



APSLEY PRECISION ENGINEERING LTD STANDARD TERMS AND CONDITIONS OF PURCHASE

1. INTERPRETATION AND FORMATION OF CONTRACT

- 1.1. The Buyer means Apsley Precision Engineering Limited and the Seller means the person, legal entity or company to whom all orders shall be addressed and includes the Seller's successors, heirs, executors or administrators. The Order means the written instruction placed by the Buyer for the supply of goods or services, the Contract means the Order and the Seller's acceptance of the Order and the Goods means any goods or services agreed in the Contract to be bought by the Buyer from the Seller.
- 1.2. Neither the Buyer nor the Seller shall be bound by any terms expressed or implied whatsoever other than those contained in this document except those that are agreed by both parties in writing and signed on their behalf. These conditions shall have precedence over any conditions appearing on any acceptance form, delivery form or other document or letter from the Seller and such conditions shall have no effect whatsoever except in so far as they confirm the terms and conditions of the Order and the Seller waives any right to which it otherwise might have to rely on such terms and conditions.
- 1.3. All requests for the supply of Goods must be on the official order form of the Buyer and no Goods will be accepted or paid for unless ordered on the Buyer's official order form.
- 1.4. The official order number must be quoted on all relevant advice and release notes, invoices or other correspondence.

2. ACCEPTANCE OF ORDER

- 2.1. These General conditions shall form part of the contract. They shall not be varied unless expressly agreed by both parties in writing. The order and its conditions must be accepted in writing within seven days showing the price of the goods to be delivered or the services to be provided and the expected delivery where these have not been previously specified.
- 2.2. The Buyer will be liable only for orders issued on printed Purchase Order and duly signed on behalf of the Buyer. Any amendments to an order must be confirmed in writing by the Buyer.
- 2.3. Unless otherwise agreed in writing, the Buyer shall be entitled to reject goods delivered in excess of quantities and all charges in respect of all the same will be the Seller's responsibility.
- 2.4. The Buyer reserves the right to cancel the Order in part or in whole should there be any subsequent variations in the acceptance of the Purchase Order regarding the date of delivery, quantity or quality or any material variation in the type of goods to be supplied or services to be rendered.

3. SPECIFICATIONS AND MARKINGS

- 3.1. The goods ordered must be supplied exactly in accordance with the Purchase Order and any specification, drawing, process instruction or procedure therein subject to Buyer's approval and if rejected shall lie to the Seller's risk and expense. Any Goods rejected shall not be considered as having been delivered under the Contract. No variations from the requirements shall be permitted without the Buyer's approval.
- 3.2. Goods shall be marked in accordance with the Buyer's Order. No unauthorised markings shall appear on any part of the goods.



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4. PRICE AND PAYMENT

- 4.1 The price stated in the Purchase Order for the goods is a fixed price and shall not be varied for any reason unless expressly agreed in writing by the company.
- 4.2 The price of the goods stated in the order and unless otherwise agreed in writing by the Buyer shall be exclusive of value added tax but inclusive of all other charges.
- 4.3 Invoices shall be posted quoting Buyer's Purchase Order number, consignment quality and release note number immediately after dispatch of Goods. Payment will be made against Sellers monthly account statement at the end of the month following receipt of Goods but time for payment shall not be of the essence.
- 4.4 Without prejudice to any other right or remedy, the Seller reserves the right to set off any amount owing at any time from the Seller to the Buyer against any amount payable by the Buyer to the Seller under the Contract.

5. DELIVERY AND PACKAGING

- 5.1 All goods supplied against the Purchase Order must be adequately protected against damage and deterioration in transit and delivered, carriage paid or as notified in the Purchase Order.
- 5.2 An Advice note must accompany the goods quoting item number, quantity, description and purchase order number. The goods shall be at your risk until delivered in accordance with the Purchase Order.
- 5.3 Where the Buyers agrees in writing to accept delivery by instalments the Contract shall be constructed as a single contract in respect of each instalment. Nevertheless failure by the Seller to deliver any one instalment shall entitle the Buyer at its option to treat the whole Contract as repudiated.
- 5.4 The Buyer shall not be deemed to have accepted the Goods until it has had [7] days to inspect them following delivery. The Buyer shall also have the right to reject the Goods as though they had not been accepted for [30] days after any latent defect in the Goods has become apparent.

