

TERMS AND CONDITIONS OF PURCHASE

1. INTERPRETATION

- 1.1 In these terms and conditions ("Conditions") the following words will have the following meanings:
- 1.1.1 "Contract" means the contract between us for the sale and purchase of Goods; and
- 1.1.2 "Goods" means any goods that we are to purchase from you (including any of them or any part of them);
- 1.1.3 "Order" means our purchase order for Goods, incorporating these terms and conditions;
- 1.1.4 "we" means Accura Engineering Limited (registered number 1442283) whose registered office is at Stringes Close, Willenhall, West Midlands, WV13 1NS and includes our employees, agents and sub-contractors and "us" and "our" will be interpreted accordingly;
- 1.1.5 "you" means the person, firm or company accepting our Order and "your" will be interpreted accordingly;
- 1.2 The headings in these Conditions are for convenience only and will not affect their interpretation.

2. FORMATION AND INCORPORATION

- 2.1 These Conditions are the only conditions upon which we are prepared to deal with you and they will govern the Contract to the entire exclusion of all other terms or conditions. No terms and/or conditions endorsed upon, delivered with or contained in your quotation, acknowledgement or acceptance of order, specification or similar document will form part of the Contract and you waive any right which you otherwise might have to rely on such terms and/or conditions. Any reference below to such documents will not be deemed to imply that any terms or conditions endorsed upon, delivered with or referred to in such documents will have effect to the exclusion or amendment of the Contract terms.
- 2.2 Each Order for Goods by us to you will be deemed to be an offer by us to purchase Goods subject to these Conditions and no Order will be accepted until you either expressly by giving notice of acceptance, or impliedly by fulfilling the Order, in whole or in part, accept the offer.
- 2.3 Any variation to an Order or these terms and conditions will have no effect unless expressly agreed in writing and signed by authorised signatory.

3. SPECIFICATION

- 3.1 The quantity, quality and description of the Goods will, subject as provided in these Conditions, be as specified in the Order and/or in any applicable specification which we supply you with or advise you of.
- 3.2 Suppliers are required to flow down to any sub-tier contractors the applicable requirements as stated on our purchasing documentation, including key characteristics where required.
- 3.3 All Goods will be delivered with such test certificate appropriate to the type of Goods as we specify.
- 3.4 You will comply with all applicable standards, regulations and/or other legal requirements concerning the manufacture, packaging, packing and delivery of the Goods.
- 3.5 The company's representatives and appropriate official authorities (where relevant) may inspect and test the Goods at all times and you will not unreasonably refuse a request from us to inspect and test the Goods at the suppliers works and the works of sub-contractors during manufacture, processing or storage prior to despatch and you will provide us with all facilities reasonably required for inspection and testing.
- 3.6 Suppliers shall inform us of any occurrences of nonconforming product via phone followed by written notification (mail, e-mail or fax). As part of the corrective action process, details of the containment action, root cause(s) and long term preventative actions may also be required. Where relevant a concession will be required prior to the supply of any non-conforming product.
- 3.7 Suppliers are required to notify us prior to shipment of any changes in product and/or process definition and where required obtain approval from Accura Engineering Limited.
- 3.8 If within 30 days of inspection or testing we inform you that as the result of such inspection or testing we are not satisfied that the Goods will comply in all respects with the Contract, you will take all steps necessary to ensure compliance.
- 3.9 Notwithstanding any such inspection or testing, you will remain fully responsible for the Goods and any such inspection or testing will not diminish or otherwise affect your obligations under the Contract.
- 3.10 Precise conformity of the Goods with the Contract is of the essence of the Contract and you acknowledge that we may reject the Goods if they do not conform with the Contract however slight the breach may be.
- 3.11 The Goods will be marked in accordance with our instructions and any applicable regulations or requirements of the carrier and properly packed and stored so as to reach their destination in an undamaged condition in the ordinary course.
- 3.12 We may at any time make changes in writing relating to the Contract including changes in the drawings or specifications, method of shipment, quantities, packing or time or place of delivery. If such changes result in an increasing cost of, or time required for, the performance of the Contract an equitable adjustment will be made to the price, delivery schedule or both. We must approve any claim or adjustment by you in writing before you proceeds with such changes.

