



Quality System

# Standard Purchasing Terms & Conditions

Precision Tooling  
Services Ltd.  
Prestwick Aerospace  
Park

## STANDARD CONDITIONS OF PURCHASE

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## 1.0 DEFINITIONS AND INTERPRETATION

### 1.1 In these Conditions and the Order (as defined below) the following expressions shall have the following meanings:-

“Conditions” means the provisions set out herein.

“Confidential Information” has the meaning set out within Condition 18.1.

“Customer” means the customer(s) (if any) who have contracted with the Purchaser for the manufacture and provision of items which include the Supplies (or elements thereof).

“Force Majeure” means an event proved to be beyond the Purchaser’s or the Supplier’s reasonable control.

“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.

“Intellectual Property Rights” means patents, patent applications, registered and unregistered designs, copyright, trade-marks and other forms of statutory protection conferring rights in Intellectual Property, as well as rights existing or arising in law, equity or under the laws of other jurisdictions in relation to Intellectual Property.

“Order” means the purchase order which incorporates these Conditions by reference and any amendments thereto.

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

“Parties” means the Purchaser and the Supplier.

“Purchaser” Precision Tooling Services Ltd (registered number SC093877) whose registered office and place of business is at 10 SPIRIT AERO SYSTEMS, EUROPE LTD, PRESTWICK INTERNATIONAL AIRPORT, PRESTWICK, AYRSHIRE, SCOTLAND, KA9 2RW.

“Relevant Requirements” has the meaning set out within Condition 24.2.1 (a).

“Relevant Terms” has the meaning set out within Condition 24.2.2.

“Special Conditions” means those conditions headed as such on the Order.

“Specification” means the Purchaser’s written technical requirement or other

agreed means of defining the technical requirements for the Supplies referred to by the Order.

“Supplier” means the company on whom the Order is placed.

“Supplies” means all goods, materials, work or services which are the subject of the Order.

- 1.2 To the extent that the Conditions may be inconsistent with the Special Conditions the latter shall take precedence.
- 1.3 Headings are for convenience only and shall not affect the interpretation of the Order or any documents incorporated in the Order.

## 2.0 ENTIRE AGREEMENT

The Order contains the complete and entire understanding between the Parties on the subject matter of the Order and supersedes all discussions, proposals, understandings or agreements (oral or written) relating to the subject matter of the Order, provided that nothing in this Condition shall exclude any liability for fraudulent misrepresentation.

## 3.0 ORDER

- 3.1 If the Parties have agreed the Conditions and the Special Conditions 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 and the Special Conditions 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 be acceptance within the terms of the Order.
- 3.3. The Supplier shall accept the Purchaser's offer, as described in Condition 3.2, within fourteen (14) calendar days of the date of the Order otherwise the offer will lapse without the Purchaser incurring any liability.
- 3.4 The Purchaser does not intend to be bound by any additional terms proposed by the Supplier, whether stated on the Order Acknowledgement Form, communicated by the Supplier at the time of starting work in respect of the Order and/or written on any other document purporting to be an acceptance of the Purchaser's offer.

## 4.0 ADHERENCE TO THE ORDER

- 4.1 The Supplier shall provide the Supplies in all respects and in accordance with the Order.
- 4.2 The Order number and item number shall be quoted on all documents and packages sent by the Supplier to the Purchaser in respect of the Order.

## 5.0 QUALITY

- 5.1 The Supplier shall comply with the Purchaser's requirements for quality control and approvals as set out in the Order.
- 5.2 The Supplier shall not undertake the manufacture or provision of any Supplies and / or Service which is out with the scope of their quality approvals.
- 5.3 It is recognised by the Supplier that in certain cases the Supplies delivered by the Supplier will be for ultimate delivery to the Customer. As a result, it may be necessary to adopt Customer quality and approval requirements into the Order. Such requirements shall be defined in the Order.
- 5.4 All Supplies delivered by the Supplier shall be new unless otherwise specified on the Order.
- 5.5 The rights of the Purchaser in this Condition are in addition and without prejudice to any rights at law or granted elsewhere in these Conditions.
- 5.6 The supplier shall conform to the Quality System, Approval, Monitoring and Audit requirements as set out in procedure PTS-ALL-PR-ALL-020 which is available on request.
- 5.7 Supplemental Quality Requirements for Aerospace Component suppliers.
- 5.7.1 Quality System Requirements

