

TERMS & CONDITIONS OF PURCHASE

1. CONDITIONS

1.1. Hereafter all references to "the Buyer" refers to David Paull (CNC) Engineering LTD (Trading as DP Engineering Ltd), and all references to "Supplier" refer to the persons or company to which the purchase order is addressed.

1.2. These conditions shall form the basis of the contract between the company and the supplier. Notwithstanding anything to the contrary in the suppliers standard conditions in any tender, quotation, advice note, invoice, acknowledgement, letter or any other document issued or sent by the supplier, these conditions shall apply, unless as expressly agreed in writing by the Managing Director. No servant or agent of the company has the power to vary these conditions orally or otherwise.

2. PURCHASE ORDER

2.1. No goods, work or services shall be supplied without an order, and therefore no variation to price or any other contractual term will be effective unless comprised in a further order.

3. PERFORMANCE AND DELIVERY

3.1. The supplier shall deliver the ordered goods to the delivery point stated in the order. The goods shall be supplied with a delivery note (as a minimum) stating our order number, and details of goods supplied, and any other documents as requested on the individual purchase order (C of C, test results, chemical composition, etc.)

3.2. No delivery shall commence without prior approval of the buyer / purchase order requirements. Any deliveries made early or late will entitle the buyer without limitation to exercise those rights referred to in clause 3.5.

3.3. The supplier shall deliver ordered goods, and complete ordered work or services at the time specified by the buyer, and in this respect time shall be of the essence.

3.4. Goods supplied must be **delivered in full unless otherwise agreed by the buyer**. Deliveries not meeting this requirement may be dealt with as in clause 3.5, and the suppliers' vendor rating will be affected.

3.5. If ordered goods, work or services or any portion of these are not delivered and completed in the time or times specified or any extension of such times permitted by the buyer the buyer shall be entitled to determine the order in respect of such goods aforementioned as uncompleted or undelivered. On such determination the buyer shall be entitled:

(a) To return to the supplier at the supplier's risk and expense, any of the goods already delivered and to recover from the supplier any money paid by the buyer in respect of such goods and in respect of any work or services already completed.

(b) To recover from the supplier any consequential loss including any additional expenditure incurred by the buyer in obtaining other goods, work or services in replacement of those in respect of which the order has been determined.

3.6. Without prejudice to any other rights of the buyer, goods not dispatched in time to reach the delivery point by the date specified in the order shall be delivered at the expense of the supplier to such address and by such means that the buyer may reasonably require.

3.7. The supplier shall not charge the buyer for pallets, containers or packaging, and the buyer shall not be responsible for storage or return of said items.

4. ACCEPTANCE AND QUALITY.

4.1. All deliveries of goods or services to the buyer's works are accepted in an UNEXAMINED state and are not inspected by the buyer's stores personnel. The buyer reserves the right to pursue the course(s) of actions specified in clause 3.5, if in the opinion of the buyer's inspectors subsequent examination or performance renders such a course appropriate.

4.2. It is an essential term of the purchase order that the supplier shall strictly comply with the requirements stated. All goods and / or services supplied must be in accordance with the order and with any specification, samples or drawings incorporated into the order and must be fit for the purpose for which they are required.

4.3. Unless the buyer explicitly details other standards, goods or services supplied by the supplier shall be of the best materials and workmanship to the relevant British Standards.

4.4. The supplier shall be responsible for any discrepancies, errors or omissions in the drawings and other particulars supplied by them for the purposes of the order regardless of whether the buyer has or has not approved such drawings or particulars.

4.5. The buyer reserves the right to reject or cancel goods and / or services which in his opinion faulty, of inferior quality, incorrectly supplied, or in some other manner out of the buyers specifications / purchase order requirements.

4.6. The buyer will inform the supplier upon detection of non-conformance. The supplier is responsible for collecting the goods within 14 days (unless the suppliers notifies the buyer in writing for goods to be returned at their expense), goods not collected within 14 days will be disposed of accordingly.

4.7. The buyer reserves the right for itself and nominees to inspect the quality of goods or services supplied by the supplier and / or the Quality System of the supplier during normal business hours at any time prior to or during supply. Such inspection does not relieve the supplier from any responsibility or liability or imply acceptance or approval from the buyer.

4.8. Date code/Lot number control is required for goods intended for aircraft applications and for goods where required on relevant drawings. Deliveries of parts/components with multiple lot numbers must be segregated such that each part/component is identifiable by its date code or lot number. Any associated documentation must also reflect if multiple date codes or lot numbers have been delivered.

