent) in design, materials and workmanship.

11.2 The warranty in Condition 11.1 shall, in respect of each item of the Supplies, continue for twelve (12) calendar months from the date of acceptance of such item of the Supplies.

11.3 The warranty at Condition 11.1 shall apply to the Supplies or any part of them replaced or repaired in accordance with these Conditions so that the warranty shall continue for twelve (12) calendar months from the date of acceptance of such replaced or repaired item of the Supplies.

11.4 If a breach of warranty by the Supplier causes any of the Supplies not to be available for the Purchaser's use within the warranty period for the Supplies shall be extended by the period during which they were not available for use by the Purchaser.

11.5 The Supplier agrees that all warranties attaching to the Supplies shall be capable of being assigned to a customer of the Purchaser or other user by the Purchaser without prior written notice to the Supplier.

11.6 This condition shall apply in addition and without prejudice to any other rights and remedies available to the Purchaser.

## **12 REMEDIES – INCLUDING INDEMNITY BY SUPPLIER**

### **12.1 Termination**

12.1.1 If the Supplier is in breach of the Order including but not limited to any of these Conditions (including, without limitation, the warranty at Condition 11.1) the Purchaser may give the Supplier a written notice specifying the breach.

12.1.2 If the breach is not capable of remedy such notice shall terminate the Order immediately.

12.1.3 If the breach is capable of remedy, the supplier shall at its own expense rectify the breach within twenty-eight (28) calendar days of the date of notice. If the Supplier does not rectify the breach within twenty-eight (28) calendar days (or such other periods agreed in writing) the Purchaser may give written notice to the Supplier immediately terminating the Order.

### 12.2 Indemnity & Damages

The Supplier shall indemnify the Purchaser against all losses including but not limited to all indirect, direct, consequential losses, all loss of profit and reputation and all legal costs, claims and damages resulting in any way from a breach by the supplier of the Order of any of these conditions and or negligence, breach of duty or acts or omissions by the Supplier its employees, sub-contractors or agents in the performance of the order.

### 12.3 Termination on Insolvency

If the supplier or Purchaser has a winding up order made against it or has a receiver or administrator appointed or takes any step or is subject to any step which may lead to any such event occurring, then the other party may suspend or terminate the order without any liability whatsoever.

### 12.4 Cancellation

The Purchaser may cancel the order at anytime by written notice and will agree a fair and reasonable price for all work done and materials purchased for the purpose of carrying out the order up to the date of cancellation.

## 13.0 HEALTH AND SAFETY

13.1 The Supplier shall familiarise themselves with and comply with the Purchaser's procedures relating to discipline, security rules and procedures, fire, and health and safety when on the sites of the Purchaser and such other procedures applicable to such other sites as the Order requires.

13.2 The Supplier shall as soon as possible (and no later than on delivery) provide the Purchaser with all future instructions relating to the use and disposal of the Supplies and in particular draw attention to any dangers, hazards, or restrictions associated with the Supplies.

## 14.0 INSURANCE

14.1 The Supplier will maintain legal liability insurance of not less than one million pounds (£1,000,000) per event in respect to loss or damage to the property of the purchaser or death or injury to persons resulting from the performance of the order. Should the Supplier's insurance give cover in excess of one million pounds (£1,000,000) the Purchaser shall have full benefit of such policy.

14.2 The Supplier will maintain Product Liability Insurance commensurate with exposure potential of their supplies when incorporated into an aircraft.

14.3 The Supplier will provide the Purchaser of evidence of insurance satisfactory to the Purchaser on request.

## 15.0 CONFIDENTIALITY AND SECURITY

15.1 The Order and any other information or drawings or Intellectual Property disclosed by either the Purchaser or the Supplier to the other in order to fulfil the order shall remain confidential; shall at all times be treated by the Purchaser and the Suppliers as trade secret; shall not be disclosed to any third party without the disclosing Party's prior written consent and shall only be disclosed to the receiving Party's own employees on a need to know basis.

## 16.0 SUB-CONTRACTS AND ASSIGNMENT

16.1 No work on the Order may be sub-contracted by the Supplier without the prior written consent of the Purchaser (which shall not be unreasonably withheld).

16.2 The Order may not be assigned in whole or in part by the Supplier without the prior written consent of the Purchaser (which shall not be unreasonably withheld).

## 17.0 PROPERTY ISSUED BY THE PURCHASER

17.1 The Supplier shall not acquire any legal or beneficial interest in any property supplied to it by or on behalf of the Purchaser (whether on free issue or loan) for performance of work on the Order.

17.2 Any such property shall be held at the Supplier's risk, maintained at the Supplier's expense and only used by the Supplier for the performance of the Order.

17.3 At the request of the Purchaser (which may be made at any time) or on completion of the Order, such property issued to the Supplier shall be returned promptly.

17.4 Upon reasonable written notice being given to the Supplier, the Purchaser shall have the right to enter the Supplier's premises to recover any of its property.

## **18.0 COMPLIANCE WITH LAW AND REGULATIONS**

18.1 The Supplier shall comply with all statutory and other requirements applicable to its business in performing work on the Order.

## **19.0 NOTICES**

All notices and communications shall be in English and shall be sent to the parties registered office and may be served by fax and copied by letter. If faxed they may be deemed as served on the day of transmission (if not sent on a working day) or 48 hours after dispatch if sent by 1st class post.

## **20.0 WAIVER**

Any delay or omission in exercising any right with respect to the Order or these Conditions of Supply shall not be constructed as a waiver of such rights and shall not operate as a bar to any subsequent enforcement.

## **21.0 SEVERANCE**

If any term, condition or provision, or part thereof, of the Order is modified or made void, the remaining terms, conditions and provisions shall remain, as far as possible, in full force and effect.

## **22.0 LAW AND JURISDICTION**

The Order and these Conditions shall be governed by English Law and the parties submit to the non-exclusive jurisdiction of the English Courts in relation to all issues, disputes, or questions arising out of the Order and these Conditions.

## **23.0 AMENDMENTS**

Amendments to the order shall only be effective when:-

23.1 a document(s) setting out the terms of the amendment is signed by the Purchaser and the Supplier, and

23.2 an Order amendment is issued by the Purchaser which incorporates the agreement recorded in the document described in Condition 23.1