### Manufacturers

Precision Tooling requires all suppliers to have a quality management system that complies with the AS9100 Quality Management Systems – Aerospace – Requirements. Copies of the AS standards can be purchased from SAE International at [www.sae.org](http://www.sae.org). Suppliers who hold design authority and who also manufacture materials, components or assemblies must employ a documented quality system that is compliant with the requirements outlined in this document, the current requirements of AS9100 as applicable, applicable Precision Tooling purchase order Quality notes, and Precision supplemental Quality requirements. Suppliers who do not hold design authority but who only manufacture materials, components or assemblies in accordance with Customer design documents must employ a documented Quality system that is compliant with the requirements outlined in this document and the current requirements of AS9100.

### Quality Access

The supplier guarantees the right of access to their facilities and Quality related data to Precision Tooling, customers and regulatory authorities. This right of access is extended to all sub-tier and raw suppliers.

## Quality Records

All Supplier records shall be retained in accordance with design organization approval requirements, but where not stipulated, records shall be retained in accordance with prEN9130 and Quality requirements as defined within the appropriate business agreements between Precision Tooling and their suppliers.

## Release Requirements

All Precision Tooling materials, services and product shall be released and conveyed under cover of a Certificate of Conformity or other release document as agreed with the Precision Tooling Quality Manager.

Each Release Document shall bear a unique serial number and give comprehensive details of the subject supplies including any relevant limitations or qualifications, applicable Concessions, agreed

Prior to the delivery of any software product, including unaccepted “engineering releases”, the software supplier shall ensure that the software product is fit for its intended use.

Software suppliers shall define and implement a procedure for the certification of the conformity of the software to the contract requirements.

The configuration of the software product, all limitations, known deficiencies, production permits or concessions shall be defined in a Software Version Description Document, which shall be identified on the certificate of conformity.

Each Release Document must be signed by an approved signatory nominated by the supplier.

It is the responsibility of Precision Tooling’s first tier suppliers to flow these requirements to their supply chain.

## 8.9 Non-Conforming Product & Recall requirements

In addition to any contract or regulatory authority reporting requirements, the organisation’s system shall provide for timely reporting of delivered nonconforming product that may affect reliability or safety. Notification shall include a clear description of the nonconformity, which includes parts affected, customer and/or organisation part numbers, quantity and dates delivered. Organisational approval for non-conforming product disposition must be sought by the supplier prior to delivery.

### 8.9.1 Document Control

It is the responsibility of the Supplier to make sure that Precision Tooling Services, work packages are manufactured in accordance with the latest Customer Drawings, Specifications & any additional requirements flown down via Purchase Orders.

### 8.9.2 First Article Inspection

When FAI is required, this will be carried out against Aerospace Standard

AS9102 .

A Full or Delta FAI will be carried out if changes affect fit, form or function:-

- Design Change
- Manufacturing sources, processes, inspection methods
- Location of manufacture, including movement within the same building
- Change of numerical program, media or software
- A natural or man-made event.
- A lapse in production for 2 years

## Supplementary Quality Requirements

### Qualification of Personnel

- 5.7.2 An inspection stamp/signatory system shall be established and maintained for Customer design controlled parts in accordance with the following requirements.
- (a) Inspection stamps/signatures shall be designed to be identifiable to the supplier and the supplier's inspector who affixes the stamp/signs off.
  - (b) Stamps/signatures shall be used to verify in-process manufacturing and inspection operations.
  - (c) For all customer controlled part numbers, acceptance by the supplier of items to be delivered to Precision Tooling shall be indicated by means of the suppliers final stamp on certificates supplied.
  - (d) For all Supplier-controlled part numbers, acceptance by the supplier of items to be delivered to Precision Tooling shall be indicated by means of the supplier's Quality representative certifying compliance with approved engineering requirements. Documentation of this certification shall be included with each shipment. Individual parts will be final acceptance stamped/signed in accordance with the supplier's approved quality system.

### Design, Test & Inspection

Requirements for design, test, inspection, verification (including production process verification), use of statistical techniques for product acceptance, and related instructions for acceptance by Precision Tooling shall be specified on the Purchase order where applicable. This may include critical items and key characteristics.