4. DELIVERY

- 4.1 The Goods will be delivered carriage paid to our place of business or if some other place of delivery is agreed by us in writing by delivery of the Goods to that place during our normal office hours. You will off-load the Goods at your own risk as we direct.
- 4.2 The Goods will be delivered on the date or within the period specified in the Order [, or if no such period is specified then within [28] days of the Order).
- 4.3 You will ensure that each delivery is accompanied by a delivery note which is prominently displayed and 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.
- 4.4 Time for delivery will be of the essence of the Contract.
- 4.5 If the Goods are not delivered on the due date we may, without prejudice to any other rights we may have:
- 4.5.1 cancel the Contract in whole or in part;
- 4.5.2 refuse to accept any subsequent delivery of the Goods which you attempt;
- 4.5.3 recover from you any expenditure which we reasonably incur in obtaining the Goods in substitution from another supplier, and

- 4.5.4 claim damages for any additional costs, loss or expenses which we incur which are in any way attributable to your failure to deliver the Goods on the due date.

- 4.6 We will not be deemed to have accepted the Goods until we have had [14] days to inspect them following delivery or, if later, within a reasonable time after any latent defect in the Goods has become apparent.

- 4.7 No Goods supplied under the Contract earlier than the date for delivery set out in these Conditions, or in any delivery schedule, will be accepted or paid for unless we notify you in writing of our intention to accept the same.

- 4.8 We may mark the Goods immediately on delivery. This is undertaken for the purposes of security and we will not be deemed to have accepted the Goods by reason of this nor will you be entitled to raise an objection on this ground to any subsequent rejection of the Goods.

- 4.9 On delivery of the Goods you will supply us with all operating and safety instructions, warning notices clearly displayed and other information as may be necessary for their proper use, maintenance and repair for us to accept delivery of the Goods.

- 4.10 Unless we expressly agree otherwise in writing, containers and packing must be supplied free but will be returned, if required, at your risk and expense.

- 4.11 If, where more than one item of Goods is included in an Order, we agree to accept delivery by instalments, the Contract will be construed as a separate contract in respect of each instalment. Failure to deliver any instalment will nevertheless entitle us, at our option, to treat the Contract as repudiated.

- 4.12 If the Goods are delivered to us in excess of the quantities ordered we will not be bound to pay for the excess and any excess will be and will remain at your risk and will be returnable at your expense.

5. RISK/OWNERSHIP

- 5.1 Risk in the Goods will pass to us upon delivery to us in accordance with the Contract.
- 5.2 Ownership of the Goods will pass to us upon delivery.

6. PRICE

- 6.1 The price payable for the Goods will be that stated in the Order and unless otherwise stated will be:

- 6.1.1 inclusive of all charges including, but not limited to, packaging material, packing, shipping, loading, carriage, insurance and delivery of the Goods to the delivery address and any duties, imposts, levies or taxes other than value added tax; and
- 6.1.2 fixed for the duration of the Contract.

- 6.2 No variation in the price nor extra charges can be made (whether on account of increased material, labour or transport costs, fluctuation in rates of exchange or otherwise) without our prior written consent.

- 6.3 If the Goods are not delivered on the due date, the price of the Goods will be reduced at the rate of [PERCENTAGE] per cent of the price for each day which elapses between the delivery date and the date of actual delivery to the Company.

7. PAYMENT

- 7.1 You will issue an invoice for each Order by no later than the 15th day of the month following the month in which the Goods to which the Order relates are delivered. Invoices will quote the number of the Order.

- 7.2 Unless otherwise stated in the Order we will pay the price of the Goods within 60 days after the last day of the month in which we receive a proper invoice.

- 7.3 We will not be obliged to pay for any Goods in respect of which we requested a test certificate until such test certificate is provided.

- 7.4 Without prejudice to any other right or remedy, we may set off any amount owing at any time from you to us against any sums payable by us to you under the Contract.

8. CONFIDENTIALITY

- You will keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives that are of a confidential nature and have been disclosed to you by us or our agents and any other confidential information concerning our business or products which you may obtain and you will only disclose such confidential material to such of your employees, agents or sub-contractors as need to know the same for the purpose of discharging your obligations to us and you will ensure that such employees, agents or sub-contractors are subject to like obligations of confidentiality as bind you.

9. OUR PROPERTY

- 9.1 Materials, equipment, tools, dies, moulds, copyright, design rights or any other forms of intellectual property rights in all drawings, specifications and data supplied by us to you will at all times be and remain our exclusive property and will be held by you in safe custody at your own risk and maintained and kept in good condition by you until returned to us and will not be disposed of other than in accordance with our written instructions, nor will such items be used otherwise than as authorised by us in writing.

- 9.2 You will notify us immediately upon becoming aware that any quantity of materials we provide you for incorporation into any Goods is insufficient to meet the quantity of such Goods contained in any order.