4.9. DP Engineering Ltd requires all first deliveries of parts to include a full first article inspection report be filled out by the manufacturer. The sample, on which the FAI was performed, shall be clearly marked, both on the sample and the FAI report. Where the drawing has been updated and there is a change in the form, fit or function of the part, then an FAI must be submitted for the change/update only. The FAI should confirm that all processes, materials and dimensions are met. In the case of raw material or process i.e. paint, chromate, proof of acceptability shall be made available either through records or attached certificates. Drawing notes should be referenced and their acceptance confirmed. Any discrepancies detected by the manufacturer during the FAI or any subsequent batches shall be notified to DP Engineering Ltd and a deviation should be sought in advance of any parts being shipped to DP Engineering Ltd. Under no circumstances shall a nonconforming part be sent to DP Engineering Ltd without a DP Engineering Ltd approved deviation. Failure to comply with the above requirements will result in DP Engineering Ltd rejecting the product.

5. **PRODUCT LIABILITY INDEMNITY AND INSURANCE.**

5.1. The supplier shall at all times during the continuance of the order and thereafter maintain product liability insurance on an amount not less than £1,000,000 (one million pounds sterling) or any other currency equivalent thereof to indemnify the supplier and the buyer and the supplier hereby indemnifies and shall continue to keep indemnified and save harmless the buyer and its affiliated companies and employees and representatives of such parties from and against all claims, proceedings, damages and actions etc. which may be brought by a third party against either the buyer or the supplier in respect of the use, operation or malfunction of the goods supplied under the order and any awards and settlements made in respect thereof all costs, damages, losses, expenses and fees thereby incurred.

5.2. The supplier shall provide to the buyer a copy of the insurance policy within 14 days of request by the buyer.

6. **INDEMNITY.**

6.1. The supplier shall indemnify the buyer against any liability which the buyer may incur from any persons whatsoever and against any and all claims, proceedings, damages and expenses made against or incurred by the buyer by reason of any act of omission or breach of statutory duty of the supplier, his employees, sub-contractors, agents or any other breach or default of the supplier in performance of the order.

7. **PROGRESS.**

7.1. The buyer reserves the right both for itself and its nominees to inspect the progress of work under the order or any part thereof during normal business hours. Such inspection does not relieve the supplier from any responsibility or liability, or imply acceptance or approval by the buyer.

8. **CONFIDENTIALITY.**

8.1. Any specifications, plans, drawings, patterns, blue prints, descriptions, designs, jigs, tools and all intellectual property rights supplied by the buyer to the supplier in connection with the order shall remain the property of the buyer. Any information derived thereafter or otherwise communicated to the supplier in connection with the order shall be treated by the supplier as confidential and shall not, without the consent in writing of the buyer be disclosed to any third party or made use of by the supplier except to the extent necessary to implement the order.

9. CERTIFICATION.

9.1. Certificates of Conformity shall be supplied when requested on the order. This should certify that the goods supplied are in every respect, as specified in the order.

9.2. The certificate should include test results as follows:

PLATING – Thickness Testing Results

MATERIAL – Mechanical Testing and Chemical Analysis results.

And any other requirements as stated on the order or in line with our Supplier Quality Assurance (SQA) Standard Requirements.

10. INTELLECTUAL PROPERTY RIGHTS.

10.1. The supplier shall indemnify the buyer against any claim for infringement of design, trade mark, service mark copyright or any other form of intellectual property right by the use or sale of any article or material supplied by the supplier to the buyer. All costs and proceedings, damages and expenses incurred by the buyer in connection therewith shall not apply to any infringement which is due to the supplier having followed a design or instruction furnished or given by the buyer.

11. SUB-CONTRACTING.

11.1. No part of an order shall be sub-contracted without the buyer's prior written approval and all requests for such approval shall specify the goods or services to be covered and the identity of the sub-contractor.

11.2. Where the buyer agrees to the placing of sub-contracts, the rights of inspection and rejection contained herein must be reserved therein on the buyer's behalf and a copy of all such sub-contracts must be forwarded to the buyer on demand.

11.3. Any approval of sub-contracting shall not relieve or vary any obligations or liabilities of the supplier under this order.

11.4. There must be a flow down of information such as applicable purchase order requirements from the Supplier to the sub-contractor.

12. SITE WORK

12.1. Where the order requires the supplier, his employees, sub-contractors or agents to carry out the work on site, the supplier is responsible for ensuring such personnel adhere to relevant statutory rules, regulations and instructions of the site, whilst carrying out said work.