### Test Specimens

Requirements for test specimens (eg. Production method, number, storage conditions) for approval, inspection/verification, investigation or auditing shall be specified on the purchase order.

## 6.0 GOVERNMENT CONTRACTS

- 6.1 Where it is indicated on the Order that the Supplies are required for a government contract the Order shall (unless otherwise stated) be subject to such government conditions as may be specified on the face of the Order (hereinafter

referred to as "Government Conditions").

- 6.2 If any of these Conditions are inconsistent with any applicable Government Condition, the Government Condition shall prevail to the extent of such inconsistency only, but nothing otherwise shall limit the rights which the Purchaser reserves under these Conditions.

## 7.0 ADVICE AND RELEASE CERTIFICATES

- 7.1 On delivery of each consignment of the Supplies, the Supplier shall deliver to the Purchaser such documents (which shall include, without limitation, advice notes, certificates of conformity and civil approved certificates) as required by the Order. If the Supplier is not the original manufacturer of the Supplies, it shall also provide with the delivery of each consignment of Supplies, copies of the original manufacturer's certificate of conformity or civil approved certificate together with test figures, heat treatment particulars etc, where applicable.

- 7.2 If requested, one copy of all documents referred to in Condition 7.1 above shall also be sent by first class post to the Purchasing Department of the Purchaser quoting the reference on the Order.

- 7.3 If the Supplier fails to comply with Conditions 7.1 and 7.2, the Purchaser shall be under no obligation to accept delivery of the relevant consignment.

## 8.0 PRICE

- 8.1 Where prices have been agreed they shall be set out on the Order, fixed (non-revisable) and exclusive of value added tax and any applicable EU customs duties, but inclusive of all other taxes, imports, and fees. If value added tax is payable it shall be separately identified on the invoice and shall be payable by the Purchaser subject to receipt of a valid VAT invoice.

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

- 8.3 Where prices are not agreed at the date of the Order but commencement of performance of work on the Order by the Supplier is agreed by the Purchaser, an invoice shall not be submitted before the price has been agreed and incorporated in the Order in accordance with Condition 29.

## 9.0 PAYMENT

- 9.1 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.

- 9.2 The Purchaser shall pay the invoice within sixty (60) days (unless otherwise agreed) of the end of the month in which the invoice is delivered provided that: -

(a) the invoice quotes correctly the amount of the payment, the correct Order

number, the item number, the part and drawings numbers and a description of the Supplies (including without limitation, quantities and weights); and  
(b) the Supplies are delivered by the Supplier and accepted by the Purchaser in accordance with Conditions 10 and 12 respectively

## 10.0 DELIVERY

- 10.1 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.
- 10.2 All Supplies must be properly and securely packed with due consideration given to the types of Supplies and method of transportation.
- 10.3 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 or part thereof with immediate effect and the Supplier shall be liable for damages in accordance with Condition 14.2.
- 10.4 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 and accepted by the Purchaser prior to such termination.
- 10.5 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 promptly notifying the Supplier in writing. Such suspension or postponement will continue until the circumstances of the 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 or until the Purchaser notifies the Supplier that it wishes to terminate the Order in accordance with Condition 10.4 above.
- 10.6 The Purchaser shall have the right to require the Supplier to delay delivery of any of the Supplies without revision of the price.

## 11.0 TITLE AND RISK

Title to the Supplies shall pass to the Purchaser on allocation to the Order. Risk in the Supplies shall pass to the Purchaser on delivery.

## 12.0 ACCEPTANCE

- 12.1 Where on receipt acceptance tests are defined in the Order, acceptance of Supplies delivered shall be subject to completion of the acceptance tests to the satisfaction of the Purchaser. Where no acceptance tests are defined in the Order the Purchaser shall have the right to inspect the Supplies after delivery



and acceptance shall take place if the Supplies are satisfactory to the Purchaser on inspection or, if no inspection is made, the Supplies shall be accepted after they have been taken into use by the Purchaser.

