

MEGGITT

STANDARD UK PURCHASING CONDITIONS

1. Definitions

In these conditions 'Buyer' means the Meggitt company which places the order (acting where relevant through a business division). 'Seller' means the person or entity with whom this order is placed. 'Goods' shall mean all deliverable goods, items, or services described in this order.

2. Orders Authorisation and Conditions of Order

The Buyer shall not be liable in respect of any orders other than those issued or confirmed on its official forms duly signed by one of its authorised officials or approved by Buyer on its electronic ordering system. The Buyer and the Seller agree that, subject to reasonable security precautions, use of electronic signatures by authorised officials can be relied upon. The conditions set out herein shall be the conditions of the contract. No written or printed terms inconsistent herewith or additional hereto shall be binding upon the Buyer unless expressly accepted in writing by one of its authorised officials and unless so accepted in writing delivery of the Goods shall be deemed to be an unconditional acceptance of this order.

3. Specifications and markings

- (a) The Goods must be supplied exactly in accordance with this order and any specification, drawing, process instruction or procedure defined therein. No variation from the requirements shall be permitted without the Buyer's written authority.
- (b) no marking not authorised by the Buyer shall appear on any part of the Goods, except, for standard products of the Seller, the manufacturer's name, address and reference number, the date of manufacture, safety information and any other information relating to the function of the Goods usually incorporated by the manufacturer.

4. Price

The price payable for the Goods will be the price set out in the order. Unless otherwise expressly agreed the contract price will be a fixed price and will include the cost and risk of delivery to the Buyer's premises.

5. Payment Terms

- (a) Unless otherwise agreed payment of the price will be made 60 days following the end of the month of delivery. The invoice in duplicate must be forwarded to Financial Accounts Department of the Buyer at the postal address on the order, unless otherwise stated.
- (b) The Buyer may withhold payment of any amount due to Seller if Buyer asserts any credit, set-off or counterclaim against Seller.

6. Buyer Property

- (a) All materials, patterns, dies, jigs, fixtures and tooling together with any specifications, drawings, process sheets and the like or any other property whatsoever supplied to the Seller by the Buyer or to the Buyer's order must not, without the Buyer's written consent, be used for or in connection with the production of any Goods whatsoever other than the Goods ordered by the Buyer. The Seller shall ensure that such items are always identified as the property of the Buyer and must be returned to the Buyer immediately on demand.
- (b) **Insurance**
All the Buyer's property including that mentioned in condition 6(a) hereof together with materials and components free-issued by the Buyer in

connection with this order must be insured by the Seller to its full replacement value against all risks until it has been received back by the Buyer or used or forwarded in accordance with its instructions.

7. Development Work

If any work or the production of any Goods involves development which is funded in whole or in part by the Buyer then all rights in the development and in the results thereof will vest in the Buyer. The Seller shall execute or procure the execution of all documents as the Seller may require in order to transfer the full benefit of any such rights.

8. Patent Rights etc.

If the supply or use of any Goods under this order (other than any such Goods or things manufactured by the Seller in accordance with designs supplied by the Buyer) shall be held to constitute an infringement of any third party patent, copyright, registered design or trademark, the Buyer or any person at any time in possession of such Goods shall be indemnified by the Seller against all damages, costs, losses, charges or expenses incurred as a result of such infringement and the Seller will further, if required by the Buyer, conduct any legal proceedings which may be necessary to protect the Buyer at the Seller's risk and expense.

9. Indemnities

The Seller shall indemnify and hold harmless the Buyer from any loss, damage and expense, including all legal fees, incurred or sustained by the Buyer which is caused by or arises as a result of any defects in the Goods or by reason of the negligence of the Seller or the failure of the Seller to conform to the terms of this order or applicable statutory duty or regulation. Seller shall have in place public liability insurance and employer's liability insurance for amounts acceptable to the Buyer, and shall provide evidence of such insurance on request.

10. Publicity

All orders placed by the Buyer are strictly confidential. The Seller must not publish or cause to be published by any means whatsoever any details concerning the Goods which are the subject of this order without the Buyer's previous consent in writing.

11. Confidentiality

- (a) All information of the Buyer or its customers which is or may be disclosed to the Seller in the course of carrying out this order shall be treated by the Seller as strictly confidential and shall not without the prior written consent of the Buyer be disclosed to any third party or parties nor be used or copied for any purpose(s) other than for the execution of this order. The provisions of this condition do not apply to information which is or comes into the public domain otherwise than through a breach of this condition.
- (b) If this order requires or permits the entry by the Seller or its permitted or approved sub-contractor onto the Buyer's premises it is a condition of this order that the Seller and any sub-contractor and their employees shall treat as strictly confidential any processes, specifications or other information which shall come into its knowledge in the course of such entry and any such processes, specifications and other information shall not be disclosed to any third party without the Buyer's previous consent in writing. The Seller shall obtain from any such sub-contractor an undertaking in the terms of this condition.

12. Sub-Contracting, etc.

- (a) The Seller shall not without the Buyer's consent in writing assign or sub-contract this order or any part thereof other than for materials or for any part of the Goods of which the makers are named in the order or specification. Any such consent shall not relieve the Seller of any of his obligations under the contract.

- (b) No third party shall have the right to enforce any provision of this contract.

13. (a) Time for Delivery and Extensions

Time shall be of the essence of this contract. The Goods shall be delivered at the time specified in the order. Goods may not be delivered more than 5 days early. If as a result of any event outside the Seller's control the Seller is unable to deliver the goods within the specified time then provided that the Seller shall have given notice in writing without delay of such event and his intention to claim an extension of time, the Buyer may grant the Seller such extension as the Buyer may consider reasonable. In the event of significant delay the Buyer reserves the right to terminate this order, in whole or in part, without incurring any liability to the Seller.