6. TITLE AND RISK

- 6.1 Title to and risk of loss and damage to the goods shall pass to the buyer when the Goods have been delivered and off-loaded at the destination specified in the Order.
- 6.2 In the event of any Goods being lost or damaged in transit the Seller shall repair or replace such Goods at their expense and delivery shall not be deemed to have taken place until the repaired Goods have been delivered.

7. INSPECTION

- 7.1 Where the goods are being made to the Buyer's design, drawings or specifications, or works or tests are carried out to the Buyer's requirement then, where reasonable notice has been given, any accredited representative of the Buyer's shall be admitted to the Sellers premises to inspect any material, process, parts in manufacture, completed item or test procedures. The Seller shall when requested as soon as practicable, modify any process etc. at the request of the Buyer where they are not fully compliant too the Buyers requirements.



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7.2 If the results of such inspection or testing cause the Buyer to be of the opinion that the Goods do not conform or are unlikely to conform with the Order or to any specifications and/or patterns supplied or advised by the Buyer to the Seller, the Buyer shall inform the Seller and the Seller shall immediately take such action as is necessary to ensure conformity and in addition the Buyer shall have the right to require and witness further testing and inspection.

7.3 The Buyer is under no obligation to test or inspect the goods before or after delivery. In the Event of the goods found to be out of specification the Buyer will introduce an inspection procedure. The Seller will be liable for all costs in respect of any operation to bring the goods within specification.

8. REJECTION

8.1. The Buyer may by notice in writing, cancel the Contract or reject the whole or any part of the Contract without liability and return the Goods to the Seller at Seller's risk and expense in the following circumstances:

8.1.1. Where the Goods to be supplied are not received by the Buyer by the specified delivery date,

8.1.2. The Goods supplied do not comply with the description, specification and drawings relating thereto,

8.1.3. The Goods or services are not of a standard specified in the Order or do not conform to generally accepted standards, or

8.1.4. If the Goods are found after delivery to be damaged.

8.2. The Buyer will specify the reasons for the rejection and where Goods are returned after rejection the Seller shall rectify or replace such Goods within a reasonable time. If this means that the delivery date will be extended beyond the original delivery date required, then the Buyer reserves the right to cancel the Contract or the balance of the Contract without liability, notwithstanding any other remedies available under the Contract.

9. INDEMNITY

9.1 The Seller shall indemnify and hold harmless the Buyer from any damages or injury to any person or to any property, all direct indirect or consequential liabilities (all three of which terms, include without limitation, loss of profit, loss of business, depletion of goodwill, and the loss, damages, injuries, costs and charges and expense arising in connection with the good or services supplied or work carried out under the Contract due to:

9.1.1 Defective design (other than a design made specifically or the supply of defective product within the meaning of the Consumer Protection Act 1987; or

9.1.2 The negligence or wilful act of the Seller or its employees, agents or sub-contractors.

10. CANCELLATION

10.1 The Buyer shall without prejudice to its other rights and remedies cancel the whole or any part of the Contract without compensation by giving notice in writing to Seller if:

10.2.1. Any distress, execution or other process is levied upon any of the assets of the Seller; or



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- 10.2.2. The Seller has a bankruptcy order made against him or makes an arrangement or composition with his creditors, or otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, or (being a body corporate) convenes a meeting of creditors (whether formal or informal), or enters into liquidation (whether voluntary or compulsory) except a solvent voluntary liquidation for the purpose only of reconstruction or amalgamation, or has a receiver or manager, administrator or administrative receiver appointed of its undertaking or any part thereof, or documents are filed with the court for the appointment of an administrator of the Seller or notice of intention to appoint an administrator is given by the Seller or its directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986), or a resolution is passed or a petition presented to any court for the winding-up of the Seller or for the granting of an administration order in respect of the Seller, or any proceedings are commenced relating to the insolvency or possible insolvency of the Seller; or
- 10.2.3. The Seller ceases or threatens to cease to carry on its business; or
- 10.2.4. The financial position of the Seller deteriorates to such an extent that in the opinion of the Seller the capability of the Seller adequately to fulfil its obligations under the Contract has been placed in jeopardy.