- 12.2 If the Purchaser is not satisfied that the Supplies are delivered 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 Condition 12.2(c) above.
- 12.3 In case of rejection of any Supplies in accordance with Condition 12.2 above, risk to the rejected Suppliers shall pass back to the supplier upon receipt of Purchaser's notification of rejection of the Supplies.
- 13.0 WARRANTY
- 13.1 The Supplier warrants that: -
- (a) the Supplies conform in all respects with the Specification; and
  - (b) the Supplies are free from defects (whether actual or latent) in design, materials and workmanship; and
  - (c) the performance and functionality of the Supplies will not be affected by date changes and that the Supplies will accurately process date and time data.
- 13.2 The warranty in Condition 13.1 shall, in respect of each item of the Supplies, continue for twenty four (24) calendar months from the date of acceptance of such item of the Supplies, unless an extended warranty period is offered by the Supplier to the Purchaser and agreed by the Purchaser.
- 13.3 If there is a defect in the Supplies during the warranty period, the Supplier shall at its own expense and risk, but at the discretion of the Purchaser, without delay, either repair or replace the defective Supplies or refund the Purchaser the price of the defective Supplies.
- 13.4 The warranty at Condition 13.1 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 twenty four (24) calendar months from the date of acceptance by the Purchaser of such replaced or repaired item of the Supplies.
- 13.5 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 then the warranty period for the Supplies shall be extended by the period during which they were not available for use by the Purchaser.
- 13.6 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.

13.7 This Condition 13 shall apply in addition and without prejudice to any other rights and remedies available to the Purchaser.

## 14.0 REMEDIES

### 14.1 Termination for Default

- (a) If the Supplier is in breach of the Order or of any of these Conditions (including, without limitation, the warranty at Condition 13.1) the Purchaser may give the Supplier a written notice specifying the breach.
- (b) If the breach is not capable of remedy the Purchaser shall be entitled to terminate the Order or part thereof immediately.
- (c) 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 the notice. If the Supplier does not rectify the breach within twenty-eight (28) calendar days (or such other period as may be agreed in writing) the Purchaser may give written notice to the Supplier immediately terminating the Order or part thereof. The provisions of this Condition 14.1 shall at all times be subject to and without prejudice to the provisions of Condition 10.

### 14.2 Damages for Default

The Supplier shall be liable for all losses, liabilities, actions, claims, damages, injuries, costs and expenses (including legal costs and expenses) of whatever nature suffered by the Purchaser as a result of a breach by the Supplier of the Order or any of these Conditions.

### 14.3 Indemnity

The Supplier shall upon demand indemnify the Purchaser in full against all losses, liabilities, actions, claims, damages, compensation, obligations, injuries, costs and expenses (including legal costs and expenses) of whatever nature suffered by the Purchaser resulting from the negligence, breach of contract or breach of statutory duty caused by the acts or omissions of the Supplier, its employees, sub-contractors or agents in their performance of the Order or in connection with any defect in any item of the Supplies. This indemnity shall continue in force notwithstanding termination for whatever reason of the Order.

### 14.4 Termination for Insolvency

Should the Supplier, or the Purchaser bona fide believes that they may, become insolvent or go into liquidation or cease paying their debts as they mature or make an assignment for the benefit of creditors or if the Supplier being a limited company passes a resolution for winding up or if a petition for winding up is presented or files for protection from their creditors under any applicable law relating to bankruptcy or insolvency or a trustee or receiver or liquidator shall be appointed for the Supplier for a substantial part of their property or bankruptcy or liquidation re-organisation arrangements insolvency or similar proceedings shall

be instituted under the laws of any jurisdiction; the Purchaser may without prejudice to its rights and remedies under the Order or these Conditions or any other remedies arising at law suspend, or terminate, the Order immediately (whether in whole or in part) without incurring any liability whatsoever except in respect of Supplies delivered before the date of any of the above mentioned events.

#### 14.5 Change of Control

In the event the Supplier is acquired by or merged with any third party or undergoes a change of control, the Purchaser shall be entitled to suspend the performance of, or terminate, the Order immediately (whether in whole or in part) without incurring any liability whatsoever except in respect of Supplies delivered to the Purchaser before the occurrence of the events set out in this sub clause.

