

Standard Terms & Conditions of Purchase

1. Definitions

In these conditions, the following expressions shall have meanings respectively assigned to them.

“The Purchaser” means Aerospace Tooling Ltd (also referred to at time to time as ATL Turbine Services).

“The Vendor” means the person, firm or company when has agreed to supply the goods.

“The contract” means the contract entered into between the Purchaser and the Vendor for the supply of goods.

“The goods” means the materials, equipment, services, supplied and other items supplied by the Vendor.

2. General

The Contract shall be subject to the following express terms and conditions and no variation thereto shall apply unless specifically agreed by the Purchaser in writing. All other conditions, warranties and representations whether express or implied, including and purported conditions of sale customarily attached or otherwise considered to be part of the Vendor’s standard documentation are hereby excluded.

3. Goods

The Goods shall:

- a) conform in every respect with the Purchase Order;
- b) be of sound design, material and workmanship;
- c) if the purpose for which they are acquired is indicated in the Purchase Order, fit for that purpose and if not so indicated be fit for their ordinary purpose;
- d) be in conformity with all laws and regulations pertaining thereto.

The Vendor will maintain all necessary and relevant certification, including airworthiness and associated quality management requirements associated with the supply of the goods.

4. Inspection and/or testing

Quantities, weights and dimensions ascertained by the Purchaser in the course of the inspection and/or testing shall, unless otherwise proven, be considered definitive for the purposes of this Contract. Should the goods be found to be defective or inferior in quality, they may be rejected in whole or in part at the sole option of the Purchaser. For any such rejected goods, the Purchaser shall have the option of either to have the goods replaced by the Vendor or to exclude same from the Purchase Order, in which any case sums already made with respect to such rejected goods shall be forthwith reimbursed by the Vendor. The Purchaser shall be entitled to order such goods from another supplier and the Vendor shall reimburse the Purchaser for any additional costs thereby incurred. The foregoing shall be without prejudice to any other rights the Purchaser may have in connection with the goods and the making or failure to make any inspection of the goods shall in no way relieve the Vendor of this obligation to conform to all the requirements of the Purchase Order. Notwithstanding the provisions of this clause the Vendor shall remain full responsible for the Goods and any such inspection and/or testing shall not diminish or otherwise affect the Vendor’s obligations under the contract.

5. Delivery Order

Unless otherwise agreed the price of the goods shall include packing and free delivery to the Purchaser. The goods shall be properly packed in accordance with relevant certification requirements and secured in such a manner as to reach their destination in good condition and accompanied by a delivery note. The Vendor shall deliver the goods at the time(s), place(s) and in the manner specified in the Purchase Order. Time shall be of the essence unless otherwise specified.

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 Contract in whole or in part;
- b) refuse to accept any subsequent delivery of the Goods which the Vendor attempts to make;
- c) recover from the Vendor and expenditure reasonably incurred by the Purchaser which in obtaining the Goods in substitution from any other supplier; and
- d) claim damages for any additional costs, loss or expenses incurred by the Purchaser which are in any way attributable to the Vendor’s failure to deliver the Goods on the due date.

6. Aerospace Supplemental Requirement

In respect of any goods supplied for use on aerospace components in accordance with the requirements as defined in AS9110 Revision C, section 7.4.2, the Vendor will shall immediately inform the Purchaser and where relevant other concerned stakeholders ;

- a) Of the supply of any Non-Conforming goods.
- b) Obtain Purchaser approval for Non-Conforming goods disposition.
- c) Notify the Purchaser of changes in product and/or process, changes of supplier, changes of manufacturing facility location and, where required, obtain Purchaser approval.
- d) Ensure any supporting supply chain tiers are aware of and confirm to the applicable requirements including any Purchaser requirements.

The supplier shall maintain their records indefinitely or in accordance with the requirements of Aerospace Tooling procedure for Control of Records, copy available on request. Records and documents relating to Rolls Royce or aerospace parts shall be retained by the Seller in accordance with RR9000 – SABRe requirements, available to Rolls Royce at any time and accessible within 24 hours.

7. Property and Risk

Where the Vendor is in possession of the goods belonging to the Purchaser for manufacture, repair or similar such purpose ownership of the goods shall remain at all times with the Purchaser. Otherwise property of the goods shall pass to the Purchaser at the first to occur of the following events.