10. WARRANTIES AND INDEMNITY

- 10.1 You warrant to us that the Goods will:

- 10.1.1 be of satisfactory quality within the meaning of the Sale of Goods Act 1994, and fit for any purpose held out by you or made known to you in writing at the time the Order is placed;

- 10.1.2 be free from defects in design, material and workmanship;

- 10.1.3 correspond in all respects with any specifications, drawings, patterns, samples or descriptions we provide;

- 10.1.4 be capable of any standard of performance specified in the Order; and

- 10.1.5 comply with all statutory requirements and regulations and voluntary codes of conduct relating to the Goods and their sale and supply.

- 10.2 You will indemnify and keep us indemnified in full from and against all direct, indirect or consequential liability, loss, damages, injury, costs and expenses (including legal expenses) awarded against or incurred or paid by us as a result of or in connection with:

- 10.2.1 breach of any warranty given by you in relation to the Goods;

- 10.2.2 any claim that the Goods infringe, or their use, resale or importation infringes the British or foreign patent, copyright, registered design, design right, trade mark, trade name or other intellectual property right of any other third party except to the extent that the claim arises from any specifications, drawings, samples or descriptions provided by us;

- 10.2.3 any claim made against us in respect of any liability, loss, damage, cost or expense sustained by our employees or agents by any customer or third party to the extent that