#### 14.6 Cancellation

- (a) The Order may be cancelled (in whole or in part) at any time by the Purchaser on written notice to the Supplier stating that the Order is cancelled.
- (b) If such notice is given, the Supplier shall comply with any directions regarding the Supplies given by the Purchaser.
- (c) The Purchaser and the Supplier shall agree a fair and reasonable price for all work reasonably done and materials reasonably purchased by the Supplier for the purpose of carrying out work on the Order up to the date of termination in satisfaction of all sums due to the Supplier by the Purchaser under this Order.
- (d) In order to agree such price, the Supplier shall submit an account to the Purchaser within three (3) months from the date of cancellation in a form satisfactory to the Purchaser.
- (e) The agreed price, together with any sums paid or due to the Supplier under the Order before the effective date of termination shall not exceed the total price of the Supplies under the Order and such payment shall be the Purchaser's sole liability in respect of the cancellation.

14.7 Any termination or cancellation of the Order by the Purchaser for whatever reason shall be without prejudice to any rights or remedies which may have accrued to the Purchaser prior to termination or cancellation and the Purchaser shall use its reasonable endeavors to mitigate its loss on any termination.

#### 15.0 INTELLECTUAL PROPERTY RIGHTS

15.1 All Intellectual Property created as a result of the work undertaken by the Supplier or its subcontractors for the purpose of the Order shall vest in and be the absolute property of the Purchaser, and the Supplier shall do all necessary acts to vest such Intellectual Property in the name of the Purchaser or its nominee, such acts to include (without limitation) the execution of documents.

15.2 The Supplier warrants that having carried out all reasonable investigations, the Supplies and the intended use of the Supplies by the Purchaser will not infringe

any Intellectual Property Rights of a third party existing or pending at the date of the Order.

- 15.3 The Supplier shall on demand indemnify the Purchaser against all losses, liabilities, actions, claims, damages, injuries, costs and expenses (including legal costs and expenses) of whatever nature which may be suffered by or on behalf of the Purchaser as a result of the infringement or alleged infringement of any third party Intellectual Property Rights arising in connection with the Supplies.
- 15.4 On request to the Supplier by the Purchaser, the Purchaser shall be given full control of any proceedings or negotiations in connection with any Intellectual Property Rights claims and shall diligently pursue the same unless both Parties agree otherwise. The Purchaser shall consult with the Supplier in relation to such actions.
- 16.0 HEALTH, SAFETY AND ENVIRONMENT
- 16.1 The Supplier shall familiarize itself with and ensure that its sub-contractors and agents shall familiarize themselves with and comply with the Purchaser's procedures relating to discipline, fire, health and safety when on the sites of the Purchaser and such other procedures applicable to such other sites as the Order requires.
- 16.2 The Supplier shall as soon as possible (and no later than on delivery) provide the Purchaser with all instructions drawn up by the Supplier or its subcontractors from time to time relating to the use and disposal of the Supplies and in particular draw attention to any dangers, hazards or restrictions associated with the Supplies.
- 17.0 INSURANCE
- 17.1 If the Supplier's employees, agents or sub-contractors are present on the sites of the Purchaser or such other sites as the Order requires, the Supplier shall effect legal liability insurance of not less than five million pounds (£5,000,000) per event or series of events in respect of loss of or damage to property of the Purchaser or death or injury to persons resulting from performance of the Order.
- 17.2 If the Supplier is required to carry out work at any aerodrome the Supplier shall ensure that its legal liability insurance extends to aviation and air-side exposure.
- 17.3 Should the Supplier's legal liability insurance policy cover be in excess of five million pounds (£5,000,000) then the Purchaser shall have the full benefit of such policy and the Supplier shall notify its insurers of the Purchaser's interest on such policy and shall give a copy of such policy to the Purchaser on request.
- 17.4 The Supplier shall effect and maintain General Third Party Products Liability insurance in respect of any Supplies that are to be incorporated into the Purchaser's products for onward sale. Such Product Liability Insurance must be commensurate with the exposure potential of the Supplies when incorporated into the Purchaser's onward sale product and shall be not less than the minimum

figure advised by the Purchaser from time to time.

