



Standard Terms and Conditions of a Purchase Order **Raised by Elder Engineering (Herts) Ltd**

1. Definitions

In these conditions and in all texts relating to the Purchase order 'The Order' means the Purchase Order and any amendments relating thereto 'Supplies' means all articles, materials or work being the subject of the Order. The 'Supplier' means the sub-contractor or stockist on whom the order is placed. The 'Specification' means the technical requirement and/or description of the Supplies specifically defined in the Order. 'Elder' means Elder Engineering (Herts) Ltd.

2. Application

These conditions are an integral part of the Order and shall apply except to the extent that they may be inconsistent with any Special Conditions appearing on the face of or otherwise incorporated in the Order which shall have precedence over these Conditions. Such Special Conditions and these Conditions shall govern the Order to the exclusion of any other items and conditions and shall not be varied except with the written agreement of Elder and the supplier. These conditions are to be flowed down to the supply chain including any additional requirements of Elder's customer.

3. Orders

Elder will not accept responsibility for any material unless supplied in accordance with an order duly signed on behalf of Elder. The Supplier must accept and acknowledge the Order within 21 days of the date it bears or such other period as Elder may agree in writing. Failure to do so will give Elder the right to cancel the Order. Any change in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain organisational approval, and flow down to the supply chain the applicable requirements including customers' requirements. Goods delivered to Elder not in accordance with an issued Order duly signed on behalf of Elder remain the responsibility of the Supplier. Elder retains the right to have such goods removed at the Supplier's expense.

4. Delivery

(a) Delivery shall be strictly in accordance with the Order. Elder will have the option to cancel the Order wholly or in part without liability to Elder where delivery is not made on the date specified without prejudice to any other right or remedy which Elder may have. The Supplier shall not be liable to delays in delivery due to causes beyond the Supplier's control and without the Supplier's fault or negligence provided that the Supplier promptly notifies Elder of any delay or anticipated delay as soon as it is known and resumes performance as soon as it is possible thereafter. However if such delay exceeds one month Elder shall be entitled to cancel the Order without liability to Elder except in respect of Supplies already delivered to Elder prior to such cancellation.

(b) Acceptance of Deliveries. Suppliers must note and acknowledge that Elder's Orders are executed for deliveries to be effected during normal working hours, i.e. 8.15am – 5.00pm Monday to Thursday and 8.15am – 1.00pm Friday. Delivery outside of Standard Working Hours is only permissible following Elder's specific written authorisation.

(c) Supplies must be delivered in accordance with the instruction on the face of the Order and at the Supplier's own risk.

(d) All Supplies must be properly and securely packed. Elder shall not pay for packing cases or containers but will return them to the Supplier if so requested at their expense.

(e) Elder's representatives are to be allowed to visit the Supplier's premises at any reasonable time to check the progress of the work on the Supplies and the Quality Engineer of Elder or his representative or any other inspector or representative of the customer of Elder or the customer's agent or any Government Department concerned shall be entitled on the authority of Elder to inspect the Supplies which are the subject of the Order at any reasonable time at the Supplier's Works or at the premises of permitted subcontractor(s). The Supplier shall provide reasonable facilities for these activities and any documents required.

(f) Without prejudice to the Supplier's other obligations herein and unless otherwise agreed in writing, title to the Supplies shall pass to Elder upon accepted delivery at Elder's works.

5. Inspection and rejection

(a) The Supplier shall ensure that the Order is carried out in conformity with the quality requirements of Elder. The Supplies shall be subjected to those quality assurance conditions shown on the face of the order. Prior to delivery, Elder, Elder's customer and any Regulatory Authorities shall be entitled to inspect the vendor's product and product organisation at the site of the vendor's plant. In no case shall such an inspection imply acceptance of the product by Elder. All items on this order must be supplied in full accordance with the quality system as approved by Elder.

(b) Notwithstanding that supplies survive inspection, acceptance and payment by Elder, Elder reserves the right through its Quality Manager to reject any Supplies which do not comply with the Specification or do not meet with the required standards of design, material, workmanship or quality or which are not in accordance with the Supplier's samples approved by Elder. Elder may return such rejected Supplies to the Supplier at the Supplier's expense and risk and the Suppliers shall at Elder's option credit the value of such goods to Elder or supply replacement Supplies Free of Charge within a reasonable time without prejudice.