- such liability, loss, damage, cost or expense was caused by, relates to or arises from the Goods; or
- 10.2.4 any act or omission of you or your employees, agents or sub-contractors in supplying, delivering and installing the Goods in accordance with the Contract.
- 11. TERMINATION**
- 11.1 We may cancel any Order in whole or in part by giving notice to you at any time prior to delivery of the Goods in which event our sole liability will be to pay to you fair and reasonable compensation for work-in-progress at the time of cancellation but such compensation will not include loss of anticipated profits or any consequential loss.
- 11.2 We may at any time by giving notice in writing to you to terminate the Contract forthwith if:
- 11.2.1 you commit a breach of any of the terms and conditions of the Contract;
- 11.2.2 any distress, execution or other legal process is levied upon any of your assets;
- 11.2.3 you enter into any arrangement or composition with your creditors, commit any act of bankruptcy or (being a corporation) if an order is made or an effective resolution is passed for your winding up (except for the purposes of amalgamation or reconstruction), or if a petition is presented to court, or if a receiver and manager, receiver, administrative receiver or administrator is appointed in respect of the whole, or any part of, your undertaking or assets;17
- 11.2.4 you cease or threaten to cease to carry on your business;
- 11.2.5 your financial position deteriorates to such an extent that in our opinion your capability to adequately to fulfil your obligations under the Contract has been placed in jeopardy; or
- 11.2.6 we reasonably apprehend that any of the events mentioned above is about to occur in relation to you.
- 11.3 The termination of the Contract, however arising, will be without prejudice to the rights and duties of either party accrued prior to termination. The Conditions which expressly or impliedly have effect after termination will continue to be enforceable notwithstanding termination.
- 12. REMEDIES**
- 12.1 Without prejudice to any other right or remedy which we may have, if any Goods are not supplied in accordance with or you fail to comply with any of the terms of this Contract we may, at our discretion and whether or not any part of the Goods have been accepted by us:
- 12.1.1 rescind the Order;
- 12.1.2 reject the Goods (in whole or in part) and return them to you at your risk and cost on the basis that you will forthwith pay a full refund for the Goods so returned;
- 12.1.3 at our option, give you the opportunity at your expense to remedy any defect in the Goods or replace the Goods and carry out any other necessary work to ensure that the terms of the Contract are fulfilled;
- 12.1.4 refuse to accept any further deliveries of the Goods without any liability to you;
- 12.1.5 carry out at your expense any work necessary to make the Goods comply with the Contract; and/or
- 12.1.6 claim such damages as may have been sustained in consequence of your breaches of the Contract.
- 12.2 If we reject any Goods or rescind any Order in respect of which we have provided you with any materials for incorporation in such Goods, you will reimburse us with the cost of such materials and the cost of supplying them to you.
- 13. HEALTH AND SAFETY**
- 13.1 Any Goods supplied under the Contract will be so formulated, designed, constructed, finished and packaged as to be safe and without risk to health and all Goods will be supplied with full instructions for their proper use maintenance and repair and with any necessary warning notices clearly displayed.
- 13.2 Before delivery you will furnish us in writing with a list by name and description of any harmful or potentially harmful properties or ingredients in the Goods supplied whether in use or otherwise and thereafter information concerning any changes in such properties or ingredients. We will rely on the supply of such information from you in order to satisfy our own obligations under the Health and Safety at Work Act 1974 and any other relevant legislation.
- 13.3 You will maintain and observe quality control and supplier quality assurance standards in accordance with our requirements and customs, relevant British Standards, statutory and regulatory bodies.
- 13.4 You will maintain detailed quality control and manufacturing records for the period of at least 12 years from the date of supply of Goods.
- 14. ASSIGNMENT AND SUBCONTRACTING**
- 14.1 This Contract is personal to you and you will not assign or transfer or purport to assign or transfer to any other person any of your rights or subcontract any of your obligations under the Contract.
- 14.2 We may assign the Contract or any part thereof to any person, firm or company.
- 15. FORCE MAJEURE**
- 15.1 We reserve the right to defer the date of delivery or payment or to cancel the Contract or reduce the volume of the Goods ordered if we are prevented from or delayed in the carrying on of our business through any circumstances beyond our reasonable control.
- 15.2 Without prejudice to the generality of clause 15.1 the following are causes beyond our reasonable control:
- governmental action, war or threat of war, national emergency, riot, civil disturbance, sabotage or requisition, Act of God, fire, explosion, flood, epidemic or accident, import or export regulations or embargoes, labour disputes not including your work-force, inability to obtain or delay in obtaining supplies of adequate or suitable material, fuel, parts, machinery or labour or a power failure or breakdown of machinery.
- 16. GENERAL**
- 16.1 Each of our rights or remedies under the Contract is without prejudice to any other of our rights or remedies whether under the Contract or not.
- 16.2 Any provision of the Contract which is held by a competent authority to be invalid, void, voidable, unenforceable or unreasonable (in whole or in part) will to the extent of such invalidity, voidness, voidability, unenforceability or unreasonableness be deemed severable and the other provisions of the Contract and the remainder of such provision will not be affected.
- 16.3 Failure by us to enforce or partially enforce any provision of the Contract will not be construed as a waiver of any of our rights under the Contract.
- 16.4 The parties to this Agreement do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.
- 16.5 The formation, construction, performance, validity and all aspects of the Contract are governed by English law and the parties submit to the exclusive jurisdiction of the English courts.
- 17. Supplier Quality Requirements**
- 17.1 Product Safety:** Where Product is implied or defined as safety critical the supplier shall demonstrate a satisfactory level of associated risk management and control to the product and processes during the entire product life cycle.
- 17.2 Counterfeit:** The Supplier shall plan, implement, and control processes, as appropriate to their organisation and the product, for the prevention of counterfeit or suspect counterfeit parts and materials use and their inclusion in products delivered to Accura Engineering. 'Counterfeit' Work means work that is or contains parts and materials misrepresented as having been designed and /or produced under an approved system or other acceptable methods. Also including approved work that reached it a design life limit or has been damaged beyond possible repair but is altered and misrepresented as acceptable.
- 17.3 Obsolescence Monitoring Programme / Potential Obsolescence;** The supplier shall notify Accura Engineering Purchasing of any part or material obsolescence as soon as the information becomes available, with an expectation to provide notification at least 6 months prior to the last date an order will be accepted. The supplier shall implement a Part Obsolescence Management process as appropriate.
- 17.4 Identification and Traceability;** The supplier shall ensure full traceability (upstream and downstream) from Raw Material to final product supply. Traceability is mainly built around Raw Material lot numbers and batches. Traceability must be maintained from parent to child batches (Assemblies – Sub – assemblies). All products and material quantities must be accounted for and traceable through records.
- 17.5 Preservation:** Type of packaging shall be defined by the supplier and approved by Accura Engineering. Packaging must take into consideration the environment and shipping stresses that could affect the part during handling and shipping. The packaging must be of a standard to prevent damage, deterioration and contamination during shipment and storage to ensure the proper life storage of the parts.
- 17.6 Control of Changes:** The supplier shall define a procedure to clarify how change control is managed through its organisation and how the information is communicated to Accura Engineering Quality Department and its customers when a change is major. A major change is a change in product or processes which may affect form, fit, function, reliability, safety, delivery, service or compliance with regulatory and statutory requirements. For such change the supplier shall inform Accura's quality department at the earliest opportunity before implementation to enable relevant review. Any changes to manufacturing documentation shall be recorded and traceable to an authorised person making the change.