



TERMS & CONDITIONS OF PURCHASE

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1. Definitions

For the purpose of these Conditions:

Agreement means the Purchase Order and the Supplier's acknowledgement of the Order;

Conditions means these terms and conditions;

Goods means any goods and/or services agreed in the Agreement to be purchased by the Purchaser from the Supplier (including any part or parts of them);

Order means the Purchaser's written instruction for the Supplier to supply the Goods, incorporating these Conditions;

Purchaser means, Ashtead Engineering Company limited (AEC)

Supplier means the person, firm or company who accepts the Order.

2. Supplier's Conditions

The Purchase Order, including these Conditions contains the entire agreement and understanding between the Supplier and the Purchaser and supersedes all prior discussions and negotiations between them. No terms or conditions endorsed upon, delivered with or otherwise contained or stated in the Supplier's quotation, or in the Supplier's acknowledgement or acceptance of the Order shall not be binding on the Purchaser if in conflict with or in additions to any of the provisions of the Order (including but not limited to delivery schedule, price, quantity, specification and terms and conditions) unless expressly agreed to in writing by the Purchaser. Supplier is not to subcontract the work out without permission from AEC.

3. Deliveries

- 3.1. The Purchaser's production schedules are based upon the Supplier's commitment that the Goods will be delivered to the Purchaser by the date specified on the Order, or, if a date is not specified, within 30 days of the date of the Order. Time of delivery is therefore the essence of the Order. If the Supplier fails to make delivery of the Goods at the time agreed upon, the Purchaser reserves the right to cancel, purchase elsewhere and hold the Supplier accountable for any additional costs or damages incurred by the Purchaser.
- 3.2. The Goods shall be delivered to the Purchaser's place of business or to such other place of delivery as is agreed by the Purchaser in writing prior to delivery of the Goods. The Supplier shall off-load the Goods at its own risk as directed by the Purchaser.
- 3.3. The Supplier shall ensure that each delivery is accompanied by a delivery note which shows the Order number, date of Order, number of packages and contents and, in the case of part delivery, the outstanding balance remaining to be delivered. It must also reference related certification with its corresponding certification number.
- 3.4. Unless otherwise stipulated by the Purchaser in the Order, deliveries shall only be accepted by the Purchaser in normal business hours. If the Goods are not delivered on the due date then, without prejudice to any other rights which it may have, the Purchaser reserves the right to:
 - (a) cancel the Agreement in whole or in part
 - (b) refuse to accept any subsequent delivery of the Goods which the Supplier attempts to make
 - (c) recover from the Supplier any expenditure reasonably incurred by the Purchaser in obtaining the Goods in substitution from another supplier
 - (d) claim damages for any additional costs, loss or expenses incurred by the Purchaser which are in any way attributable to the Supplier's failure to deliver the Goods on the due date.
- 3.5. Where the Purchaser agrees in writing to accept delivery by instalments the Agreement shall be construed as a single contract in respect of each instalment. Nevertheless failure by the Supplier to deliver any one instalment shall entitle the Purchaser at its option to treat the whole Agreement as repudiated.
- 3.6. The Purchaser shall not be deemed to have accepted the Goods until it has had 30 days to inspect them following delivery. The Purchaser 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.
- 3.7. The Goods shall remain at the risk of the Supplier until delivery to the Purchaser is complete (including off-loading and stacking) at which time the ownership of the Goods shall pass to the Purchaser.

4. Prices

The price of the Goods shall be stated in the Purchase Order and unless otherwise agreed in writing by the Purchaser shall be exclusive of value added tax but inclusive of all other charges. No variation in the price nor extra charges shall be accepted by the Purchaser.

5. Payment

- 5.1. The Purchaser shall pay the price of the Goods that are delivered and accepted pursuant to these Conditions within 60 days from the end of the month of the tax point date of a valid invoice as received from the Supplier but time for payment shall not be of the essence of the Agreement.
- 5.2. Without prejudice to any other right or remedy, the Purchaser reserves the right to set off any amount owing at any time from the Supplier to the Purchaser against any amount payable by the Purchaser to the Supplier under the Agreement.