(c) The provisions of Clause 5 (b) of these Conditions do not modify in any respect the responsibility the Supplier has for ensuring that all materials, component parts, sub-assemblies and assemblies are of new manufacture and are in accordance with Drawing Specifications and meet the required standards of workmanship.

(d) The supplier shall notify Elder of non-conforming product and obtain approval for product disposition.

6. Advice and Release Certificates

The Supplier shall:-

(a) On the day of despatch of each consignment send Advice note(s) and such Certificate(s) of Conformity, Civil Approval Certificate(s) and Invoice(s) as may be indicated by the terms of the Order. One copy of the Certificate of Conformity, Civil Approval Certificate or such other document as may be required by the specification.

(b) The Supplier shall ensure that each such Certificate is signed by the executive of the Supplier responsible for product quality (or approved signatory).

(c) All document records of product supplied to Elder will be kept for a period of no less than 7 years and shall be available for review by customers and regulatory authorities in accordance with contract or regulatory requirements.

7. Price

Where prices have been agreed, no alteration may be made without the consent of Elder in writing. Where prices are still to be agreed at the time the Order is placed, the quotation must be submitted by the Supplier and confirming amendments issued by Elder before invoices are rendered.

8. Invoices

(a) Invoices should be submitted by the 8th of the month following the month of delivery and should quote order item, part and drawing numbers and description quantities.

(b) All invoices shall state the price or the supplies exclusive of VAT and show the amount of VAT (if any) separately.

(c) Payment against submitted Invoices will be made 60 days from the end of the month following delivery of Supplies defined in Section 4.

9. Termination

(a) For default In the event of a breach of or non-observance of any of these conditions, Elder may give the Supplier written notice of such a breach or non-observance and the Supplier shall have 28 days from receipt of such a notice in which to rectify the breach or non-observance. If in the event of such notice the Supplier should fail so to rectify then Elder shall have the right to give the Supplier notice forthwith terminating the Order and to obtain the Supplies from another source. The Supplier shall indemnify Elder from and against any excess cost resulting from the termination of the Order and the arrangement of another source of supply of the Supplies.

(b) For Insolvency Should the Supplier (being an individual or firm) have any distress or execution levied upon a substantial part of its property or assets or offer to make an arrangement with its creditors or commit any act of bankruptcy or have a petition in bankruptcy presented against it or should the Supplier (being a limited liability company) pass a resolution for winding up or have any petition for winding up the said company presented, such winding up in either of the above cases being other than for the purpose of a bona fide amalgamation or reconstruction or should the Supplier have a receiver of its undertaking appointed or make a general assignment of its assets for the behalf of its

creditors then Elder shall have the right to give the Supplier written notice forthwith terminating the Order without liability to Elder except in respect of Supplies already delivered to Elder prior to such termination.

(c) Convenience

(i) The Order maybe terminated by Elder at anytime in whole or part by delivery to the Supplier of a Notice of Termination. In the event of such notice being given the Supplier shall stop work forthwith and comply with any directions with regard to the Supplies which may be given by Elder. Subject to the Supplier submitting within six months from the effective date of termination his termination claim in the form prescribed by Elder in the Notice of Termination, Elder undertake to pay a fair and reasonable price for all work done up to the time of termination.

(ii) Such payments made for work done taken together with any sums paid or due or becoming to the Supplier under the Order shall not exceed the total price of the Supplies under the Order.

(d) Any termination of the Order shall not prejudice any rights which may have accrued to either party.

10. Patents

(a) Except where the Supplies are manufactured to detail drawings supplied by Elder the Supplier will indemnify Elder against any action claim or proceeding relating to infringement or alleged infringement (whether by manufacture use sale or otherwise) of any patents or registered design or other industrial property right arising in connection with the Supplies and to indemnify in like manner any customer of Elder or the operation of an aircraft or equipment supplied by Elder in cases where such aircraft or equipment incorporates the Supplier's Supplies.

(b) Where the Supplies contain or constitute reports, designs, computations or other like work to be undertaken on behalf of Elder, all copyright patents and other industrial property rights arising from such Supplies shall be the property of and vested in Elder and the Supplier shall do all acts and things necessary to protect and assure such vesting.