- 17.5 On request by the Purchaser, the Supplier shall provide the Purchaser with a certificate of insurance or such other evidence reasonably satisfactory to the Purchaser that the above insurance is in full force and effect in respect of the Supplier's obligations under the Order.
- 18.0 CONFIDENTIALITY, SECURITY AND PUBLICITY
- 18.1 Any information disclosed by either the Purchaser or the Supplier to the other (which is marked as confidential at the time of disclosure or which (if oral or visually disclosed) is described as confidential at the time of disclosure under the Order and is confirmed as such by the disclosing Party to the receiving Party within thirty (30) days of such disclosure) ("Confidential Information") shall at all times be treated by the receiving Party under the Order as confidential and (save as is necessary for use by the Purchaser and any end Customer of the Purchaser) 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. The obligations of confidentiality shall not apply in respect of information which:-
- (a) is in the receiving Party's unrestricted possession at the date of disclosure under this Order;
  - (b) is in or enters into the public domain without breach of these Conditions by the receiving Party; or
  - (c) the receiving Party can prove to have been developed by it independently of the Intellectual Property disclosed under the Order.
- 18.2 The Supplier shall not disclose the Order or the subject matter of the Order, the Purchaser's name, the name of the Customer, the name of any project or programme, or any other Intellectual Property or information acquired through its dealings with the Purchaser for any reason whatsoever including for publicity or marketing purposes without the prior written consent of the Purchaser.
- 18.3 Any information given to the Supplier by the Purchaser shall remain the absolute property of the Purchaser and shall be returned to the Purchaser or (at the Purchaser's option) be destroyed by the Supplier on termination or cancellation of the Order.
- 18.4 In the conduct of the Supplier's dealings with the Purchaser and subject to Condition 22.4, neither the Purchaser nor the Supplier shall remove from the other's premises any items including (without limitation) drawings, specifications, documents, or data belonging to the other without the other's prior written consent.
- 18.5 The Purchaser's sites to which the Supplier may have access during its performance of the Order may be subject to national security requirements. It is a condition of the Order that in all the Supplier's dealings with the Purchaser the provisions of the Official Secrets Acts and any amendment thereto shall apply and the Supplier shall procure that any of its employees, agents, or

sub-contractors (to whom information shall only be given in support of the preparation or furtherance of the Order) are made aware of this provision, are notified of the security classification of any information and accept that they are subject to the security procedures notified on the Order or in operation at the Purchaser's sites.

18.6 The Supplier acknowledges that this Condition 18 applies from the date of the Order and shall continue to apply after completion or early termination of the Order. The Supplier shall procure that any of its employees, agents or sub-contractors that may have a need to visit the Purchaser's sites or have access to any Intellectual Property, arising out of the Supplier's dealings with the Purchaser, have notice that the above mentioned provisions apply equally to them.

18.7 The receiving Party shall be entitled to make disclosure of the Disclosing Party's Confidential Information required by court order or government or regulatory requirement subject to notifying the disclosing party as soon as possible of such requirement.

18.8 The receiving Party may, provided that it has reasonable grounds to believe that the disclosing Party is involved in activity that may constitute a criminal offence under the Bribery Act 2010, disclose Confidential Information to the Serious Fraud Office without first notifying the disclosing Party of such disclosure.

## 19.0 SPARES

19.1 The Supplier shall ensure that spares for the Supplies are made available to the Purchaser for the term of the Order and for a minimum period of five (5) years thereafter.

19.2 Any such spares shall be supplied to the Purchaser:

- (a) under the terms of this Order;
- (b) at a price to be agreed with the Purchaser but which in no event shall be greater than the price of the originally supplied article for which the spare is a replacement; and
- (c) in accordance with any Specification.

## 20.0 TOOLING

If the Supplier has created tooling, moulds, test equipment, circuit boards or other technology specifically in relation to the Supplies, the Purchaser shall have the option to purchase such technology (and/or any intellectual property rights therein at the Purchaser's further option) from the Supplier. If the Purchaser does decide to purchase such technology, the Supplier shall co-operate with the Purchaser to ensure that any such rights vest in the Purchaser where requested by the Purchaser.

