

General Terms of Purchase

1. DEFINITIONS

1.1 In these Terms (as defined below) the following words and expressions shall have the respective meanings set out opposite:

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| “Contract” | this Order when accepted by Supplier; |
| “Delivery Address” | the address stated on the Order or if no address is stated the Purchaser’s place of business and such other place of delivery as the Purchaser may notify to the Supplier in writing prior to delivery; |
| “Goods” | the goods (including any instalment of the goods or any part of them) to be delivered under this Order or Contract and shall be deemed to include any Services; |
| “Order” | the Purchaser’s written instruction to buy the Goods on these Terms; |
| “Price” | the price of the Goods and/or the charge for the Services |
| “Purchaser” | Spirit Circuits Limited Registered office: 51 The Stream, Ditton, Aylesford, Kent, ME20 6AG, United Kingdom Registered in England & Wales No. 04679779. VAT No. 833 6271 30 |
| “Quality Standards” | the quality standards published by BSI British Standards, the National Standards Body of the United Kingdom, the International Organisation for Standardization or other reputable or equivalent body, (and their successor bodies) together with any quality or testing standards set by any other competent authority (including, without limitation, the British Ministry of Defence) and any other standard that a skilled and experienced operator in the same type of industry or business sector as the Supplier would reasonably and ordinarily be expected to comply with, and as may be further detailed the order and/or Specification |
| “Supplier” | the person, firm or company who accepts the Order; |
| “Services” | the services (if any) described in the Order; |
| “Specification” | includes any plans, drawings, data or other information relating to the Goods or Services; and |
| “Terms” | the standard terms of purchase set out in this document and (unless the context otherwise requires) includes any special terms agreed in writing between the Purchaser and the Supplier. |

1.2 Any reference in these Terms to a statute or a provision of a statute shall be construed as a reference to that statute or provision as amended, re-enacted or extended at the relevant time.

1.3 A reference to one gender includes a reference to any other gender.

1.4 The headings in these Terms are for convenience only and shall not affect their interpretation.

2. BASIS OF PURCHASE

2.1 The Order constitutes an offer by the Purchaser to purchase the Goods and/or acquire the Services subject to these Terms.

2.2 These Terms shall apply to the Contract to the exclusion of any other terms on which any quotation has been given to the Purchaser or subject to which the Order is accepted or purported to be accepted by the Supplier.

- 2.3 No terms or conditions endorsed upon, delivered with or contained in the Supplier's quotation, acknowledgement or acceptance of order, specification or similar document shall form part of the Contract and the Supplier waives any right which it otherwise might have to rely on such terms and conditions.
- 2.4 The Order will lapse unless unconditionally accepted by the Supplier in writing within seven (7) days of its date.
- 2.5 No variation to the Order or these Terms shall be binding unless agreed in writing by an authorised representative of the Purchaser.
- 3 SPECIFICATIONS
- 3.1 The Goods shall conform in all respects with the Order and any applicable specification and/or patterns supplied or advised by the Purchaser to the Supplier.
- 3.2 The Supplier shall comply with all applicable regulations or other legal requirements concerning the manufacture, packaging, packing, marking, storage, handling, import, export and delivery of the Goods and the performance of the Services (as the case may be).
- 3.3 The Goods shall be marked in accordance with the Purchaser's instructions and any applicable regulations or requirements of the carrier, and properly packed and secured so as to reach their destination in an undamaged condition in the ordinary course.
- 3.4 The Supplier shall obtain and maintain in force all licences, permissions, authorisations, consents and permits needed to supply the Goods and/or Services (as the case may be) in accordance with these Terms.
- 4 DELIVERY
- 4.1 The Goods shall be delivered, carriage paid (unless otherwise agreed), to, and the Services shall be performed at, the Delivery Address and on the date or within the period stated in the Order, in either case during the Purchaser's usual business hours. The Supplier or their appointed agent shall off-load the Goods at their own risk as directed by the Purchaser.
- 4.2 The date for delivery shall be specified in the Order, or if no such date is specified then delivery shall take place within twenty-eight (28) days of the Order save that where the date of delivery of the Goods or of performance of the Services is to be specified after the placing of the Order, the Supplier shall give the Purchaser reasonable notice of the specified date.
- 4.3 The Supplier shall supply the Purchaser in good time with any instructions or other information required to enable the Purchaser to accept delivery of the Goods and performance of the Services.
- 4.4 Time of delivery of the Goods and of performance of the Services is of the essence of the Contract.
- 4.5 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:
- 4.5.1 cancel the Contract in whole or in part;
 - 4.5.2 refuse to accept any subsequent delivery of the Goods which the Supplier attempts to make;
 - 4.5.3 recover from the Supplier any expenditure reasonably incurred by the Purchaser in obtaining the Goods in substitution from another supplier; and
 - 4.5.4 claim damages for any additional costs, loss or expenses incurred by the Purchaser which are in any way attributable to the Supplier's failure to deliver the Goods on the due date
 - 4.5.5 if goods are delivered early, invoice payment will be based on the required due date
- 4.6 A packing note quoting the number of the Order must accompany each delivery or consignment of the Goods and must be displayed prominently.
- 4.7 Where the point of delivery is other than Purchaser's factory a complete copy of all despatch documents shall be sent to Purchaser on the day of despatch. If U.K. import duty is chargeable on any Goods, Supplier shall notify Purchaser in sufficient time for Customs arrangements to be made such that the import of items required for re-export may be duty free.
- 4.8 Packing list, Release Notes, and Certificate of Conformity shall accompany delivery of the Goods where appropriate, and except for packing lists, separate documents must be included for each Order number with each consignment of Goods, stating clearly the description, quantity, weights, serial, part, drawing, specification and Order numbers; together with the issue numbers applicable to the manufacturing standard of the Goods, (the specification referred to being the technical requirements as stated in the Order. If no specification is referred to, the British Standard specification(s) appropriate to the Goods and Supplier's proprietary specification shall apply).
- 4.9 If the Goods are to be delivered, or the Services are to be performed, by instalments, the Contract will be treated as a single contract and not severable.

