

AERO CONSULTANTS (UK) LIMITED

CONDITIONS OF PURCHASE (GOODS AND SERVICES)

Revision Date 01 October 2017



1. DEFINITIONS

In these Conditions and in all documents relating to this Purchase Order "ACL" means Aero Consultants (UK) Limited (Company No. 1567793) of 13/14 Clifton Road, Huntingdon, Cambridgeshire PE29 7EJ.

"Data" means all designs, drawings, specifications, proprietary information, trade secrets and other intellectual property owned or controlled by ACL;

"Order" means this Purchase Order and any amendment thereto duly signed on behalf of ACL;

"Specification" means the technical requirement and/or description of the Supplies and/or the Supplier's proprietary specification defined in the Order;

"Supplier" means the person, firm or company on whom the order is placed;

"Supplies" means all articles, materials, work or services, including without limitation Software the subject of the Order.

2. APPLICATION

These Conditions are an integral part of the Order and shall apply except to the extent that they may be inconsistent with any Special Conditions appearing on the face of or otherwise incorporated in the Order which shall have precedence over these Conditions. Such Special Conditions and these Conditions shall constitute the entire agreement between the parties and shall supersede all previous communications or representations between the parties inclusive of any Standard Selling conditions issued by the Supplier and shall not be varied except with the written agreement of ACL.

3. ORDERS

ACL will not accept responsibility for any Supplies unless supplied in accordance with the Order, the reference number of which shall be quoted on all documents and correspondence including Advice Notes, Invoices and required Certificates. The Supplier must notify ACL of Order acceptance within 21 days of the date it bears or such other period as ACL may agree in writing. Failure to do so will give ACL the right to cancel the Order without incurring liability.

4. CONFORMITY WITH ORDER AND DELIVERY

(i) The Supplies shall conform to the quantity, quality and Specification stated in the Order, shall be fit for the purpose for which they are required and free from defect whether actual or latent.

(ii) Delivery shall be strictly in accordance with the Order and at the Supplier's risk. Time for delivery or performance by the Supplier shall be of the essence and ACL shall have the option to cancel the Order wholly or in part without incurring liability where delivery is not made on the date specified, without prejudice to any other right or remedy which ACL may have.

(iii) All Supplies must be properly and securely packed and the packaging marked with ACL's Order number. ACL will return packing cases or containers to the Supplier if so requested at the Supplier's expense.

(iv) The Supplier shall not be liable for delays in delivery due to causes which the Supplier can show are beyond his reasonable control and without the Supplier's fault or negligence provided that the Supplier promptly notifies ACL 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 28 days ACL shall be entitled to cancel the Order without incurring liability except in respect of Supplies already delivered to ACL prior to such cancellation. ACL may wholly or partly suspend acceptance of deliveries during or after complete or partial stoppage of work at ACL's premises by reason of factors outside ACL's control including but not restricted to Acts of God, fire, flood, strikes and lockouts (including without limitation by ACL's employees).

(v) If any Supplies upon delivery or acceptance or upon unpacking or within 12 months thereafter (or such other longer period as may be agreed) do not conform to the Specification or the required standards of design, material, workmanship or quality or which are not of new manufacture or which are not in accordance with the samples approved by ACL (hereinafter called a "Defect") then ACL shall be entitled at its discretion and without prejudice to any other remedy to exercise one or more of the following rights:

(a) Reject the Supplies in whole or in part and require the Supplier to credit ACL with the cost thereof;

(b) Require the Supplier promptly to replace or repair the Supplies free of all cost and at the Supplier's risk;

(c) Require the Supplier to defray all ACL's reasonable expenses and additional costs connected with such Defect.

5. QUALITY REQUIREMENTS

(i) The Supplies shall be subject to whichever of the following Quality Requirements.

(a) The Supplier shall ensure that the Order is carried out in conformance with whichever of the ISO 9001/ AS 9100 / AS 9120 or CAA approval or the Quality Systems as approved by ACL that the Supplier holds.

(b) The Supplier shall ensure that the Order is confirmed on all acknowledgements with product name/specifications and technical data (e.g. revision levels).

- (c) The Supplier must ensure that if non-conforming product has been supplied to ACL, ACL are immediately informed and supplied customers will be immediately informed.
- (d) The Supplier must inform ACL of any changes in product definition, changes of suppliers, change of manufacturing facility location and, where required, obtain ACL approval.
- (e) The Supplier must allow right of access by ACL, their customers and regulatory authorities to all facilities involved in fulfilment of customer order and records kept.
- (f) The Supplier must supply a certificate of conformity, test reports with all orders despatched to ACL.
- (g) The Supplier shall maintain legible/readily retrievable records, in electronic or paper format, for a period of at least 12 years from completion of Aero Consultants (UK) Ltd purchase order.
- (h) Counterfeit Parts - The Supplier shall certify that only new and authentic materials are used in products or goods delivered to ACL and that the products/goods delivered contain no Counterfeit Parts.
- (i) Foreign Object Debris/Damage - The Supplier is required to establish and maintain a Foreign Object Debris/Damage (FOD) prevention program that employs appropriate housekeeping practices to assure timely detection and removal of residue/debris generated, during operations and normal daily tasks

6. ADVICE AND RELEASE CERTIFICATES

The Supplier shall:-

- (i) On the day of despatch of each consignment send Advice Note(s) and such Certificate(s) of Conformity as may be indicated by the terms of the Order. One copy of the Certificate of Conformity or such other document as may be required by ACL shall accompany each consignment and a further copy shall be sent by post to ACL.
- (ii) If a stockist --- provide copies of the original manufacturer's Certificate of Conformity together with test figures, heat treatment particulars, etc. Where applicable.