## 21.0 SUB-CONTRACTS AND ASSIGNMENT

- 21.1 Other than is custom and practice in the trade, 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).
- 21.2 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).
- 21.3 The Purchaser's interests in this Order may be assigned or novated upon reasonable notice to the Supplier.
- 22.0 PROPERTY ISSUED BY THE PURCHASER
- 22.1 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.
- 22.2 Any such property possessed or controlled by the Supplier, shall be held at the Supplier's risk, stored and booked separately from other property, maintained at the Supplier's expense in good and serviceable condition, clearly marked as "PRECISION TOOLING SERVICES property" and only be used by the Supplier for the performance of the Order.
- 22.3 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, unless incorporated into the Supplies, be returned promptly to the Purchaser.
- 22.4 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.
- 23.0 COMPLIANCE WITH LAW AND REGULATIONS
- 23.1 The Supplier shall comply with all statutory and other requirements applicable to its business in performing work under the Order, including, but not limited to, compliance with all labeling requirements as set out from time to time by the United Kingdom and United States of America authorities, and provision by the Supplier of the appropriate certificates of conformity to the Purchaser.
- 23.2 The Supplier warrants that it has obtained all necessary export approvals for the provision of the Supplies to the Purchaser. The Supplies may be exported or re-exported by the Purchaser and the Supplier confirms that no restriction exists in respect of US Department of Commerce Export Administration Regulations or any other US or non-US Government Regulations preventing such export or re-export by the Purchaser.
- 23.3 A person who is not a Party to this Order has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Order but this does not affect any right or remedy of a third party which exists or is available apart from that Act.
- 24.0 INDUCEMENTS / ANTI-BRIBERY

## 24.1 Inducements

The Supplier shall neither:-

- (a) induce an employee of the Purchaser to make any concession to the Supplier, issue the Order or alter any of the requirements of the Order in return for any gift, money or other inducement; nor
- (b) pay money or give any other benefit to any third party (either directly or indirectly) in connection with the negotiation and/or issue of the Order; nor
- (c) encourage an employee of the Purchaser to commit any act of dishonesty against the Purchaser which may benefit the employee or be a detriment to the Purchaser, or both.

## 24.2 Anti-Bribery

### 24.2.1 The Supplier shall:

- (a) comply with all applicable laws, statutes, regulations and codes relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010 (“Relevant Requirements”);
- (b) not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act 2010 as if such activity, practice or conduct had been carried out in the United Kingdom;
- (c) have and shall maintain in place throughout the term of this Order its own policies and procedures, including adequate procedures under the Bribery Act 2010, to ensure compliance with the Relevant Requirements, and Condition 24.2.1(b), and will enforce them where appropriate;
- (d) promptly report to the Purchaser any request or demand for any undue financial or other advantage of any kind received by the Supplier in connection with the performance of this Order;
- (e) immediately notify the Purchaser in writing if a foreign public official becomes an officer or employee of the Supplier or acquires a direct or indirect interest in the Supplier, and the Supplier warrants that it has no foreign public officials as officers, employees or direct or indirect owners at the date of this Order; and
- (f) in the event this Order relates to an ongoing supply arrangement with the Supplier, the Supplier will within twelve (12) months of the date of the original date of this Order, and annually thereafter for so long as this Order is in effect, certify to the Purchaser in writing signed by an officer of the Supplier, compliance with this Condition 24 by the Supplier and all persons associated with it under Condition 24.2.2. The Supplier shall provide such supporting evidence of compliance as the Purchaser may reasonably request.

24.2.2 The Supplier shall ensure that any person associated with the Supplier who is providing goods, or performing services as the case may be, in connection with the Order does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on the Supplier in



this Condition 24.2 (“Relevant Terms”). The Supplier shall be responsible for the observance and performance by such persons of the Relevant Terms, and shall be directly liable to the Purchaser for any breach by such persons of any of the Relevant Terms.

24.2.3 Breach of this Condition 24 shall be deemed a breach of the Order and the Purchaser shall be entitled to terminate the Order in accordance with Condition 14.1.

24.2.4 For the purpose of this Condition 24, the meaning of adequate procedures and foreign public official and whether a person is associated with another person shall be determined in accordance with section 7(2) of the Bribery Act 2010 (and any guidance issued under section 9 of that Act), sections 6(5) and 6(6) of that Act and section 8 of that Act respectively. For the purpose of this Condition 24.2, a person associated with the Supplier includes but is not limited to any subcontractor of the Supplier.

## 25.0 NOTICES

25.1 All notices and communications shall be in writing and in the English language and shall be deemed served:-

- (a) if sent by fax and copied by letter, on the date of despatch; and
- (b) if sent by first class post, forty-eight (48) hours from the date of despatch.