- 4.10 The Purchaser may reject any Goods delivered which are not in accordance with the Contract, and shall not be deemed to have accepted any Goods until the Purchaser has had a reasonable time to inspect them following delivery or, if later, within a reasonable time after any latent defect in the Goods has become apparent.
- 4.11 If the Goods are delivered to the Purchaser in excess of the quantities ordered the Purchaser shall not be bound to pay for the excess and any excess shall be and shall remain at the Supplier's risk and shall be returnable at the Supplier's expense.
- 4.12 The Purchaser shall not be obliged to return to the Supplier any packaging or packing materials for the Goods, whether or not any Goods are accepted by the Purchaser.
- 4.13 If the Supplier fails to meet the delivery requirements set out in this clause 4 or expects to so fail, the Supplier shall promptly notify the Purchaser in writing.

5 PRICE OF THE GOODS AND SERVICES

- 5.1 The Price of the Goods and the Services shall be as stated in the Order and, unless otherwise so stated, shall be:
 - 5.1.1 exclusive of any applicable value added tax (which shall be payable by the Purchaser subject to receipt of a VAT invoice); and
 - 5.1.2 inclusive of all charges (unless otherwise agreed) for packaging, packing, shipping, carriage, insurance and delivery of the Goods to the Delivery Address and any duties, imposts or levies other than value added tax.
- 5.2 No increase in the Price may be made (whether on account of increased material, labour or transport costs, fluctuation in rates of exchange or otherwise) without the prior consent of the Purchaser in writing.
- 5.3 The Purchaser shall be entitled to any discount for prompt payment, bulk purchase or volume of purchase customarily granted by the Supplier, whether or not shown on its own terms of sale.

6 TERMS OF PAYMENT

- 6.1 The Supplier may invoice the Purchaser on or at any time after delivery of the Goods or performance of the Services, as the case may be, and each invoice shall quote the number of the Order.
- 6.2 The Purchaser shall pay any invoice properly and correctly due in accordance with any payment terms agreed in writing with the Supplier in advance of the Order being accepted and, in the absence of any such agreement, within sixty (60) days after the end of the month of receipt by the Purchaser or, if later, after acceptance of the Goods and/or Services in question by the Purchaser.
- 6.3 The Purchaser may set off against the Price any sums owed to the Purchaser by the Supplier.

7 RISK AND PROPERTY

- 7.1 Risk of damage to or loss of the Goods shall pass to the Purchaser on delivery in accordance with the Contract.
- 7.2 Property in the Goods shall pass to the Purchaser on delivery provided that any passing of title shall not prejudice either the Purchaser's right to reject for non-conformity with specification or any other rights what the Purchaser may have under the Order provided that where advance or progress payments are made title but not risk shall pass to the Purchaser as soon as items are allocated to the Order. All items so allocated shall be adequately marked as being the property of the Purchaser.

