

DALAU LIMITED – TERMS AND CONDITIONS OF PURCHASE

1. DEFINITIONS AND INTERPRETATION

In these terms and conditions the following expressions shall have the following meanings:-

- 1.1 "Buyer" means DALAU LIMITED;
- 1.2 "Seller" means the person(s), firm or company to whom the Order is addressed.
- 1.3 "Conditions" means these terms and conditions of purchase.
- 1.4 "Contract" means the Conditions, the Order and the Order Acceptance.
- 1.5 "Delivery" means the receipt or completion of Goods (as appropriate).
- 1.6 "Goods" means any substance, material, article, product or things or any of them described in the Order.
- 1.7 "Order" means the written order (containing the information specified in sub-clauses 4.2 (as appropriate) below), placed by the Buyer addressed to the Seller for the supply of the Goods.
- 1.8 "Specification" means the details of the Goods required including quantity, type, trade name of any materials and any other relevant information as to precise identification of the materials used to form the Goods together with details of any relevant technical requirements, title or other positive identification information relating to applicable specification, drawings and process requirements and other relevant technical requirements of the Goods contained or referred to the Order (refer also to sub-clauses from 4.2.6 to 4.2.18 (as appropriate) below).
- 1.9 "Order Acceptance" means a written acceptance note from the Seller to the Buyer confirming the Order and containing the information in sub-clauses 4.3 (as appropriate) of these Conditions.
- 1.10 Condition headings do not affect the interpretation of these Conditions.
- 1.11 A reference to one gender includes a reference to the all genders.

2. APPLICATION OF TERMS

- 2.1 Subject to any variation under sub-clause 2.4, these Conditions are the only conditions upon which the Buyer is prepared to deal with the Seller and they shall govern the Contract to the entire exclusion of all other terms or conditions.
- 2.2 Subject to clause 3, each Order for Goods by the Buyer from the Seller shall be deemed to be an offer by the Buyer to buy Goods subject to these Conditions and no Order shall be accepted until the Seller either expressly by giving the Order Acceptance, or impliedly by fulfilling the Order, in whole or in part accepts the offer.
- 2.3 No terms or conditions endorsed upon, delivered with or contained in the Seller's quotation, acknowledgement or Order Acceptance, specification or similar document shall form part of the Contract and the Seller waives any right which it otherwise might have to rely on such terms and conditions.
- 2.4 Neither the Buyer nor the Seller shall be bound by any variation, waiver of, or addition to these conditions except as agreed by both parties in writing and signed on their behalf.

3. OFFER AND ACCEPTANCE

- 3.1 The Buyer shall be bound by its Order only:
 - 3.1.1 if it is placed on its official form annexed to these conditions; and
 - 3.1.2 if the Seller accepts it in writing within seven days of the date of the Order; and
 - 3.1.3 if the price of the Goods is specified in sub-clause 3.1.1 above.

4. PLACING AN ORDER

- 4.1 The Buyer shall submit the Order to the Seller.
- 4.2 The Order shall contain the following information / requirements:
 - 4.2.1 the type, trade name of the materials required, with any other relevant precise identification, such as supplier code number;
 - 4.2.2 the quantity required;
 - 4.2.3 the unit cost;
 - 4.2.4 the required delivery date;
 - 4.2.5 COSH Data Sheets (where relevant);
 - 4.2.6 the requirements for approval of goods, procedures, processes and equipment;
 - 4.2.7 the requirements for qualification of personnel;
 - 4.2.8 the quality management system requirements;
 - 4.2.9 The identification and revision status of specifications, drawings, process requirements, inspection / verification instructions and other relevant technical data.

and where appropriate, in the case of an **Aerospace AS9100** contract:

