

## **GENERAL TERMS AND CONDITIONS OF PURCHASE**

1. **DEFINITION:**
  - a) The term "Buyer" shall mean the Company so named in the Purchase Order.
  - b) The term "Seller" shall mean the person, Firm or Company to whom the Purchase Order is issued.
  - c) The word "Goods" includes all goods covered by the Purchase Order including proprietary items, raw materials, processed materials, fabricated items and services provided.
  - d) The term "Purchase Order" shall mean buyers purchase order which specifies that these Conditions apply to it.
  - e) The "Contract" shall mean the contract between the buyer and the seller consisting of the Purchase Order. These conditions and any other documents (or part thereof) specified in the purchase order.
  - f) The term "Order" shall mean the Purchase Order/Contract as detailed in point's d & e.
  - g) The "Company" shall mean SA Thermal Engineering.
  - h) The terms "These Conditions" shall mean the Buyers standard Terms and Conditions of Purchase set out in these document including additional requirements specified on the face of the order.
2. **FORMATION OF CONTRACTS:**
  - a) All contracts of purchase made by Thermal shall be deemed to incorporate these Terms & Conditions No written, printed terms inconsistent with these Conditions or additional thereto shall be binding upon the Company unless expressly accepted in writing by the Company's representatives.
  - b) The Company shall not be liable in respect of any Orders or instructions other than those issued or confirmed on the Company's official forms duly signed by the Company's authorised representatives.
  - c) The company will incur no obligation in respect of any order until the Company receives the written confirmation of the Seller in the form of an acknowledgement of the order. If the seller should fail to provide such written confirmation, the Company shall have the option of either regarding the Order unconditionally accepted, or withdrawing the same by notice to the Seller, in which case any costs incurred by the Seller shall be for the Sellers account. Acceptance of the Order constitutes a Contract between the Company and the Seller.
3. **VARIATION:** This order when accepted by the Seller constitutes the complete and final agreement between the Company and the Seller. No variation, amendment or alternative understanding in any way purporting to modify the Contract shall be binding upon the Company unless made in writing and signed by the company's authorised representative.
4. **PRICE:** The prices stated in the Order are fixed and firm unless otherwise stated.
5. **INSPECTION AND TEST:** *All goods shall be subject to Final Inspection and acceptance by the Buyer within a reasonable time after receipt at the designated destination, irrespective of prior payment, and to the approval/release conditions called up on the face of the order. The Buyer reserves the right to reject any of the goods ordered which do not comply with the latest specification or which do are not of the best quality or do not reach approved standards of design, material, workmanship or quality or which are not in accordance with the Sellers sample. The Company may return such goods to the Seller at the Sellers expense and risk and the Seller shall at the Company's option credit the value of such goods to the Company or supply replacement goods free of charge within a reasonable time without prejudice to any further remedies by way of damages or otherwise which the Company may have against the Seller. No defective product or material shall be replaced unless requested by the Buyer.*
6. **PASSING OF PROPERTY AND THE RISK TO BUYER:** The property and risk in the Goods shall remain in Seller until they are delivered at the point specified in the Purchase Order
7. **DELIVERY:** The time stipulated for delivery of the Goods shall be the essence of the Contract. Should the Seller fail to deliver the Goods at the time specified the Company (without prejudice to any other remedies to which it may be entitled) reserves the right to:
  - a) Cancel the part of the order, which is undelivered, at the end of the specified period; and
  - b) Charge the Seller any additional costs, losses or expenses which it may be involved due to the Sellers failure to deliver the goods at the stipulated time.
  - c) Should the supplier fail to deliver the item in accordance with the order and the failure is not due to Force Majeure, The Buyer may in addition and without prejudice to any rights of termination or cancellation available to the Buyer deduct or recover from the supplier as agreed liquidated damages specified in the order up to a maximum of twelve percent (12%) of the item value at the time of default.
  - d) Notwithstanding the provisions of paragraph C in the event that any delay in delivery due to cause other than Force Majeure exceeds twelve (12) weeks that the Buyer may in addition and without prejudice to any rights or termination/cancellation available to the Buyer claim damages in accordance with the rights of common law and in such case the liquidated damages provisions of paragraph of 7c shall not apply.
8. **GOODS INWARDS OPENING TIMES:**

Monday – Thursday	0800 – 16.00
Friday	0800 – 11.30
9. **EXCESS QUANTITIES:** The Company accepts no liability for the acceptance of payment for Goods delivered in excess of quantities specified in the Order unless otherwise agreed and may return such goods to the Seller at no risk or expense to the Company.
10. **PACKAGING:** Please ensure the Goods are suitably packed to prevent degradation and damage in transit and also handling damage, also packaging must be clearly marked with the consignee's name, address and purchase order number. All containers and packaging materials supplied by the Seller shall be considered non-returnable. Packaging shall be in accordance with any prime approval called up with the exception of labelling.