7. TITLE

Title to the Supplies shall pass to ACL upon delivery at ACL premises unless payment is made prior to delivery and in which case title to the Supplies will pass once payment has been made and the Supplies appropriated to the contract.

8. PRICE

- (i) Where prices have been agreed they shall be fixed and firm exclusive of VAT but inclusive of all other taxes, imposts, fees and duties; no alteration may be made without the consent of ACL in writing. Where prices are still to be agreed at the time the Order is placed, quotations shall be submitted by the Supplier and confirming amendments to the Order shall be issued by ACL before invoices are rendered.
- (ii) No charge shall be made for packing, insurance or delivery unless otherwise agreed and any such charge shall be separately detailed in the invoice.

9. INVOICES

- (i) The Supplier shall invoice ACL for the Supplies and shall submit its invoice to ACL at the address shown overleaf after the despatch of Supplies. Each invoice shall quote the Order number, item, part and drawing numbers, description, quantities and weights;
- (ii) All invoices shall state the price for the supplies exclusive of Value Added Tax and show the amount of VAT (if any) separately;
- (iii) Unless stated in the Order ACL shall pay the price of the Supplies within 30 days after the end of the month of receipt by ACL of a proper invoice or (if later) after acceptance of the Supplies in question by ACL.

10. TERMINATION

- (i) For Default

In the event of a breach of any of these Conditions ACL may give the Supplier notice of such breach. If such breach is capable of remedy the Supplier shall rectify the breach within 28 days. If the Supplier does not rectify the breach within 28 days, or if the breach is not capable of remedy, then ACL may give notice terminating the Order without incurring liability. The Supplier shall indemnify ACL from and against any cost resulting from the termination of the Order.

- (ii) For Insolvency

If the Supplier becomes insolvent or has a receiver or administrator appointed of its business or is compulsorily or voluntarily wound up or if ACL bona fide believes that any of such events may occur then ACL shall have the right without prejudice to any other remedy to suspend the performance of or terminate the Order without incurring liability except in respect of Supplies previously delivered.

- (iii) For Convenience

This Order may be terminated by ACL at any time in whole or part by delivery to the Supplier of a notice of termination. In the event of such notice being given the Supplier shall stop work forthwith and comply with any directions with regard to the Supplies which may be given by ACL. The Supplier shall submit an account to ACL at the address overleaf within three months from the effective date of termination in the form prescribed by ACL. ACL undertakes to pay a fair and reasonable price for all work done and unique materials purchased up to the time of termination. Such payments made taken together with any sums paid or due or becoming due to the Supplier under the Order shall not exceed the total price of the Supplies under the Order.

- (iv) Any termination of the Order shall not prejudice any rights or remedies which may have accrued to either party and both parties shall use all reasonable endeavours to mitigate their losses on such termination.

11. PATENTS

- (i) In respect of the Supplies the Supplier warrants that there are no infringements whatsoever at the date of the Order and hereby agrees fully to indemnify ACL against any liability, damages or expenses whatsoever which may be incurred by or

on behalf of ACL as a result of the infringement or alleged infringement of the Supplies or the use of the Supplies of any patent registered design, trademark or copyright belonging to third parties.

(ii) In respect of the Supplies of which the design is furnished by ACL any designs or design rights derived therefrom shall belong to ACL and ACL shall be entitled to all industrial property rights in connection therewith.

12. LEGAL LIABILITY INSURANCE

Where the Supplier is required to carry out work of any kind on the premises of ACL or on such premises as the Order so directs, the Supplier shall effect Legal Liability insurance of not less than £1,000,000 per event and procure that any Sub-Contractor to the Supplier effects similar insurance in respect of loss or damage to property or death or injury to persons resulting from or during the execution of the Order. Should such insurance policy cover a liability in excess of £1,000,000 then ACL shall have the benefit of the full extent of the cover available.

13. SUPPLIER'S DOCUMENTATION

The Supplier will promptly provide ACL with all present and future instructions relating to the use and disposal of Supplies and in particular draw attention to any dangers or hazards or restrictions associated with the Supplies.

14. SUB-CONTRACTS BY THE SUPPLIER

No work on the Order may be sub-contracted by the Supplier nor shall the Order be assigned or otherwise transferred by the Supplier without the written consent of ACL. All sub-contracts shall be the responsibility of the Supplier.

15. WARRANTY

(i) Unless manufactured pursuant to a detailed design furnished by ACL the Supplier assumes design responsibility and warrants the Supplies to be free from design defect.