12.2. All surplus materials, damage or disruption must be removed or rectified promptly at the supplier's expense.

13. CANCELLATION AND TERMINATION.

13.1. The buyer may cancel the order at any time by notice in writing to the supplier and shall therefore be liable (except where cancellation is due to breach of contract by the supplier) only to pay for goods delivered and reasonable costs incurred by the supplier prior to the date of notice. In no case shall the buyer be liable to pay more than the proportion of the purchase price attributable to the goods delivered or work completed. The suppliers shall provide, to the satisfaction of the buyer, documentary proof of actual costs incurred.

13.2. In the event of the suppliers failing to comply with all provision of the order and after reasonable notice still failing to make good such failure, the buyer will be entitled to cancel forthwith the order in whole or part and to secure replacement goods or services and / or to recover from the supplier a sum equivalent to the loss damage and all expenses caused thereby without prejudice to any other right which shall have accrued or shall accrue under the order.

14. PROPERTY.

14.1. The property and risk in the goods shall remain with the supplier until they are delivered at the address specified in the order, at which point it transfers to the buyer. In the case of services the risk remains with the supplier until completion of the order.

15. SPECIAL CONDITIONS.

15.1. In the event of any conflict between the conditions specified on the order, and these terms and conditions, the order shall prevail.

16. GUARANTEES.

16.1. In addition to the rights of the buyer under any warranty or guarantee given by the supplier in respect of the goods, if within 18 months of delivery, or 12 months putting them into service whichever is the shorter, a defect is detected arising from faulty design (other than a design made or specified by the buyer and for which the buyer has disclaimed responsibility in writing within a reasonable period of receiving it), faulty materials or workmanship, the supplier shall, at his expense make good the defects by either repair or (at the buyers option) supply of replacement goods.

16.2. The above provisions apply to goods / materials repaired or replaced for a period ending 12 Months after such repair or replacement.

17. INSOLVENCY

17.1. If the company becomes insolvent, makes an agreement with its creditors, has a receiver appointed or commences to be wound up (other than for the purpose or amalgamation or reconstruction), the buyer may without prejudice to any other rights, terminate the order forthwith by notice to the supplier or any person in whom the order may have become vested.

18. TERMS OF PAYMENT

18.1. Payment shall be conditional upon the goods and services being supplied in all aspects in accordance with the order, and upon supply to the buyer of a proper invoice from the supplier in the form referred to in clause 18.2. Payment shall be made at the end of the second month, or upon completion of the order in accordance with all its terms, which ever shall be the later.

18.2. Before the buyer shall be obliged to make any payment due to the supplier under the order, the buyer must have received from the supplier an invoice, addressed and referenced (and constituting a tax invoice in the case of suppliers registered for VAT purposes), which must be correctly specify the order number, order date, goods or services supplied, date of supply, and the sum due. Failure to comply with this requirement may result in payment being delayed. In the case of an order where the price is not specified, the invoice shall include a full statement of materials, labour, overhead costs and any other cost incurred in supplying the goods or services. The supplier shall provide evidence / verification of such costs as reasonably required by the buyer.

18.3. The buyer shall be at liberty to set off from sums due to the supplier, any or all sums due from the supplier to the buyer.

19. FREE ISSUE MATERIALS

19.1. All jigs, tools, fixtures, test equipment, materials and other such items supplied to the supplier by or at the expense of the buyer shall remain the buyer's property.

19.2. The supplier shall ensure that all such items are clearly marked and stored as being the legal property of the buyer, and that they are not used for contracts for any third party.

19.3. Any scrap material generated from free issue material shall remain the property of the buyer, who may direct its return or credit against the cost of executing the order. The supplier shall be liable for any loss or damage of items supplied under this clause.

20. LAW AND JURISDICTION.

20.1. The Law of England shall govern the interpretation and performance of the order and the parties hereto irrevocably submit to the jurisdiction of the English courts.

20.2. The order conditions are in addition to any statutory or common law rights of the buyer.

21. HEALTH AND SAFETY.

21.1. The supplier shall ensure that all goods and / or services shall conform, where applicable, to the requirements of the Health and Safety At Work Act, COSHH, RoHS and any subsequent related legislation.

22. RECORDS

22.1. All records pertaining to the order shall be kept for a minimum the life of the job plus 15 years.

23. RIGHTS OF ACCESS

23.1 Rights of access by the buyer, the customer and/or regulatory authorities must be given with reasonable notice.

23.2 Where specified in the contract the customer or the customer's representative shall be afforded the right to verify at the suppliers premises.