25.2 Any notice or other communication sent to the Supplier shall be sufficient if sent to the address notified to the Purchaser for that purpose or, if not notified, the Supplier's address on the Order.

25.3 Any notice or other communication sent to the Purchaser shall be sent to the address given for the Purchaser on the Order for the attention of the person shown on the Order.

## 26.0 CONTINUITY OF SUPPLY

The Supplier shall not unreasonably refuse to provide Supplies under the Order. The Supplier additionally undertakes to accept further Orders in relation to the Purchaser's future requirements for the same or similar Supplies at prices and delivery lead times no less favorable to the Purchaser than those agreed for the Order. In the event that the Supplier is unwilling or unable to accept such Orders they shall immediately deliver to the Purchaser without charge all necessary drawings, specifications, manufacturing information and tooling in his possession or under their control to enable the Purchaser to make Supplies or have them made elsewhere.

## 27.0 WAIVER

No exercise or failure to exercise, or delay in exercising any right, power or

remedy vested in any Party under or pursuant to this Order shall constitute a waiver by that Party of that or any other right, power or remedy.

## 28.0 SEVERANCE

Should any provision of this Order be deemed invalid, illegal or void, then that provision shall be deemed severed from the Order which shall continue in force notwithstanding such severance. The Parties shall nevertheless negotiate in good faith in order to agree the terms of a mutually acceptable and satisfactory alternative provision in place of the severed provision.

## 29.0 AMENDMENTS

29.1 Amendments to the Order shall only be effective when:-

- (a) a document setting out the terms of the amendment is signed by the Purchaser and the Supplier; and
- (b) an Order amendment is issued by the Purchaser which incorporates the document described in Condition 29.1(a).

## 30.0 E-COMMERCE

Both Parties recognize the benefits of electronic trading and that the Purchaser may implement such a system. It is agreed that the future introduction of electronic trading and invoicing may result in changes to the Ordering and payment processes. The Supplier shall support such activity on a free of charge basis.

## 31.0 OFFSET

31.1 The Supplier understands that the Purchaser and other companies within Precision Tooling Ltd. and associated companies thereof, accrue significant offset obligations resulting from international sales. To assist in satisfying these obligations, the Purchaser may wish to take advantage of the Supplier's offshore supply chain and investment activity, in order that potential offset credits can be claimed in identified target markets.

31.2 The Supplier acknowledges that companies within Precision Tooling Services Ltd and associated companies thereof may be entitled to utilise through the Purchaser the total value of the Order and any sub-contracts placed by the Supplier arising from this Order, as fulfillment in whole or in part of any offset obligation placed, or to be placed, upon a company in Precision Tooling Services Ltd or an associated company thereof by an overseas customer.

31.3 The Supplier shall first seek and obtain the Purchaser's written permission prior to using this Order and/or any sub-contracts arising from this Order in satisfaction of the Supplier's own or any of the Supplier's other customers' Offset obligations.

31.4 On request by the Purchaser, the Supplier shall assist the relevant company in registering this Order with the appropriate bodies as a satisfactory

offset.

## 32.0 LAW AND JURISDICTION

32.1 The Order and these Conditions shall be governed by English law.

32.2 For the benefit of the Purchaser, the Supplier agrees that any disputes under the Order and these Conditions will be dealt with by the English courts. If in the course of performance of the Order a dispute arises between the Supplier and the Purchaser, the Supplier shall continue to perform the Order unless otherwise requested by the Purchaser.

32.3 Nothing in this Condition limits the Purchaser's rights to take legal action under this Order and these Conditions:

- (a) In any court in another country; or
- (b) in more than one country at the same time.

32.4 The Supplier agrees that:

- (a) it will not object to the courts of England being used for any disputes regarding the Order and these Conditions;
- (b) a judgment or order of a court of England regarding the Order is final and binding and can be enforced elsewhere in the world, subject to applicable laws.

32.5 The Supplier irrevocably and unconditionally:

- (a) agrees that if the Purchaser takes legal action against it or its assets, the Supplier will not claim immunity against the legal action or the carrying into effect of any judgment in that legal action, whether against the Supplier or its assets;
- (b) gives up any right of immunity which it or its assets have now or may have in the future; and
- (c) consents to any remedy or judgement which may be given during the course of any legal action that the Purchaser may take against the Supplier.