



## **Mussett Aerospace Limited - Standard Terms and Conditions of Purchase**

These conditions shall apply to each contract ("the contract") and to the individual line items of each contract ("line items") for the purchase of, or the carrying out of work on goods ("the goods") between Mussett Aerospace Limited ("the Company") and the supplier ("the supplier"). These conditions shall apply to the entire exclusion of those of the supplier and no variation of or addition to these conditions shall form part of the contract unless specifically accepted in writing by a duly authorised person on behalf of the Company.

### **1. Specification**

Where the Company requests the supplier to manufacture the goods or provide a service to a specification or instructions of the Company:

- a) the Company will provide the specification or instructions in writing
- b) the suitability and accuracy of the specification or instructions will be the responsibility of the Company
- c) the Company warrants in favour of the supplier that compliance with such specification or instructions will not infringe any patent, copyright, trademark or other intellectual property rights and the Company shall fully indemnify the supplier against any action, claim, demand, cost, charges and expenses arising out of any such infringement.

### **2. Cancellation or variation of order**

No orders placed by the Company, which the supplier has accepted, may be cancelled or varied by the supplier except with the written agreement of the Company. The supplier must notify the Company of any changes in product and/or process definition and, where required, obtain written approval from the Company prior to work commencing. The supplier will be liable for any loss (including loss of profits) costs, damages, charges and expenses suffered by the Company as a result of such cancellation and variation

### **3. Free Issue Materials**

Where the Company provides items, goods and materials to the supplier for the purposes of the contract ("Free Issue Materials") the Company does so under the following terms:

- a) All Free Issue Materials supplied by the Company shall be of suitable quality and shall be free of charge, in the quantities and at the times required by the supplier to provide its services. All Free Issue Materials may be subject to inspection by the supplier upon receipt. Any defect in any Free Issue Materials identified by the supplier must be notified to the Company prior to the commencement of any work being performed on the Free Issue Materials. The supplier should await the further instructions of the Company which shall have the option to replace the defective material, modify the original order, or to cancel the order. If the supplier commences to process any Free Issue Material after having identified any defect, without receiving further instructions from the Company, the Company shall not be liable to the supplier for any costs incurred by the supplier in respect of the contract. If the Company agrees, the supplier may remedy the defect or to assist the Company in so doing. The Company shall pay, after agreement with the supplier, any additional charges incurred by the supplier in relation to such work.
- b) All Free Issue Materials shall be provided to the supplier at the Company's sole expense and at the Company's own risk.
- c) All Free issue Materials shall remain the property of the Company.
- d) The supplier shall at all times ensure the Free Issue Material is kept separate from its own materials and shall be stored in such a way that it is clear that they belong to the Company.
- e) The Company, its servants or agents, shall have the irrevocable authority to enter the supplier's premises for the purpose of identifying and checking the Free Issue Materials supplied and shall have the irrevocable authority to remove the Free Issue Materials from the supplier's premises without any restriction.

### **4. Sub-contractors**

The supplier shall not sub-contract the supply of goods and services to a third party without first obtaining the written consent of the Company. Where the supply of goods and services is sub-contracted by a supplier to a third party:

- a) The supplier shall remain fully responsible and liable for the provision of the goods or services under the contract;
- b) The Company reserves the right to assess the competency of the sub-contractor and to refuse the supplier's request to utilise a sub-contractor;
- c) All applicable requirements including key characteristics of the original purchase order, including associated documents, must be complied with by the sub-contractor.

### **5. Non-Conforming product or process**

The supplier must notify the Company of any non-conforming product or process and obtain written approval to supply the goods or services prior to delivery. The Company will reject the receipt of non-conforming products and services and the supplier shall be liable for all costs in connection with the rejection of non-conforming goods and services.

### **6. Packaging**

The supplier shall pack the goods in an appropriate manner but if the Company requires a special method of packing this shall be notified to the supplier in writing by the Company at the time of placing an order and the supplier shall pack the goods as the Company requires at the supplier's cost.

### **7. Receipt of Goods**

- a) On receipt of goods, the Company shall carry out a visual examination of the goods and shall notify the supplier within fourteen (14) days of any defect revealed by such examination. In the case of shortage or non-delivery of goods, the Company shall notify the supplier within seven (7) days of delivery
- b) If the supplier is unable to deliver, as a result of failure on the part of the Company to: accept delivery, give adequate instructions, failure to collect the goods, the Company shall arrange such storage as it deems appropriate and the supplier shall be required to comply with such instructions issued
- c) In the event that delivery is to be in installments, the Company will deem each separate delivery a separate contract.
- d) In the event that the supplier wishes to change, or is unable to meet, the required delivery schedule, this must be notified to the Company in writing, indicating the required revisions in the schedule and giving at least four (4) weeks notice to the Company. The Company will acknowledge this request indicating acceptance or otherwise and detail a revised delivery schedule where appropriate. The supplier will remain responsible for the acceptance of deliveries to this revised schedule. If it is not appropriate for the delivery schedule to be revised the Company shall be entitled to terminate the contract. The Company shall have the option to accept goods that have been completed to an acceptable stage under the contract but shall be under no obligation to do so. The Company shall hold the supplier liable for any additional costs that the Company may incur as a result of the supplier being unable to deliver either on time or at any acceptable later time the goods and services under the contract.