8 CHANGES

- 8.1 The Purchaser may from time to time, by written notice to the Supplier, make changes to the Order, including (without limitation), drawings, designs, specifications, degree of completion of part machined Goods, data and delivery requirements, the amount of materials or property supplied by the Purchaser or any third party. Within three (3) working days of receipt of such notice, the Supplier shall, at its standard rates then in force, prepare for the Purchaser a written estimate of any increase or decrease in the Price, and of any effect that the requested change would have on the delivery date and Price.
- 8.2 Within seven (7) working days of receipt of the written estimate referred to in, the Purchaser shall inform the Supplier in writing of whether or not the Purchaser wishes the requested change to be made. If the change is required, the Supplier shall not make the requested change until the parties have agreed and signed a written agreement specifying, in particular, any changes to the delivery date and Price.

9 APPROVAL

- 9.1 Supplier shall provide and maintain quality control and inspection systems acceptable to Purchaser.

9.2 Supplier shall supply to Purchaser adequate information to ensure that the Goods when out to use shall be safe and without risk to health.

10 INSPECTION

10.1 It is a condition of this Contract that all Goods shall be available for inspection during manufacture processing and storage.

10.2 The Supplier shall not unreasonably refuse any request by the Purchaser to inspect and test the Goods during manufacture, processing or storage at the premises of the Supplier or any third party prior to despatch, and the Supplier shall render every assistance to Purchaser's authorised representatives inspecting the Goods. Such inspection shall not constitute acceptance or approval of the Goods.

10.3 If as a result of inspection or testing the Purchaser is not satisfied that the Goods will comply in all respects with the Contract, and the Purchaser so informs the Supplier within seven (7) days of inspection or testing, the Supplier shall take such steps as are necessary to ensure compliance.

11 QUALITY CONTROL AND RIGHT OF REJECTION

11.1 Before delivery the Supplier shall carefully inspect and test the Goods for compliance with the requirements of the Order and to ensure that it meets the Quality Standards.

11.2 Goods must, on delivery, be accompanied by a certificate from the Supplier confirming that the Goods have been duly inspected and tested and that the Goods comply with the requirements of the Order and the Quality Standards.

12 THE PURCHASER'S PROPERTY

12.1 Materials, equipment, tools, dies, moulds, copyright, design rights or any other forms of intellectual property rights in all drawings, specifications and data supplied by the Purchaser to the Supplier or not so supplied but used by the Supplier specifically in the manufacture of the Goods shall at all times be and remain the exclusive property of the Purchaser but shall be held by the Supplier in safe custody at its own risk and maintained and kept in good condition by the Supplier until returned to the Purchaser and shall not be disposed of other than in accordance with the Purchaser's written instructions, nor shall such items be used otherwise than as authorised by the Purchaser in writing.

13 INTELLECTUAL PROPERTY RIGHTS

13.1 Intellectual property rights in all data (including software) produced as a consequence of this Order by the Supplier's employees and/or sub-contractors engaged on experimental, development or research work, whether ordered as such or as may become necessary for the execution of this order, which the Supplier assigns, or shall procure that the first owner assigns, to the Purchaser with full title guarantee free from all charges and encumbrances.

13.2 Any Specification supplied by the Purchaser to the Supplier, or specifically produced by the Supplier for the Purchaser, in connection with the Contract, together with the copyright, design rights or any other intellectual property rights in the Specification, shall be the exclusive property of the Purchaser, and the Supplier assigns, and shall procure that its agents, employees and sub-contractors assign, with full title guarantee to the Purchaser all such copyright, design rights and other intellectual property for no further consideration, subject only to the payment of the Price.

14 CONFIDENTIALITY

14.1 The Supplier 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 Supplier by the Purchaser or its agents and any other confidential information concerning the Purchaser's business or its products which the Supplier may obtain and the Supplier 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 Supplier's obligations to the Purchaser and shall ensure that such employees, agents or sub-contractors are subject to like obligations of confidentiality as bind the Supplier.

15 SUBCONTRACTING AND ASSIGNMENT

15.1 The Order is personal to the Supplier and the Supplier shall not assign or transfer or purport to assign or transfer to any other person any of its rights or sub-contract any of its obligations under the Contract without the prior written consent of the Purchaser.