- 4.2.10 The implementation of a quality management system;
- 4.2.11 Use Customer-designated or approved external providers, including process sources (e.g., special processes);
- 4.2.12 Notify the Buyer of **NON-CONFORMING PROCESSES, PRODUCTS, OR SERVICES** and obtain approval for their disposition;
- 4.2.13 Prevent the use of counterfeit parts, by one or more of the following (as applicable to the product/service being supplied):
 - Training of appropriate persons in the awareness and prevention of counterfeit parts;
 - Controls for acquiring externally provided product from original manufacturers, authorized distributors, or other approved sources;
 - Requirements for assuring traceability of parts and components to their original authorized manufacturers;
 - Verification and test methodologies to detect counterfeit parts;
 - Monitoring of counterfeit parts reporting from external sources;
 - Quarantine and reporting of suspect or detected counterfeit parts.
- 4.2.14 Notify Buyer of **CHANGES TO PROCESSES, PRODUCTS, OR SERVICES, INCLUDING CHANGES OF YOUR EXTERNAL PROVIDERS OR LOCATION OF MANUFACTURE** and obtain the Buyer's approval;
- 4.2.15 Documented information shall be held for a minimum period of **15 years** unless otherwise stated within the Purchase Order, after such time records may be disposed of in accordance with your own planned arrangements.
- 4.2.16 Ensure that your personnel are aware of:
 - Their contribution to product or service conformity;
 - Their contribution to product safety;
 - The importance of ethical behaviour.
- 4.2.17 Apply appropriate controls to your direct and sub-tier external providers, to ensure that requirements of the Purchase Order are met.
- 4.2.18 The right of access by the Buyer, their Customer, and regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain.

4.3 If the Seller accepts the Order, it shall provide the Buyer with the **Order Acceptance** comprising the following information:

- 4.3.1 name of any supplier together with references to specific quotes, if quoted in the Order;
- 4.3.2 the type, trade name of the materials required, with any other relevant precise identification, such as supplier code number;
- 4.3.3 confirmation of the quantity;
- 4.3.4 confirmation of the unit cost specified in the Order;
- 4.3.5 confirmation of the delivery date;
- 4.3.6 COSH Data Sheets (where relevant);
- 4.3.7 confirmation of the requirements for approval of goods, procedures, processes and equipment;
- 4.3.8 confirmation of the requirements for qualification of personnel;
- 4.3.9 confirmation of the quality management system requirements;
- 4.3.10 confirmation of the identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data.

and where appropriate, in the case of an **Aerospace AS9100** contract:

- 4.3.11 Confirmation of a quality management system;
- 4.3.12 Confirmation of using Customer-designated or approved external providers, including process sources (e.g., special processes);
- 4.3.13 Confirmation of the requirement to notify the Buyer of **NON-CONFORMING PROCESSES, PRODUCTS, OR SERVICES** and obtain approval for their disposition;
- 4.3.14 Confirmation to prevent the use of counterfeit parts, by one or more of the following (as applicable to the product/service being supplied):
 - Training of appropriate persons in the awareness and prevention of counterfeit parts;
 - Controls for acquiring externally provided product from original manufacturers, authorized distributors, or other approved sources;
 - Requirements for assuring traceability of parts and components to their original authorized manufacturers;
 - Verification and test methodologies to detect counterfeit parts;
 - Monitoring of counterfeit parts reporting from external sources;
 - Quarantine and reporting of suspect or detected counterfeit parts.
- 4.3.15 Confirmation to notify Buyer of **CHANGES TO PROCESSES, PRODUCTS, OR SERVICES, INCLUDING CHANGES OF YOUR EXTERNAL PROVIDERS OR LOCATION OF MANUFACTURE**, and obtain the Buyer's approval;
- 4.3.16 Confirmation of documented information shall be held for a minimum period of **15 years** unless otherwise stated within the Purchase Order, after such time records may be disposed of in accordance with your own planned arrangements
- 4.3.17 Confirmation to ensure that your personnel are aware of:
 - Their contribution to product or service conformity;
 - Their contribution to product safety;
 - The importance of ethical behaviour.
- 4.3.18 Confirmation to apply appropriate controls to your direct and sub-tier external providers, to ensure that requirements of the Purchase Order are met.
- 4.3.19 Confirmation on the right of access by the Buyer, their Customer, and regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain.