**8. Payment**

The Company requires invoices for the provision of goods and services to include the contract reference, a description of the goods and services, and to be at the same price as per the original order. The Company shall be entitled to reject from the supplier any invoice that does not meet the necessary requirements. Payment for goods and services shall be due 60 days from the end of the month in which the supplier raises its invoice, or where alternative terms are agreed.

**9. Access to Records and Site**

The Company, its customers and regulatory authorities shall have the irrevocable right to access all sites and records of the supplier, and any sub-contractor, as may be required in accordance with a Contract and its requirements.

**10. Force Majeure**

The performance of all Contracts is subject to variation or cancellation by the Company in the event of any breakdown of plant or apparatus, fire, explosion, natural disasters, accident, industrial dispute, interruptions in the availability of labour, energy, transport, or material, government regulations or any other cause or event beyond the control of the Company. The Company shall have no liability in respect of failure or delay in receipt of goods or services under the contract due to any cause outside the Company's control. These include but are not limited to: act of God, fire, floods, war, civil disturbances, riot, act of Government, currency restriction, industrial disputes, unavailability of materials or failure of supplier, carrier or sub-contractor to deliver on time.

**9. Non Conforming Goods and Services**

Subject to the provisions of section 6 hereof, if the Company considers that any goods delivered or services provided do not conform to their specification it shall notify the supplier of such non-conformity within two months of receipt by the Company and at the same time return any relevant goods to the supplier. The Company shall have the option to either request the supplier, at the supplier's cost, to re-work or replace the goods, re-perform the service or to terminate the contract. If the contract is cancelled as a result of non conforming goods or services the Company i) shall not be liable to make any payment under the contract; ii) shall be entitled to reclaim from the supplier any monies already paid under the contract; iii) shall be entitled to make a claim against the supplier for any costs incurred by the Company as a result of the non conforming goods and services.

**10. Limitation of Liability**

a) In respect of Free Issue Materials:

(i) the Company shall indemnify and keep indemnified the supplier from and against all actions, demands, claims, proceedings, losses or costs arising from the supply of Free Issue Materials by the Company.

b) In respect of the contract for the supply of goods or service by the supplier

(i) the Company's total liability in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the contract shall be limited to the price of the individual line item(s) giving rise to the liability;

(ii) the Company shall not be liable to the supplier for loss of profit, loss of business, business interruption, loss of contracts, loss of opportunity and/or production or depletion of goodwill in each case whether direct, indirect or consequential, or any claims for consequential loss and/or indirect compensation whatsoever (howsoever caused) which arise out of or in connection with the Contract

**11. Provisions Relating to Certain Goods**

The Company shall be entitled not to comply with the terms of any contract if it is of the opinion that to do so would be in breach of any applicable laws (either in the United Kingdom or elsewhere) relating to the production, storage or supply of goods.

**12. Benefit of Contracts**

The supplier shall not be entitled to assign or otherwise transfer all or any of its rights and obligations under the Contract between it and the Company.

**13. Divisibility Clause**

All contracts are divisible. Each delivery made thereunder shall be deemed to arise from a separate contract and shall be capable of being invoiced separately; any invoice for a delivery shall be payable in full in accordance with the terms of payment provided for therein, without reference to and notwithstanding any defect or fault in delivery of any other instalment.

**14. Governing Law**

These conditions and any Contract between the Company and the supplier shall be subject to and constructed in accordance with English law. The supplier agrees to submit to the non-exclusive jurisdiction of the English courts.

**15. Data Protection Act 1998 (unincorporated Customers)**

a) The Company, or our banker/financiers, may make credit reference agency searches in respect of your business and its principals. Please note that credit reference agencies make a record of searches that prevent fraud or money laundering or by subscribers to make credit decisions about you.

b) We may transfer information about you to our bankers, in order for them to provide their services to us and other customers of theirs and to help them (1) obtain credit insurance (2) undertake credit control (3) undertake assessment and analysis (including credit scoring, market, product and statistical analysis) (4) securities debts and (5) protect their interests.

c) Our bankers may give information about you and your indebtedness to the following for the purpose stated

(i) any other divisions or associated companies of theirs – for the business purposes of such divisions or companies

(ii) our or their insurers – to quote for and issue any credit policy or

to deal with any claims any advisers acting our or their behalf – so the advisers can carry out their services

(iii) any business to which your indebtedness or our financing arrangements with them may be transferred – to facilitate such transfer

(iv) to any person to whom they have a duty of disclosure or to whom the law permits disclosure

d) i) Our bankers may make decisions about you solely using an automated decision making process, such as credit scoring, however, they will tell us (and in turn we will tell you) if they make a significant decision only using such a process. Through the Company, you can request a review of their decision using other means.

ii) Our bankers may monitor and record your phone calls to them for training and/or security purposes.

iii) We will provide you with details of our bankers on request, including a contact telephone number from where you can obtain details of the credit reference agencies used by them and any third party to whom information may be transferred.