11. Insurance

Where the Supplier is required to perform services of construction, installation and/or services on the premises of Elder or on the premises prescribed by Elder, the Supplier agrees to effect and to procure that any subcontractor Supplier under Clause 13 of these Conditions is covered fro Public Liability Insurance in an amount of not less than £2,000,000 per event in respect of loss or damage or injury in respect of property or persons.

12. Supplier's Documentation

The Supplier will provide Elder with all present and future instructions relating to the use of Supplies and in particular draw attention to any dangers which may be met with on their handling or application or in their use in processing.

13. Sub-Contracts by the Supplier

No work on the Order may be sub-contracted by the Supplier, nor shall the Supplier assign any of its obligations hereunder without first obtaining written approval of Elder. All sub-contracts shall be the responsibility of the Supplier and shall where applicable be placed subject to the same terms and conditions of those contained in the Order. Evidence of this condition shall be made available to Elder representatives on request.

14. Product Support

The Supplier shall comply with every requirement of Elder's relevant specifications or direction if any, relating to product support, including the free of charge supply of technical data and publications.

15. Confidentiality

The Order and the subject matter thereof shall be treated as confidential between the Supplier and Elder and shall not be disclosed in whole or in part by the Supplier to any sub-contractor of the Supplier to any third party or used by the Supplier or any such sub-contractor for any purpose other than supplying the Supplies to Elder. All design drawings, specification and information and all copies thereof must be retained in safe custody and maintained in good condition until disposal is agreed upon by Elder. The Supplier shall not make use of Elder's name or any information contained in the Order or related documents for publicity purposes without Elder's written consent.

16. Notices

- (a) All notices and communications shall be in writing.
- (b) Any notice or other communication sent to the Supplier shall be sufficient if sent to an address notified to Elder for the purpose or to the address of the Supplier last known to Elder.
- (c) Notices or other communications sent by the Supplier to Elder shall, be sent to the address given for Elder on the face of the Order for the attention of the Initiators name on the actual order.

17. Waiver

Any concession latitude or waiver allowed by Elder to the Supplier in respect of any term hereof at any time shall be for the quantity and period stated on the concession, latitude or waiver only and shall not prevent Elder from subsequently enforcing that term and shall not be deemed a waiver of any subsequent breach.

18. Government Requirements and Safety

- (a) The Supplier shall comply with all statutory requirements applicable to the Order and to the employment by him of labour and shall undertake that it has complied with and shall comply with any incomes policy or guidance in respect of remuneration as interpreted for the time being by the Secretary of State for Employment which undertaking shall not require the Supplier to infringe any obligation under the statute binding on him.

19. Control of Counterfeit products

Suppliers are responsible for taking all necessary steps to prevent the introduction of counterfeit parts to the supply chain. To prevent the purchase of counterfeit or suspect/unapproved products and to ensure product identification and traceability (and for other reasons), Elder will institute controls that include the requirement of Material Certificates, Certificates of Conformity, and/or other supporting documentation from its suppliers as is appropriate. These requirements may be specified on Elder's Purchase Order or may otherwise be communicated to the supplier.

20. Awareness of compliance

Suppliers are responsible for ensuring that its personnel are competent and aware of how they contribute to compliance with these terms, including, but not limited to:

- Their contribution to product or service conformity;
- Their contribution to product safety;
- The importance of ethical behaviour

21. Change to process

Suppliers must notify Elder of any changes to process, products, or services, including changes of their external providers or location of manufacture, and obtain Elder's approval.

22. Document retention

Suppliers are expected to retain and maintain appropriate records of the activities listed above. The records must remain legible, readily identifiable and retrievable for a minimum of seven (7) years after product acceptance. In cases where the duration of retention is increased (e.g. at the request of Elders' customer), specific instructions will be provided on the PO.

23. Applicable law

- (a) These Conditions shall be governed by, construed and shall take effect in accordance with the Laws of England.
- (b) Nothing in these Conditions shall prejudice any condition or warranty, (express or implied) or any other right or remedy to which Elder is entitled in relation to the Supplier by virtue of statute law, common law or otherwise.
- (c) These Terms and Conditions do not derogate from our Statutory and Common Law rights and are in addition to these rights and not in substitution for them.