5. THE GOODS

The Goods shall:

- 5.1 Be the best available design, of the best quality, material and workmanship, be without fault and conform in all respects with the Order and Specification and/or samples, patterns or specifications supplied or advised by the Buyer to the Seller.
- 5.2 Be capable of any standard of performance specified in the Specification contained in the Order.
- 5.3 If the purpose for which they are required is indicated in the Order either expressly by implication be fit for that purpose.
- 5.4 The Buyer's rights under these conditions are in addition to the statutory conditions implied in favour of the Buyer by the Sale of Goods Act 1979.
- 5.5 At any time prior to delivery of the Goods to the Buyer, the Buyer shall have the right to inspect and test the Goods at all times.
- 5.6 If the results of such inspection or testing causes the Buyer to be of the opinion that the Goods do not conform or are unlikely to conform with the Order or to the Specification(s) and/or samples/patterns supplied or advised by the Buyer to the Seller, the Buyer shall inform the Seller and the Seller shall immediately take such action as is necessary to ensure conformity and in addition the Buyer shall have the right to require and witness further testing and inspection.
- 5.7 Notwithstanding to such inspection or testing, the Seller shall remain fully responsible for the Goods and any such inspection or testing shall not diminish or otherwise affect the Seller's obligations under the Contract.
- 5.8 If any of the Goods fail to comply with the provisions set out in this clause 5 the Buyer shall be entitled to avail itself of any one or more remedies listed in sub-clause 7.4.

6. INSPECTION

- 6.1 Before dispatching the Goods the Seller shall carefully inspect and test them for compliance with the Specification. The Seller shall, if requested by the Buyer, give the Buyer reasonable notice of such tests and the Buyer shall be entitled to be represented thereat. The Seller shall also, at the request of the Buyer, supply free of charge to the Buyer a copy of the Seller's test sheets certified by the Seller to be a true copy.
- 6.2 The Buyer and any regulatory authorities will be entitled to inspect and test the Goods for the purposes of verification of parts (if requested by the Buyer and/or any regulatory authorities) or otherwise during manufacture, processing or storage. If the Buyer exercises this right, the Seller shall provide or shall procure the provision of all such facilities as may reasonably be required by the Buyer therefor.
- 6.3 If as a result of any inspection or test under sub-clause 6.1 or 6.2 of this clause the Buyer's representative is of the reasonable opinion that the Goods do not comply with the Order or are unlikely on completion of manufacture or processing so to comply he shall inform the Seller accordingly in writing and the Seller shall take such steps as may be necessary to ensure such compliance.

7. DELIVERY, TITLE AND RISK

- 7.1 The Goods, properly packed and secured in such a manner as to reach their destination in good condition under normal conditions of transport, shall be delivered by the Seller at, or despatched for delivery to, the place or places and in the manner specified in the Order or as subsequently agreed in writing. All delivery costs and expenses (including insurance) shall be for the account of the Seller, subject however to the remaining provisions of this clause 7.
- 7.2 The Seller shall deliver the Goods at the time specified in the Order. Time shall begin to run from the date of acceptance by the Seller of the Order or the date on which the Seller is placed in possession of such information and specifications as may be necessary to enable it to start work on the Goods whichever may be the later. If owing to industrial disputes or any causes outside the Seller's control the Seller is unable to deliver the Goods within the

specified time then the Seller shall give the Buyer notice of the delay and the Buyer reserves the right to grant the Seller such extension of time as may be reasonable.