6. Quantities

Delivery of the Goods must equal exact amounts ordered unless otherwise agreed by the Purchaser. If the Goods are delivered to the Purchaser in excess of the quantities ordered the Purchaser shall not be bound to pay for the excess and any excess shall be and shall remain at the Supplier's risk and shall be returnable at the Supplier's expense.

7. Warranty

The Supplier warrants that all Goods delivered hereunder shall be free from defect of materials or workmanship and shall conform strictly to the specifications, drawings or sample specified or furnished. This warranty shall survive any inspection, delivery, acceptance of, or payment by the Purchaser for the Goods.

8. Quality and Defects

- 8.1. The Goods shall be of the best available design, of the best quality, material and workmanship, be without fault and conform in all respects with the Order and specification and/or patterns supplied or advised by the Purchaser to the Supplier.
- 8.2. The Supplier must check they have the latest revisions of all specifications, drawings and any supporting documents.
- 8.3. The Purchaser's rights under these conditions are in addition to the statutory conditions implied in favour of the Purchaser by the 'Sale of Goods Act'.
- 8.4. The Supplier shall employ appropriate housekeeping practices to assure timely detection and removal of any foreign object debris ("FOD") generated or introduced during manufacturing operations and/or other activities undertaken by the Supplier in performance of the Contract. Whenever and/or wherever FOD entrapment or migration may be present, the seller shall ensure that this requirement is flowed down to the supplier's sub-contractor at every tier.
- 8.5. The Supplier shall ensure that any internal product or service, sub-contract, sub-tier, Supplier non-conforming shall be identified, controlled, segregated, and inhibited from use or delivery to AEC. The Supplier shall carry out an immediate containment action, followed up by a root cause analysis and corrective action for all occurrences in accordance with their Procedures.
- 8.6. Product dispositioned as scrap shall be permanently marked, in a manner that makes it clear and obvious the part or product is scrap. The part or product shall be rendered unusable where practical and shall be controlled until physically disposed of.
- 8.7. When the Supplier identifies or becomes aware of a suspect part/product or service that has escaped from the Supplier's facility to AEC, the Supplier shall notify AEC Quality within 72 hours.
- 8.8. The Supplier shall notify the purchaser of any changes in processes or non-conforming products and obtain approval from the company for any non-conforming products or allowances. These changes are to be approved prior to processing.
- 8.9. Counterfeit parts - An unauthorised copy, imitation, substitute or modified part (material, part, component), which is knowingly misrepresented as a specified genuine part of an original or authorised manufacturer shall not be delivered.

9. Inspection

- 9.1. All Goods shall be subject to the Purchaser's (and any of the Purchaser's clients if necessary) inspection and test at all times before, during or after manufacture. Final inspection and acceptance shall be at the Purchaser's premises unless otherwise specified.
- 9.2. The Purchaser shall have the right to reject and return at the Supplier's expense or in its discretion, to require the correction or replacement of Goods which are defective or do not conform to the requirements of the Order. All rejects shall be held at the Supplier's risk and expense, including all transportation and handling costs until returned to the Supplier or corrected by the Supplier.
- 9.3. If a sampling plan is used this shall be in accordance with AS9138 or BS6001 with the exception that lot acceptance will always be "accept on zero, reject on one". Alternative sampling plans must be approved by the Purchaser. A sampling plan may only be used where less than 100% inspection can be justified.
- 9.4. All equipment used during inspection must be maintained in good working order with current calibration records. The inspection work area shall have a minimum of 800 Lux lighting.
- 9.5. Where a First Article Inspection is required, this is to be produced in accordance with AS9102 latest revision and must include ballooned drawings and copies of all certificates.