11. PATENTS AND COPYRIGHTS

- 11.1 All tools, patterns materials drawings, specifications and other data provided by the Buyer in connection with this purchase order will remain at all times the Buyer's property and are to be surrendered to the Buyer on completion of the Purchase order and are used by the Seller solely for the purpose of completing the same, in addition any patents, copyrights or registered designs arising from the execution of this Purchase Order in accordance with the patterns, drawings, specifications or other data shall become the Buyers property. The Purchase Order and the matters thereof shall be treated as confidential between the Buyer and the Seller and shall not be disclosed to any third party or used for advertisement, display or publication without the Buyers prior consent in writing.
- 11.2 The Seller shall keep the Buyers indemnified (except in respect of designs provided by the company) against all claims of whatsoever nature(including royalties or other losses) arising from infringement of patents, registered designs, copyrights or trademarks in relation with this Purchase Order.

12. GOVERNMENT CONDITIONS

- 12.1 All terms of any principal contract relating to this Purchase Order (including any Government costing clause) are incorporated herein so far as the same are applicable hereto. Particulars of the relevant conditions will be supplied to you upon demand and upon acceptance of the Purchase Order, you accordingly deemed and to be found by such conditions as fully as if the same had been expressly set out herein.
- 12.2 In the event of any conflict or inconsistency between the conditions of any principal contract and those herein contained the conditions of the principal contract shall prevail.

13 COMMON INDUSTRY STANDARDS

- 13.1 The Buyer is committed to adhere with Common Industry Standards on Anti- Corruption (known as the CIS) as introduced by the Aerospace and Defence Industries Associated of Europe. The Seller will comply with all



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aspects of the CIS and will disallow unethical behaviour (in particular, bribery) in the supply of goods or the rendering and performing of services.

14 HEALTH AND SAFETY AT WORK ACT 1974

- 14.1 The Seller shall comply in respect of the Goods with the duties laid down in section 6 of the Health and Safety at work Act 1974 and shall indemnify the Buyer against all damages, costs, losses, charges, expense or liabilities whatsoever caused by or arising out of breach of those duties.
- 14.2 The Seller shall provide the Buyer in writing in the prescribed manner with such information as it necessary relating to the use of any materials or substance hazardous to health and or equipment supplied and/or used in its design, testing and use to any conditions necessary to ensure it will be safe and without risk to health when properly handled, stored, transported and used.

15 MONTREAL PROTOCOL

- 15.1 The Seller shall provide upon acceptance of the Purchase Order a list of those substance contained in the Goods, or in their packaging, and listed in the of substance that deplete the ozone layer and which are to be controlled under the Montreal Protocol or confirm a nil return as may be applicable, The list of substances will be provided upon request if not already held by the Seller.

16. LAW AND SEVERABILITY

- 16.1 The information existence construction, performance and validity and all aspects of the Contracts to which these conditions apply shall in all respects be governed by English Law and be subject to the exclusive jurisdiction of the English Courts.
- 16.2 If any provision of the Contract is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid, void, voidable, unenforceable or unreasonable it shall to the extent of such of such illegality, invalidity, voidness, voidability, unreasonableness, be deemed severable and the remaining provisions of the Contract and the remainder of such provision shall continue in full force and effect.

17 ASSIGNMENT AND WAIVER

- 17.1 The Seller shall not be entitled to assign the Contract or any part of it without the prior written consent of the Buyer.
- 17.2 The Buyer may assign the Contract or any part of it to any person, firm or company.
- 17.3 Any failure of either party to enforce any provision of this Contract shall not constitute a waiver of such provision at any subsequent time.

18 RIGHTS OF THIRD PARTIES

- 18.1 The parties of the Contract do not intend that any term of the Contract shall be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person that is not a party to it.



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19 RIGHTS OF ACCESS

- 19.1** Suppliers must ensure product safety during the product life cycle whilst on your premises. The supplier must ensure the prevention of counterfeit or suspect counterfeit parts used in the process of our product.
- 19.2** Apsley Precision reserves the right of access together with its customers and / or regulatory authorities to all facilities and records pertaining to Apsley Precision Engineering Ltd without prior permission.