16 WARRANTIES AND LIABILITY

- 16.1 The Supplier warrants to the Purchaser that the Goods supplied are not defective in materials, workmanship and (to the extent that such Goods are not manufactured to detailed designs furnished by the Purchaser) design, are of satisfactory quality, suitable for the purpose for which they were intended, conform with all Contract requirements including any applicable descriptions, samples, specifications or drawings and are free from any charge or encumbrance not known or disclosed to Purchaser before this Contract was made. The purchaser relies on the skill and judgement of Supplier.
- 16.2 The Supplier warrants that the Goods and the supply of the Goods will comply with all statutory requirements and regulations relating to the export, import or sale of the Goods.
- 16.3 The Supplier warrants to the Purchaser that the Services will be performed by appropriately qualified and trained personnel, with due care and diligence and to such high standard of quality as it is reasonable for the Purchaser to expect in all the circumstances.
- 16.4 Without limiting any other remedy, if any Goods or Services are not supplied or performed in accordance with the Contract, then the Purchaser shall be entitled:
- 16.4.1 to require the Supplier to repair the Goods or to supply replacement Goods or Services in accordance with the Contract within seven (7) days; or
- 16.4.2 at the Purchaser's sole option, and whether or not the Purchaser has previously required the Supplier to repair the Goods or to supply any replacement Goods or Services, to treat the Contract as discharged by the Supplier's breach and require the repayment of any part of the Price which has been paid.

17 FREE ISSUE MATERIAL, ARTICLES ON LOAN

- 17.1 Where Goods are manufactured from material supplied by Purchaser, unless agreed otherwise in writing, replacements for any spoiled materials shall be ordered from Purchaser at Supplier's liability and expense.
- 17.2 Any articles or documentation loaned to the Supplier by the Purchaser in connection with the Contract will remain at all times the property of the Purchaser and be surrendered to the Purchaser upon demand in good and serviceable condition, and are to be used solely in connection with the Contract. Such loaned articles shall be at the risk of the Supplier and insured by the Supplier at Supplier's expense against loss or damage in their full replacement value.
- 17.3 Where the Contract price includes the cost of making or purchasing tooling and/or inspection equipment, these articles become the property of Purchaser on completion of the Contract or earlier termination and shall be held in safe custody properly identified and maintained until disposal instructions are issued by Purchaser. Such articles shall only be used by the Supplier in connection with Contracts from Purchaser. Supplier shall provide copies of drawings of such articles to Purchaser on request at no extra charge.
- 17.4 The Supplier shall insert the substance of these terms in its purchase orders with the intent that the rights and benefits of the Purchaser hereunder shall not be adversely affected.

18 INDEMNITIES

- 18.1 The Supplier shall indemnify the Purchaser in full against all liability, loss, damages, costs and expenses (including legal expenses) awarded against or incurred or paid by the Purchaser as a result of or in connection with:
- 18.1.1 breach of any warranty given by the Supplier in relation to the Goods or the Services;
- 18.1.2 any claim that the Goods infringe, or their importation, use or resale, infringes or that the provision of the Services in any way infringes, the patent, copyright, design right, trade mark or other intellectual property rights of any other person, except to the extent that the claim arises from compliance with any Specification supplied by the Purchaser;
- 18.1.3 any liability under the Consumer Protection Act 1987 in respect of the Goods;
- 18.1.4 any act or omission of the Supplier or its employees, agents or sub-contractors in the design, construction, manufacture, testing, examination, supply, packing, labelling, delivery, and installation of the Goods; and
- 18.1.5 any act or omission of any of the Supplier's personnel in connection with the performance of the Services.

19 TERMINATION

- 19.1 The Purchaser shall have the right at any time and for any reason to terminate the Contract in whole or in part by giving the Supplier written notice whereupon all work on the Contract shall be discontinued and the Purchaser shall pay to the Supplier fair and reasonable compensation (such compensation shall not include loss of anticipated profits or any

consequential loss) for work-in-progress at the time of termination provided that the such termination is not occasioned by any breach or default by the Supplier of its obligations under this agreement including, without limitation, the reasons set out in clause 19.2.