(ii) Without prejudice to Clause 15 (i) any and all warranties and Service guarantees attaching to the Supplies shall not only be for the benefit of and enforceable by ACL but also for the benefit of and enforceable by ACL's customers and/or users of the Supplies. ACL's inspection, approval, acceptance, use of or the payment by ACL of all or any part of the Supplies shall not affect its warranty rights whether or not a breach of warranty had become evident at the time.

16. INDEMNITY

The Supplier AGREES TO INDEMNIFY ACL against any and all claims, costs, damages, liabilities and expenses in respect of personal injury, death or loss of or damage to property and pecuniary loss (including all legal costs and penalties) caused by or resulting from the acts or omissions of the Supplier, his Sub-Contractors, agents or Suppliers in the performance of the Order.

17. CHANGES

ACL may unilaterally by notice in writing amend the Order and the Supplier shall comply therewith without delay.

Within 14 days after receipt of notification of any change as aforesaid the Supplier shall submit to ACL a statement in such detail as ACL may reasonably require of the effect of such change and as soon as practicable ACL and the Supplier shall agree upon any necessary and reasonable adjustment to the Order and incorporate such agreement into the Order by Order amendment.

18. CONTINUITY OF SUPPLY

The Supplier undertakes to accept further orders in respect of ACL's future requirements for similar Supplies at prices and delivery leadtimes no less favourable to ACL than those agreed for this Order having regard to the economic circumstances at the time and in the event that the Supplier is unwilling or unable to accept such orders he shall deliver to ACL without charge all necessary drawings, manufacturing information and tooling to enable ACL to make the Supplies or have them made elsewhere and shall use his best endeavours to obtain for ACL on economic terms the grant of any necessary licence(s).

19. FREE ISSUE

(i) All data, tools, patterns, materials and other equipment loaned by ACL to the Supplier for use in connection with the Order or manufactured by the Supplier at ACL's expense in connection with the Order shall be and will remain at all times the property of ACL and be surrendered to ACL upon demand in good and serviceable condition (fair wear and tear excepted) and are to be used by the Supplier solely for the purpose of completing the Order. Such supplies shall be at the risk of the Supplier and insured by the Supplier at the Supplier's own expense. ACL does not warrant the adequacy of any tooling, data, patterns, materials and other equipment furnished by it.

(ii) ACL shall not accept liability for any parts or materials received by the Supplier from ACL in a damaged state under or in connection with the Order unless such damage is notified in writing to ACL within five days of the receipt by the Supplier of such parts or materials.

(iii) All scrap arising from material free issued by ACL shall remain the property of ACL and must be disposed of by the Supplier in accordance with the instructions of ACL and all proceeds of sales of such scrap must be credited by the Supplier to ACL, such instructions shall not however replace any statutory duty otherwise imposed on the Supplier.

20. CONFIDENTIALITY

The Order and the subject matter thereof shall be treated as confidential between the Supplier and ACL and any sub-contractor of the Supplier shall be similarly bound.

The Supplier shall not make use of ACL's name or any information contained in the Order or related documents.

21. NOTICES

(i) All notices and communications shall be in writing.

(ii) Any notice or other communication sent to the Supplier shall be sufficient if sent to an address notified to ACL for the purpose or to the address of the Supplier last known to ACL.

(iii) Notices or other communications sent by the Supplier to ACL shall be sent to the address given for ACL on the face of the Order and for the attention of the manager indicated on the face of the Order.

22. WAIVER

Any failure delay relaxation or concession by ACL in the exercise of its rights to insist upon the performance of any of the obligations or to exercise any rights hereunder, shall not be construed as a waiver or relinquishment of the future exercise of any such right, and the obligations of the Supplier shall continue in full force and effect.

23. COMPLIANCE WITH LAWS AND REGULATIONS

(i) The Supplier shall comply with all statutory requirements applicable to the Order.

(ii) The Supplier, its employees and its sub-contractors shall familiarise themselves with and shall comply with ACL's procedures relating to discipline, fire, health, safety and security when on ACL's premises. The Supplier shall provide its employees with and shall ensure that its employees and sub-contractors employees use any protective clothing and safety equipment required.

24. RE-EXPORT OF SUPPLIES OF US ORIGIN

The Supplies to be delivered to ACL in accordance with the requirements of this Order may be subsequently exported or re-exported as part of, or in support of, ACL designed and manufactured equipment. The Supplier is required as a specific term of this Order to confirm that no restriction exists in respect of Export Administration Regulations. Unless specifically advised otherwise at the time of acceptance of the Order, ACL shall assume that no such restriction exists in respect of the export or re-export of any Supplies.

25. INTERPRETATION AND SEVERANCE

(i) Clause headings are for convenience only and shall not govern the interpretation of these Conditions.

(ii) In the event that any term, condition, provision, clause or phrase of the Order shall be nullified or made void by any statute, regulation or order or by the decision or order of any Court having jurisdiction, the remaining terms, conditions and provisions of the Order shall remain in full force and effect.

26. APPLICABLE LAW

These Conditions shall be governed by, construed and shall take effect in accordance with the Laws of England and the parties shall submit to the non-exclusive 112666 11/24/10 2:48 PM Page 2