(b) Deferment of Delivery

In the event of the Buyer's normal course of manufacture being interrupted, restricted, hindered or delayed by any cause whatsoever beyond its control or by any exceptional causes whatsoever, it may without additional cost defer the date or dates of delivery.

(c) Delay in Delivery

If the Goods or any part thereof are not delivered within the time or times specified in the order or any agreed deferment or extension of such time or times the Buyer shall be entitled to recover from the Seller liquidated damages as follows: one half of one per cent (0.5%) per week for the first four weeks and one per cent (1.0%) per week thereafter of that part of the contract price which is properly attributable to the undelivered Goods and to any other Goods already delivered under the contract which cannot be effectively and commercially used by reason of the non-delivery of the said undelivered Goods. The rate shall be applied for each week or part of a week during which the order shall remain uncompleted. The Buyer shall be entitled to deduct such damages from any moneys payable by it under the terms of this order or otherwise. The total amount payable by way of damages under this condition shall in no event exceed fifteen per cent (15%) of the said contract price and such damages shall not relieve the Seller from any of its other obligations or liabilities under the contract.

14. Delivery

- (a) The Goods are to be delivered to the destination stated in the order. They must be delivered in good order and condition. Quantities must not exceed those ordered or specified.
- (b) Unless specifically ordered, no cases, wrappers nor packaging of any kind will be paid for. Should any cases, wrappers or packaging be ordered, charges therefore are to be shown on a separate invoice and such cases may be returned to the Seller who shall forthwith on receipt thereof in good order refund such charges.
- (c) Subject to any special instructions from the Buyer, an advice note shall accompany every delivery which shall state: the number of the order, quantity of the delivery, the quantity already delivered under the order, and the balance of the order still to be delivered.

15. Quality Assurance

- (a) The quality assurance requirements of Goods shall comply with the Seller's quality procedures as authorised Buyer, and with Buyer's applicable quality procedures, a copy of which is available on request.
- (b) Goods delivered shall, as applicable, meet the requirements for release documentation as stated on the face of the Buyer's order.
- (c) for aerospace product requirements, the minimum Seller accreditation shall be ISO9001-2000.

16. Inspection

Authorised Buyer representatives, customers of the Buyer and other authorities shall be allowed access to the Supplier's premises at mutually agreed times to carry out inspection of the Supplier's quality system and Goods verification when necessary.

17. Defects

- (a) It is a condition that the Seller must replace with all reasonable speed free of charge or pay the cost of local replacement of any Goods or parts thereof which may prove defective through faulty design (other than a design made or furnished by the Buyer) material or workmanship within 36 months from the date of delivery.
- (b) If any Goods supplied under this order for further processing before use shall prove to be defective whilst in the course of such processing the Seller will be liable to the Buyer for the cost of any labour expended in connection with such processing in addition to any legal rights which the Buyer may have in respect of such defective Goods.

18. On-site Equipment

The Buyer shall not be responsible for or accept any liability in respect of damage or claims resulting from the use by or on behalf of the Seller of Buyer's on-site equipment. The Buyer's on-site equipment should be used only with its prior authority and in strict compliance with its site procedures and the Seller shall indemnify the Buyer against any failure to do so.

19. Termination on Notice

The Buyer shall be entitled at any time by fourteen days notice in writing to terminate the contract and on such termination:

- (a) The Seller shall use all reasonable endeavours to assign to the Buyer on request the benefit of any sub-contract entered into by the Seller in connection with the goods the subject of this order or to terminate any such sub-contract.
- (b) The Seller shall be entitled to be paid:
 - (i) The sums under the terms of this order in respect of work done and Goods delivered up to the date of termination.
 - (ii) Any sums which, consistent with applicable lead times, have necessarily and reasonably been paid by the Seller to its suppliers or contractors to carry out the Seller's obligations.

The Seller will not be entitled to any payment other than under (i) and (ii) above.

20. Termination for Cause

The Buyer shall be entitled without liability to the Seller to terminate the contract immediately:

- (a) If the Seller fails to perform any condition or requirement of this contract and, if capable of remedy, fails to remedy such breach within 14 days of written notice; or
- (b) The Seller makes any arrangement with its creditors or enters into administration or goes into liquidation; or
- (c) A receiver is appointed of any of the property or assets of the Seller; or
- (d) The Seller ceases to carry on business; or
- (e) Any similar event occurs in another jurisdiction

21. Safety and Environmental Regulation

The Seller shall comply in all respects with the applicable health and safety legislation and environmental regulation and shall indemnify the Buyer against all damage costs losses charges expenses or liabilities whatsoever caused by or arising out of any breach by the Seller of such legislation or regulation.

22. Hazardous Materials

The Seller must advise upon receipt of this order if the Goods to be supplied contain any hazardous or harmful materials requiring special handling or treatment. Seller shall comply with all information requirements relating to the supply of chemicals.

23. Documentation

Where appropriate the Seller shall provide documentation including operating instructions, parts lists and comprehensive spares listings. All documentation supplied shall be in English language.

24. Governing Law

The contract shall in all respects be construed according to and governed by the laws of England and all disputes or claims arising out of this contract shall be subject to the non-exclusive jurisdiction of the English courts.

25. Export Compliance

The Seller shall obtain all export licences necessary for the delivery of the Goods to the Buyer at the time specified in the order. The parties agree to comply with all applicable governmental regulations as they relate to the import, export and re-export of information and/or Goods under this contract. Each party shall indemnify and hold the other party harmless to the full extent of any loss, damage or expense, excluding lost profits, for any failure of the other party to comply with such laws and regulations.

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