10. Documentation

- 10.1. Process certification must accompany each delivery. This is to include the process used, the specification to which it conforms (including revision), results of any testing and the name of the sub-tier that performed them if other than the supplier. Certification must be signed or stamped by an authorized representative.
- 10.2. The Supplier shall establish and maintain specific manufacturing records and design specifications for the full length of periods mandated by applicable statute or regulations and for the anticipated useful life of the product, whichever is longer. This must be for a period of not less than twelve years. For certain purchase orders the requirement for this period may be extended.
- 10.3. Supplier shall document, implement, and maintain a process for identifying product during all stages of receipt, any internal processing, storage, distribution, and shipment.

- 10.4. The Supplier shall conduct a review (Contract/Order review) on the Purchase Order or Contract from AEC prior to acceptance. The review should include all necessary functions within the Supplier's organisation relevant to Purchase Order/Contract, size of the business and considered necessary by the Supplier to ensure that on acceptance of the order, the requirements of AEC will be fulfilled. The Supplier shall retain documented evidence that the review has been successfully completed.

11. Reportable Substances

- 11.1. The Supplier's obligation to AEC is to declare the presence of an SVHC in the Article (Part) they supply
- 11.2. All delivered articles (Parts) must have a clearly defined statement informing AEC of the known REACH status of the article (Part) included on the C of C or on the delivery paperwork.
- 11.3. (If the article does contain SVHC's then state the type and % weight SVHC/per article. i.e.: > or < 0.1% w/w of SVHC's present)
- 11.4. AEC are obligated to declare to their customers any substance that is on the Substance of Very High Concern (SVHC) list, AEC will follow information obligation as per Article 33 of REACH regulation (EC No: 1907/2006)
- 11.5. The Supplier shall have a Policy or Procedure in place to ensure any changes to the Dodd Frank's regulatory requirements are reviewed and abided by and is flowed down to their supply chain.

12. Cooperation & Right of Access

The Supplier understands that its provision of the Goods and/or Services may form part of obligations undertaken by the Purchaser for a customer of the Purchaser. The supplier shall cooperate with and grant the Purchaser, any regulatory authority and/or Customer representatives access to their facilities and documentation and provide them with necessary means, in accordance with the confidentiality rules, for performing the supervisory actions, including checking for conformity to a contract and/or to a product, and surveys on the functioning of the Quality Management System. In cooperation with the supplier, this right of access is extended to the sub-tier suppliers.

13. Confidentiality

The Supplier 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 Supplier by the Purchaser or its agents and any other confidential information concerning the Purchaser's business or its products which the Supplier may obtain and the Supplier shall restrict disclosure of such confidential material to such of its employees, agents or subcontractors as need to know the same for the purpose of discharging the Supplier's obligations to the Purchaser and shall ensure that such employees, agents or sub-contractors are subject to like obligations of confidentiality as bind the Supplier.

14. Changes to Orders

An Order may only be amended by written agreement between the Purchaser and the Supplier.

15. Supplementary Information

Any specification, drawings, notes, instructions, engineering notices or technical data referred to in the Order shall be deemed to be incorporated herein by reference as if fully set forth, to the extent that they do not conflict with these Terms and Conditions or the Order.

16. Publicity, Promotion or Advertising

The Supplier shall not, without the Purchaser's prior written consent, issue any news release, advertising, publicity or promotional material regarding the Order (including denial or confirmation thereof).

17. Force Majeure

The Purchaser reserves the right to defer the date of delivery or payment or to cancel the Agreement or reduce the volume of the Goods ordered if it is prevented from or delayed in the carrying on of its business due to circumstances beyond the reasonable control of the Purchaser including, without limitation, acts of God, acts of terrorism, protests, riot, civil commotion, fire, explosion, flood, lock-outs, strikes or other labor disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials.