- a) When the Goods or part thereof are first identifiable as being appropriate to the Purchase;
- b) When the Purchaser pays for the Goods or part thereof;
- c) When the Goods of part thereof are delivered to the Purchaser or to a destination instructed by the Purchaser.

Notwithstanding the foregoing, the risk in the goods shall remain vested in the Vendor until the goods are delivered (including off-loading).

8. Warranties

If any of the goods do not, in the reasonable opinion of the Purchaser, comply with the provisions of Clause 3 hereof or if any defect or fault originating with the design, materials or operating characteristics of any of the goods arises at any time within twelve months after the date when such item is placed in operation or twenty-four months from the date of delivery whichever is the shorter, the Vendor shall at its own expense promptly carry out such operations including repairs and replacements, as may be necessary to ensure the goods comply with the provisions of Clause 3 hereof. If the fault or failure cannot be corrected, the goods shall be removed by the Vendor who shall promptly furnish satisfactory goods to the Purchaser.

If the goods are not removed and satisfactory replacement goods furnished by the Vendor within such reasonable time as the Purchaser shall determine then the Purchaser shall be entitled to carry out such remedial work or provide replacement goods at the sole risk, cost and expense of the Vendor.

9. Payment

A single copy of the Vendor's invoice is to be sent to the Purchaser. It must not be included with the consignment of goods.

The Vendor's invoice shall be paid within sixty days of the end of month of receipt by the Purchaser providing such invoice is properly drawn and is accompanied by the required supporting documents. If invoices require correction the time of payment will be computed from the date of receipt by the Purchaser of the Vendor's corrected invoice. From any sum due under the Purchase Order, the Purchaser may deduct any amount due by the Vendor to the Purchaser. The price shown in the Purchase Order cannot be varied unless agreed in writing by the Purchaser before delivery.

10. Indemnity

The Vendor shall keep the Purchaser indemnified in full against all direct or consequential liabilities (all three of 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 paid by the Purchaser as a result of or in connection with:

- a) defective workmanship, quality material; and
- b) 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 Contract by the Vendor.

11. Infringements of Patents

The Vendor shall full indemnify the Purchaser against any claim, cost of expenses arising from or incurred by reason of any infringement of copyright, letters, patent, registered design, trademark or trade name in relation of the use of sale of the goods.

If the Goods or part thereof involved in such a claim etc. are prohibited from use the Vendor shall at his own expense either replace or modify the goods to remove the infringement to the satisfaction of the Purchaser. Aerospace Tooling Ltd.

12. Confidentiality

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

13. Assignment or Sub-Contracting

The Vendor shall not, without the consent in writing of the Purchaser, assign or sub-contract the Purchase Order or any part thereof. Any such consent shall not relieve the Vendor of the obligations under the Purchase Order. The Purchaser may at any time assign or sub-contract all or any part of its rights or obligations under the Purchase Order.

14. Termination

The Purchaser may terminate the Purchase Order in whole or part at any time at its option. The Vendor agrees that any termination charges made as a consequence shall be limited to the costs of material and labour incurred to date of termination.

If the Purchaser terminates the Purchase Order due to failure of the Vendor to comply with these conditions or due to bankruptcy or winding up of the Vendor, the Vendor shall only be entitled to receive the amount of money due under the Purchase Order to date of termination less any sums incurred by the Purchaser as a result of having the Goods satisfactorily completed by another supplier.

Furthermore, the Vendor shall reimburse the Purchaser for any sum already paid in relation to any Goods refused or returned to the Vendor and all associated costs incurred by the Purchaser.

15. Invalidity

If any of the provisions contained in these conditions of sale become invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired.

16. Applicable Law

The parties to the Contract do not intend that any of the terms of the Contract shall be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person that is not party to it. The formation, existence, construction, performance, validity and all aspects of the Contract shall be governed by English Law and the parties submit to the exclusive jurisdiction of the English courts.

17. Right of Entry to Supplier of Sub Contractor Premises

Acceptance of this contract is inclusive of a right of entry facilitation providing Aerospace Tooling Limited, its customers and or regulatory agencies permission for appropriate access to supplier or subcontractor premises to determine and verify the quality of work, records and material related to the Contract conditions.