- 7.3 If for any reason the Buyer is unable to accept delivery of the Goods at the time when the Goods are due and ready for delivery the Seller shall, if its storage facilities permit, store the Goods, safeguard them and take all reasonable steps to prevent their deterioration until their actual delivery.
- 7.4 If the Goods or any portion thereof are not delivered on the due date specified in the Order or on any extension of such time or times granted by the Buyer then, without prejudice to any other rights which it may have, the Buyer reserves the right to:
 - 7.4.1 cancel the Contract in whole or in part;
 - 7.4.2 return to the Seller at the Seller's risk and expense any of the Goods already delivered but which cannot be effectively and commercially used as aforesaid and to recover from the Seller any monies paid by the Buyer in respect of such Goods;
 - 7.4.3 refuse to accept any subsequent delivery of the Goods which the Seller attempts to make;
 - 7.4.4 recover from the Seller any expenditure reasonably incurred by the Buyer in obtaining the Goods in substitution from another supplier; and
 - 7.4.5 claim damages for any additional costs, losses or expenses incurred by the Buyer which are in any way attributable to the Seller's failure to deliver the Goods on the due date.
- 7.5 The Buyer may by notice in writing to the Seller reject the Goods if the Seller fails to comply with his obligations under sub-clause 7.1 hereof and may also by notice in writing to the Seller give within twenty-eight days or such other period as may be agreed after delivery, reject any Goods which are found not to be in accordance with the Contract.
- 7.6 Arrangements for the return of returnable wooden packing cases, skids, drums and other reusable articles used for packing the Goods will be as specified in the Order.
- 7.7 Subject to the provisions of sub-clause 7.8 of this clause the property in the Goods shall pass to the Buyer on delivery without prejudice to any right of rejection which may accrue to the Buyer under these Conditions or otherwise.
- 7.8 If the Seller postpones delivery at the request of the Buyer pursuant to clause 7 the property in the Goods shall pass to the Buyer seven days after the date of receipt of notification from the Seller that the Goods are due and ready for delivery or on such other date as may be agreed but the Goods shall nevertheless remain at the Seller's risk until delivery has been completed.
- 7.9 The Buyer shall when giving notice of rejection specify the reasons therefor and shall thereafter return the rejected Goods to the Seller at the Seller's risk and expense. In such case and if so requested by the Buyer the Seller shall within a reasonable time replace such rejected Goods with Goods which are in all respects in accordance with the contract.
- 7.10 Any money paid by the Buyer to the Seller in respect of any rejected Goods not replaced by the Seller within a reasonable time or in respect of which the Buyer does not request replacement together with any additional expenditure over and above the contract price reasonably incurred by the Buyer in obtaining other Goods in replacement shall be paid by the Seller to the Buyer on demand.
- 7.11 If within the period after delivery named in the Order (hereinafter called "the guarantee period") the Buyer gives notice in writing to the Seller of any defect in the Goods which shall arise under proper use from faulty design, materials or workmanship, or of any defect for which the Seller is liable in writing (disclaimed responsibility), materials or workmanship, then the Seller shall with all possible speed replace or repair the Goods so as to remedy the defects without cost to the Buyer.
- 7.12 The Buyer shall, as soon as practicable after discovering any such defect or failure, return the defective Goods or parts thereof to the Seller and at the Seller's risk and expense unless it has been agreed between the parties that the necessary replacement or repair shall be carried out by the Seller on the Buyer's premises.
- 7.13 The Seller will repair or replace, free of charge Goods damaged or lost in transit provided the Buyer shall give to the Seller written notification of such damage or loss within such time as will enable the Seller to comply with the carrier's conditions of carriage, so far as they relate to loss or damage in transit, or where delivery is made by the Seller's own transport, within a reasonable time.
- 7.14 Payment of the price shall be made within the period after delivery specified in the Order, or if delivery is postponed at the request of the Buyer as provided in sub-clause 7 within the same period after the date when the property in the Goods passed to the Buyer under that clause.
- 7.15 All patterns, dies, moulds or other tooling supplied by the Buyer or prepared or obtained by the Seller for and at the sole cost of the Buyer shall be and remain the property of the Buyer.
- 7.16 The Seller shall not use such items, referred to in sub-clause 7.15 nor shall be authorised or knowingly permit them to be used by anyone else for, or in connection with, any purpose other than the supply of the Goods to the Buyer unless such use is expressly authorised by the Buyer, previously and in writing.

8. INSURANCE

- 8.1 The Seller shall insure in the joint names of the Buyer and Seller any material or property sent to the Seller by the Buyer for any purpose in connection with the contract against any damage which may occur to it whilst in its custody.
- 8.2 The Seller shall maintain all items required to fulfil the Order in good order and condition and insure them against all risks whilst in its custody and on completion of the contract or as otherwise directed by the Buyer shall return them to the Buyer in good order and condition. Should the Seller fail so to return them the Buyer may either withhold payment until they are so returned or withhold such part of the payment due as may be required to replace them or to restore them to good order and condition, whichever may be the less expensive.