18. Termination

- 18.1. The Purchaser shall have the right at any time and for any reason to terminate the Agreement in whole or in part by giving the Supplier written notice whereupon all work on the Agreement shall be discontinued and the Purchaser shall pay to the Supplier fair and reasonable compensation for work-in-progress at the time of termination but such compensation shall not include loss of anticipated profits or any consequential loss.
- 18.2. The Purchaser shall have the right at any time by giving notice in writing to the Supplier to terminate the Agreement forthwith if:
- (a) the Supplier commits a material breach of any of the terms and conditions of the Agreement; or
 - (b) the Supplier (being an individual) shall commit an act of bankruptcy or a receiving order be made against him or if the Supplier (being a company) shall enter into an arrangement or composition with its Creditors or go into liquidation whether voluntary or otherwise except for the purpose of amalgamation or reconstruction.

- 18.3. The termination of the Agreement, however arising, shall be without prejudice to the rights and duties of the Purchaser accrued prior to termination. The conditions which expressly or impliedly have effect after termination shall continue to be enforceable notwithstanding termination.

19. Indemnity

The Supplier shall keep the Purchaser indemnified in full against all direct, indirect or consequential liabilities (which terms include without limitation, loss of profit, loss of business, depletion of goodwill and like loss) loss, damages, injury, costs and expenses (including legal and other professional fees and expenses) awarded against or incurred or paid by the Purchaser as a result of or in connection with:

- (a) defective workmanship, quality or materials
- (b) an infringement or alleged infringement of any intellectual property rights caused by the use, manufacture or supply of the Goods
- (c) any claim made against the Purchaser in respect of any liability, loss, damage, injury, cost or expense sustained by the Purchaser's employees or agents or by any customer or third party to the extent that such liability, loss, damage, injury, cost or expense was caused by, relates to or arises from the Goods as a consequence of a direct or indirect breach or negligent performance or failure or delay in performance of the terms of the Agreement by the Supplier.

20. Remedies

Without prejudice to any other right or remedy which the Purchaser may have, if any Goods are not supplied in accordance with, or the Supplier fails to comply with, any of the terms of the Agreement the Purchaser shall be entitled to avail itself of any one or more of the following remedies at its discretion, whether or not any part of the goods have been accepted by the Purchaser:

- (a) to rescind the Order
- (b) to reject the Goods (in whole or in part) and return them to the Supplier at the risk and cost of the Supplier on the basis that a full refund for the Goods so returned shall be paid forthwith by the Supplier
- (c) at the Purchaser's option to give the Supplier the opportunity at the Supplier's expense either to remedy any defect in the Goods or to supply replacement Goods and carry out any other necessary work to ensure that the terms of the Agreement are fulfilled
- (d) to refuse to accept any further deliveries of the Goods but without any liability to the Supplier
- (e) to carry out at the Supplier's expense any work necessary to make the Goods comply with the Agreement
- (f) to claim such damages as may have been sustained in consequence of the Supplier's breach or breaches of the Agreement.

21. General

- 21.1. Each right or remedy of a party under the Agreement is without prejudice to any other right or remedy of that party whether under the Agreement or not.
- 21.2. Failure or delay by a party in enforcing or partially enforcing any provision of the Agreement shall not be construed as a waiver of any of its rights under the Agreement.
- 21.3. Any waiver by a party of any breach of, or any default under, any provision of the Agreement by a party shall not be deemed a waiver of any subsequent breach or default and shall in no way affect the other terms of the Agreement.
- 21.4. The parties to the Agreement do not intend that any term of the Agreement shall be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person that is not a party to it.
- 21.5. Where a framework agreement exists between the Purchaser and a Supplier for the supply of goods and/or services covered by this Purchase Order then the details within the framework agreement shall take precedence over these Conditions.
- 21.6. The supplier shall be responsible for flow down of all the requirements and provisions of the purchase order applicable to the supplier's sub-contractors, including the applicable requirements of these terms & conditions.
- 21.7. If we have identified any requirements with regard to product safety, these will be stated on the purchase order.
- 21.8. As part of our AS9100, ensuring that persons (including external providers) are aware of.
 - 21.8.1. Their contribution to product or service conformity.
 - 21.8.2. Their contribution to product safety.
 - 21.8.3. The importance of ethical behaviour.