11. **CARRIAGE:** All Goods shall be delivered, carriage paid, to the address of the Company appearing on the Order or to any other any destination specified in the Order. The Company shall not be liable for any extra costs arising out of any more expeditious means of transit which may be necessary in order to meet the new date for delivery of the Goods unless as expressly stated on the face of the Order or as authorised by an officer of the Company
12. **INVOICES AND ADVICE NOTES:** An Advice Note, quoting the Order Number must be attached to, or enclosed with all Goods, along with a Certificate of Conformity where applicable. Invoices quoting the Order Number and the Advice Note reference must be sent immediately after despatch of the Goods
13. **TERMS OF PAYMENT:** Payment dates are distributed at the commencement of each calendar year. All payments will be made on these dates once the payment terms are met. Unless otherwise stated, the standard payment terms of Senior Aerospace Thermal Engineering are ninety days following the end of the month from the date of the invoice. Value Added Tax, where applicable, shall be shown separately on all invoices as a strictly net charge
14. **WARRANTY:** The Seller shall as soon as practicable, replace or repair, free of charge, all Goods which are, or become defective due to faulty materials or bad workmanship, or from any act or omission on the part of the Seller. The warranties herein shall run to the Company, it's affiliated and subsidiary Companies, successors, assigns, customers and users of Goods. Any equipment or parts repaired or replaced by virtue of the Conditions shall enjoy the same guarantee as the foregoing. Without prejudice to any other rights it may have, the Company reserves the right to return the rejected goods or to repair the goods any part thereof, which it is entitled to reject and to debit all cost thereby incurred to the Seller
15. **TRANSFER AND SUB-LETTING:** The Seller shall not give, bargain, see assign, sub-let or otherwise dispose of the contract or any part thereof or the benefit or advantage of the Contract or any part thereof without the prior written consent of the Company, with the exception of processes declared during the approval process and controlled in accordance with your prime contractor approval system, eg. NDT.
16. **PATENT RIGHTS:** The Seller shall protect, indemnify and hold harmless the Company and its associated Companies, its servants and agents against any and all liability, loss or expense by reason of any claim, action or litigation in respect of any alleged or actual infringement of any patent, copyright or trade mark, foreign or domestic, resulting from the use or resale of the Goods or any part thereof.
17. **JIGS, TOOLS AND PATTERNS:** Any jigs, tools and patterns made by the Seller specially for the execution of this order or supplied by the Company shall not be used in the service of any other company or person or for the purpose of any other work without the written consent of the Company. All such jigs, tools and patterns shall remain the property of and at the disposal of the Company. The Seller agrees to insure and indemnify the Company against any loss or damage to such items whilst they are in the custody of the Seller and to ensure that the interest of the Company is noted on any policy of insurance covering such items.
18. **INFORMATION:** The Seller shall not disclose the Contract of any provision there of or any drawing specification, plan, pattern or information issued or furnished by, or on behalf of the Company to any person other than a person employed by the Seller in carrying out the Order at the Sellers works without the prior written consent of the Company. Such drawings, specifications, plans, patterns and information must be used solely for the purpose of supplying the Goods and no similar goods or parts thereof may be made for any other purpose except with the prior written consent of the Company. All such drawings, specifications, plans, patterns and information must be returned to the Company forthwith on completion of the Order unless formally issued and booked out to the company. They shall remain the property of Thermal Engineering and be returned, if requested.
19. **DEFAULT:** The Company, may by notice in writing to the Seller, terminate any Contract forthwith either in it's entirety or to the extent the Goods are undelivered in any event without prejudice to any other rights of the Company if:

- a) The Seller shall commit any breach of the terms of that or any other Contracts with the Company and on the part of to be observed or performed PROVIDED that if such breach is remediable the Company has given notice thereof to the Seller and the same has not been remedied within seven days thereafter.
- b) The Seller becomes insolvent or bankrupt or (being a Company) makes an arrangement with its creditors or has an administrative receiver or administrator appointed or commences to be wound up (other than for the purpose of amalgamation or reconstruction). Buyer may without prejudice to any other of his rights terminate the Contract forthwith by notice to Seller or any person in whom the Contract may have become vested.
- c) Being an individual the Seller shall die or have a receiving order made against him or commit any act of bankruptcy
20. **FREE ISSUE MATERIAL:** Any free issue material supplied by the Company to the Seller shall be and shall remain the property of the Company. The Seller shall use such material solely for the purpose of the Order unless otherwise agreed in writing by the Company. The Seller shall be liable for any wastage of free issue material as a result of any negligent act of omission on the part of the Seller or any persons employed by the Seller any additional material required to be issued by the Company as a result shall be charged to the Seller at full cost.
21. **LOSS OR DAMAGE IN TRANSIT:** The Buyer shall advise Seller and the Carrier (if any) in writing, otherwise than by a qualified signature on any Delivery Note, of any loss or damage within the following time times
- a) Partial loss, damage, defects or non-delivery of any separate part of a consignment shall be advised within 7 days of date of delivery of the consignment or part consignment.
- b) Non-delivery of whole consignment shall be advised within 21 days of notice of despatch.  
Seller shall make good free of charge to Buyer any loss or damage to or defect in the Goods where notice is given by Buyer in compliance with this condition provided that Buyer shall not in any event claim damages in respect of loss of profits.