9. WARRANTY AND LIABILITY

- 9.1 The Seller warrants that the design, construction and quality of Goods to be supplied under the contract comply in all respects with all relevant requirements of any statute, statutory rule or order, or other instrument having the force of law which may be in force at the time when the same are supplied.
- 9.2 The Seller shall fully indemnify the Buyer against action, claim, demand, costs, charges and expenses arising from or incurred by reason of any infringement or alleged infringement of any letters patent, registered design, trade mark, trade name or other intellectual property rights protected in the United Kingdom by the use or sale of the Goods and against all costs and damages which the Buyer may incur in any action for such infringement or of which the Buyer may become liable in any such action. Provided ALWAYS that this indemnity shall not apply to any infringement which is due to the Seller having followed a design or instruction furnished by the Buyer.
- 9.3 In the event of any claim being made or action brought against the Buyer arising out of the matters referred to in this clause the Seller shall be promptly notified thereof and shall, at its own expense if required by the Buyer and confirmed by the Buyer in writing conduct all negotiations for the settlement of the same, and any litigation that may arise therefrom.
- 9.4 The Buyer on its part warrants that any design or instructions furnished or given by it shall not be such as will cause the Seller to infringe any letters patent, registered designs, trade mark, trade name or other intellectual property rights in the performance of the contract.
- 9.5 The Seller shall subject to sub-clause 9.6 of this clause indemnify the Buyer in respect of all damage injury or loss of any kind occurring before the expiry of the guarantee period to any person or to any property and against all actions, suits, claims, demands, costs, charges or expenses arising in connection therewith to the extent that the same shall have been occasioned by reason of any such defect in the Goods which arises under proper use following the faulty design, materials or workmanship, or by the negligence of the Seller his servants or agents during such time as it or they were on, entering onto or departing from the Buyer's premises for the purpose connected with the contract.
- 9.6 The Seller shall not be liable to the Buyer for any damage or injury to the extent that the same is caused or arises out of the acts or omissions of the Buyer or of others (not being the Seller's servants or agents).

10. ASSIGNMENT AND TERMINATION

- 10.1 The Seller shall not without the consent in writing of the Buyer assign or transfer the Contract or any part of it to any other person except as part of a company amalgamation or reconstruction.
- 10.2 The Seller shall not without the consent in writing of the Buyer sub-contract the Contract or any part thereof other than for materials comprising a minor part of the Goods or for any part of the Goods of which the makers are named in the Order or the Specification, but this shall not prevent the Seller sub-contracting part of the Contract to any company which is a member of the group to which the Seller belongs or a company with whom the Seller is associated. Any such consent shall not relieve the Seller of any of its obligations under the Contract.
- 10.3 The Buyer shall have the right at any time and for any reason to terminate the Contract in whole or in part by giving the Seller written notice whereupon all work on the Contract shall be discontinued and the Buyer shall pay to the Seller fair and reasonable compensation for work-in-progress at the time of termination but such compensation shall not include loss of anticipated profits or any consequential loss.
- 10.4 The Buyer shall have the right at any time by giving notice in writing to the Seller to terminate the Contract forthwith if:
 - 10.4.1 the Seller commits a material breach of any of the terms and conditions of the Contract; or
 - 10.4.2 any insolvency, distress or other process is levied upon any of the assets of the Seller; or
 - 10.4.3 the Seller 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 arrangements are filed with the court for the appointment of an administrator of the Seller or notice of intention to appoint an administrator is given by the Seller 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 Seller or for the granting of an administration order in respect of the Seller, or any proceedings are commenced relating to the insolvency or possible insolvency of the Seller; or
 - 10.4.4 the Seller ceases or threatens to cease to carry on its business; or
 - 10.4.5 the financial position of the Seller deteriorates to such an extent that in the opinion of the Buyer the capability of the Seller adequately to fulfil its obligations under the Contract has been placed in jeopardy.
- 10.5 The termination of the Contract, however arising, shall be without prejudice to the rights and duties of the Buyer accrued prior to termination. The Conditions which expressly or impliedly have effect after termination shall continue to be enforceable notwithstanding termination.
- 10.6 The exercise of any of the rights granted to the Buyer under sub-clause 10.4 hereof shall not prejudice or affect right of action or remedy which shall have accrued or shall accrue thereafter to the Buyer.

11. GENERAL

- 11.1 Each right or remedy of the Buyer under the Contract is without prejudice to any other right or remedy of the Buyer whether under the Contract or not.
- 11.2 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 severed and the remaining provisions of the Contract and the remainder of such provision shall continue in full force and effect.
- 11.3 Failure or delay by the Buyer in enforcing or partially enforcing any provision of the Contract shall not be construed as a waiver of any of its rights under the Contract.
- 11.4 Any waiver by the Buyer of any breach of, or any default under, any provision of the Contract by the Seller shall not be deemed a waiver of any subsequent breach or default and shall in no way affect the other terms of the Contract.
- 11.5 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.
- 11.6 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.

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