- 19.2 The Purchaser shall have the right at any time by giving notice in writing to the Supplier to terminate the Contract forthwith if:
- 19.2.1 the Supplier commits a material or persistent breach of any of the terms and conditions of the Contract and, if remediable, fails to remedy that breach within twenty-eight (28) days of being notified of the breach; or
 - 19.2.2 any distress, execution or other process is levied upon any of the assets of the Supplier; or
 - 19.2.3 the Supplier has a bankruptcy order made against him or makes an arrangement or composition with his creditors, or otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, or (being a body corporate) convenes a meeting of creditors (whether formal or informal), or enters into liquidation (whether voluntary or compulsory) except a solvent voluntary liquidation for the purpose only of reconstruction or amalgamation, or has a receiver or manager, administrator or administrative receiver appointed of its undertaking or any part thereof, or documents are filed with the court for the appointment of an administrator of the Supplier or notice of intention to appoint an administrator is given by the Supplier or its directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986), or a resolution is passed or a petition presented to any court for the winding-up of the Supplier or for the granting of an administration order in respect of the Supplier, or any proceedings are commenced relating to the insolvency or possible insolvency of the Supplier; or
 - 19.2.4 the Supplier ceases or threatens to cease to carry on its business; or
 - 19.2.5 the financial position of the Supplier deteriorates to such an extent that in the opinion of the Purchaser the capability of the Supplier adequately to fulfil its obligations under the Contract has been placed in jeopardy.
- 19.3 The termination of the Contract, however arising, shall be without prejudice to the rights and duties of the Purchaser accrued prior to termination. The conditions which expressly or impliedly have effect after termination shall continue to be enforceable notwithstanding termination.

20 REMEDIES

- 20.1 Without prejudice to any other right or remedy which the Purchaser may have, if any Goods are not supplied in accordance with, or the Supplier fails to comply with, any of the terms of the Contract the Purchaser shall be entitled to avail itself of any one or more of the following remedies at its discretion, whether or not any part of the Goods have been accepted by the Purchaser:
- 20.1.1 to rescind the Order;
 - 20.1.2 to reject the Goods (in whole or in part) and return them to the Supplier at the risk and cost of the Supplier on the basis that a full refund for the Goods so returned shall be paid forthwith by the Supplier;
 - 20.1.3 at the Purchaser's option to give the Supplier the opportunity at the Supplier's expense either to remedy any defect in the Goods or to supply replacement Goods and carry out any other necessary work to ensure that the terms of the Contract are fulfilled;
 - 20.1.4 to refuse to accept any further deliveries of the Goods but without any liability to the Supplier;
 - 20.1.5 to carry out at the Supplier's expense any work necessary to make the Goods comply with the Contract; and
 - 20.1.6 to claim such damages as may have been sustained in consequence of the Supplier's breach or breaches of the Contract.
- 20.2 Each right or remedy of the Purchaser under the Contract is without prejudice to any other right or remedy of the Purchaser whether under the Contract or not.

21 NOTICES

- 21.1 Any notice required to be given pursuant to these Terms shall be in writing, and shall be sent to the other party marked for the attention of the person at the address set out for such party in these Terms or the Order or such other address as the recipient may designate by notice given in accordance with the provisions of this clause 21. Notices may only be sent by air-mail, first-class mail, or fax provided that faxes are confirmed within 24 hours by a copy sent either by air-mail or first-class mail. Correctly addressed notices sent by air-mail shall be deemed to have been delivered 7 days after posting, first-class mail shall be deemed to have been delivered 72 hours after posting, and correctly directed faxes shall be deemed to have been received instantaneously on transmission provided that a confirming copy is sent by air-mail or first-class mail as set out in this clause 21.

22 WAIVER

The failure of the Purchaser to enforce at any time any of the terms of the Contract shall in no way be construed to be a waiver of such terms, not in any way to affect the validity of the terms or any part thereof, or the rights of Purchaser thereafter to enforce each and every such term.

23 CONFIDENTIALITY

Supplier shall maintain in strict confidence all information acquired from Purchaser in connection with the Contract and undertakes not to disclose the same to any third party except as is solely necessary for fulfilling the Contract.

24 FORCE MAJEURE

The Purchaser reserves the right to defer the date of delivery or payment or to cancel the Contract or reduce the volume of the Goods ordered if it is prevented from or delayed in the carrying on of its business because of circumstances beyond the reasonable control of the Purchaser including, without limitation, acts of God, governmental actions, war or national emergency, acts of terrorism, protests, riot, civil commotion, fire, explosion, flood, epidemic, lock-outs, strikes or other labour disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials.

25 GENERAL

- 25.1 If any provision of the Contract is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid, void, voidable, unenforceable or unreasonable it shall, to the extent of such illegality, invalidity, voidness, voidability, unenforceability or unreasonableness, be deemed severable and the remaining provisions of the Contract and the remainder of such provision shall continue in full force and effect.
- 25.2 The parties to the Contract do not intend that any term of the Contract shall be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person that is not a party to it.
- 25.3 The rights of the parties to terminate, rescind or agree any variation, waiver or settlement under this Contract is not subject to the consent of any person that is not a party to this Contract.
- 25.4 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.