20. CONFIDENTIALITY

- 20.1** The Seller shall keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to the Seller by the Buyer or its agents and any other confidential information concerning the Buyers business or its products which the Seller may obtain and the Seller shall restrict disclosure of such confidential material to such of its employees, agents or sub-contractors as need to know the same for the purpose of discharging the Sellers obligations to the Buyer and shall ensure that employees, agents or sub-contractors are subject to like obligations of confidentiality as bind the Seller.

21 GENERAL

- 21.1** Quality Management System documentation. The supplier shall establish and maintain a clearly documented quality system that provides a means of ensuring that products conform to specified requirements. This system shall control the issue of drawings, specifications, procedures etc. Provision shall be made for the control of obsolete copies and their subsequent archiving and dis-positioning. All records pertaining to quality shall be stored and maintained in a legible form for a minimum of **10** years.
- 21.2** Information Flow. The seller is required to flow down information to the supply chain the applicable requirements including customer requirements. Such information is normally conveyed, but not limited to, purchase order notes and verbiage, purchase order changes, and any other documented correspondence and agreement between buyer and seller pertaining to purchase order requirements.
- 21.3** Purchase Order Requirements. The supplier shall adhere to all Purchase order stated special instructions. The PO is the controlling document and will communicate any specific contract, customer requirements. Any such changes communicated to the supplier must be confirmed by a Apsley Precision Engineering Limited amended purchase order.
- 21.4** Sub-contract conditions. Suppliers shall not sub-contract any work awarded by Apsley Precision without the prior written approval from Apsley Precision. If and when sub-contracting approval is granted the supplier shall ensure where applicable that in the first instance Apsley Precision customer approved suppliers are utilised, and secondly if a special process is required e.g. Heat treatment, Coating, NDT, Chemical Processing, NMSE the sub-contractor shall be Nadcap approved in that relevant discipline. The supplier should ensure that subcontractors are evaluated and selected on their ability to meet specified requirements. A list of approved subcontractors shall be maintained. Purchasing documents shall clearly describe the relevant drawings and specifications including issue status and the quality requirements to be applied.



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21.5 Any equipment supplied by the buyer will remain the buyer's property and be returned to the buyer in good condition. The equipment will not be used for other production work.

21.6 External Providers must be aware, and make their personnel aware, of the following:

- Their contribution to product or service conformity
- Their contribution to product safety
- The importance of ethical behaviour
- Conflict of Materials Directive [3TG:- Tin, Tungsten, Tantalum and Gold].
- General Data Protection Regulation. [GDPR] [EU] 2016/679.
- Modern Slavery Act 2015

22. PREVENTION OF COUNTERFEIT PARTS

Seller shall plan, implement, and control processes, appropriate to the organization and the product, for the prevention of counterfeit or suspect counterfeit part use and their inclusion in product(s) delivered to buyer.

Note: Counterfeit part prevention processes should consider:

- Training of appropriate persons in the awareness and prevention of counterfeit parts;
- Application of a parts obsolescence monitoring program;
- Controls for acquiring externally provided product from original or authorized manufacturers, authorized distributors, or other approved sources;
- Requirements for assuring traceability of parts and components to their original or authorized manufacturers;
- Verification and test methodologies to detect counterfeit parts;
- Monitoring of counterfeit parts reporting from external sources;
- Quarantine and reporting of suspect or detected counterfeit parts.

23. MATERIAL DISCREPANCY AND NON-CONFORMANCE

Seller shall notify Buyer in writing when discrepancies in Materials or Processes are discovered or suspected regarding Materials to be delivered under an Order. Seller may not ship Materials with discrepancies, known or not, without written permission from the Buyer. If the seller delivers any non-conforming materials without prior written authorization from the Buyer, Buyer may, in its sole discretion, and at Seller's expense (i) return the materials for credit or refund; (ii) reject materials at time of delivery; (iii) require seller to promptly correct or replace the materials; (iv) correct the materials; or (v) obtain replacement materials from another source and charge Seller for all additional costs acquiring.



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24 QUALITY ASSURANCE REQUIRMENTS:

- ISO9001: 2015 & AS9100 Rev D, Apsley Precision Engineering Ltd must be notified if requirements are outside the scope of registration.
- A Certificate of Conformity to order specification must accompany each delivery.
- A Certificate of Analysis/Test/Mill must accompany a delivery where appropriate.
- Packing and Materials must meet transport of Department Goods Regulation where appropriate.