22. **INDEMNITY:** The Seller shall be solely liable for and shall indemnify the Company against any liability, loss, claim or proceedings in respect of injury or damage arising directly out of or in the course of the execution of any work under this contract, provided always that the same is due to the negligence, omission or default of the Seller, his servants agents, sub-contractors or any circumstances within the Sellers control.
23. **FORCE MAJEURE:** The Company shall be entitled to rescind the Contract for the Goods which have not been delivered or to require the Seller to suspend delivery for any period if the activities of the Company are interrupted for reasons beyond the Company's control or which could not with reasonable diligence have avoided including (but not limited for strike, lock-out, sit in, trade dispute, war flood or accident).
24. **COSHH REGULATIONS:** The Seller shall provide details with the initial delivery or on demand by the Company on all substances supplied which are covered/included within section 6 of the Health and Safety at Work Act 1974 as amended by schedule 3 of the Consumer Protection Act 1987. The Seller is reminded that he is obliged by Law to provide the Buyer with Health and Safety information on substances used in the work place
25. **LAW:** The application of the uniform laws on International Sales shall be governed by the Laws of England and any claim or dispute arising there from shall be subject to the jurisdiction of and determined by English Courts.
26. **TERMINATION.**
- a) In the event of any breach or non-observance by the Supplier of the Purchase Order or these Conditions (other than delay in delivery due to Force majeure) the Purchaser may give the Supplier notice of such breach. If such breach is capable of remedy the Supplier shall rectify the breach within twenty-eight (28) days from the date of such notice. If the Supplier does not rectify the breach within the said twenty-eight (28) days or if the breach is not capable of remedy then the Purchaser shall have the right to give the Supplier written notice forthwith terminating the whole or any part of the Order and any contract arising out of the Order without incurring any liability whatsoever. In addition and without prejudice to existing rights and remedies already accruing to the Purchaser, the Purchaser reserves the right to recover from the Supplier the additional cost of purchasing the item from elsewhere.
- b) In the event that any delay in delivery due to Force Majeure exceeds three (3) months, the Purchaser shall have the right to give the Supplier written notice forthwith terminating the Order without incurring any liability whatsoever
- c) The Purchaser shall have the right to give the Supplier written notice forthwith terminating the Order if the Supplier shall cease or threaten to cease carrying on business or shall become insolvent or has a receiver or administrator appointed or shall compound with its creditors or go into liquidation whether voluntarily or otherwise (other than a member's voluntary liquidation for the purpose of amalgamation or reconstruction) or being an individual shall commit any act of bankruptcy or a receiving order shall be made against him or if the Purchaser bona fide believes that any of such events may occur.
- d) In addition the Purchaser shall have the right at any time to give the Supplier written notice forthwith terminating the whole or any part of the order and the Supplier shall forthwith arrange the economical cessation of work against the Order or part thereof its own sites and at those of its subcontractors and shall await the purchaser's disposal instructions. The Purchaser undertakes to reach a fair and reasonable settlement with the Supplier for all liabilities and expenditures necessarily and properly incurred in connection with the Order so terminated provided that such settlement shall not exceed the total price of the item.
- Any termination of the Order for whatever reasons shall be without prejudice to any rights and remedies which either party may have and both parties shall use all reasonable endeavours to mitigate their losses on such termination.
27. **CERTIFICATE OF CONFORMANCE:**  
*(Required for Goods Intended for Aircraft Applications and for Goods where Required on the Relevant Drawing or Order)*  
*The certificate of conformance is a quality record that shall include the purchase order number, quantity shipped, date shipped, manufacturer's part number & issue status and details of certified quality system as stated within the order. It should be signed to indicate compliance with the requirements of this document. These are to be submitted for all parts delivered to the Buyer. The Seller represents and warrants that Counterfeit Goods are not contained in Goods delivered to Buyer through the implementation of policies that include prevention, detection and risk mitigation methods to protect against the use of Counterfeit Goods.*
28. **FIRST ARTICLE INSPECTION:** *The Buyer 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 shall be notified to the Buyer and a deviation should be sought in advance of any parts being shipped to the Buyer. Under no circumstances shall a nonconforming part be sent to the Buyer without the Buyers approved deviation. Failure to comply with the above requirements will result in the Buyer rejecting the product.*
29. **RECORD RETENTION:** *In addition to contractual requirements the supplier shall retain verifiable objective evidence of inspection and tests performed. Quality records shall be made available for evaluation for a contractually agreed upon period. Unless otherwise specified, this period shall be a minimum of 10 Years.*
30. **RIGHTS OF ACCESS BY THE BUYER, THEIR CUSTOMER & REGULATORY AUTHORITIES**  
*In accordance with contractual agreements, right of access by the Buyer, their customer, and regulatory authorities shall be afforded to all facilities involved in the order and to all applicable records.*
31. **KEY CHARACTERISTICS:** *Where Identified within the specification, drawing and/or purchase order the supplier shall flow down to sub-tier suppliers the applicable requirements in the purchasing documents, including key characteristics where required.*
32. **RELEASE REQUIREMENT :** *Minimum release to ISO9001:2008 unless otherwise stated on the purchase order*