

Senior Aerospace Thermal Engineering Standard Terms & Conditions for the Sale of Goods

Revision 1 September 2020

1. Interpretation

In these Conditions the following definitions shall apply:

Business Day: a day (other than a Saturday, Sunday or public holiday) when banks in London are open for business;

Buyer: the purchaser of the Goods, as specified on the Order;

Conditions: the terms and conditions set out in this document;

Contract: the contract between the Seller and the Buyer for the sale and purchase of the Goods in accordance with these Conditions;

Goods: the goods (or any part of them) set out in the Order;

Order: the Buyer's order for the Goods, as set out the Buyer's purchase order form or the Buyer's written acceptance of the Seller's quotation, as the case may be;

Seller: Senior (UK) Ltd (trading as "SA Thermal Engineering") a company organized and existing under the laws of England having its principal place of business at Orchard Road, Royston, SG8 5JZ, England, United Kingdom; (hereinafter "SATE").

Specification: any specification for the Goods, including any related plans and drawings, that is agreed in writing by the Buyer and the Seller.

2. Basis of contract

- 2.1 These Conditions apply to the Contract to the exclusion of any other terms that the Buyer seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing.
- 2.2 The Order constitutes an offer by the Buyer to purchase the Goods in accordance with these Conditions. The Buyer is responsible for ensuring that the terms of the Order and any applicable Specification submitted by the Buyer are complete and accurate.
- 2.3 The Order shall only be deemed to be accepted when the Seller issues a written acceptance of the Order, at which point the Contract shall come into existence. No order may be cancelled in whole or in part by the Buyer once the order has been accepted by the Seller.
- 2.4 The Contract constitutes the entire agreement between the parties. The Customer acknowledges that it has not relied on any statement, promise or representation made or given by or on behalf of the Seller which is not set out in the Contract.
- 2.5 A quotation is not an offer and any order given in respect of a quotation shall not be binding on the Seller until accepted by the Seller in writing.
- 2.6 The Seller reserves the right to impose a minimum order charge.

3. Goods

- 3.1 The Goods are described in the Order.
- 3.2 To the extent that the Goods are to be manufactured in accordance with a Specification supplied by the Buyer, the Buyer shall indemnify the Seller against all liabilities, costs, expenses, damages and losses (including any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal and other reasonable professional costs and expenses) suffered or incurred by the Seller in connection with any claim made against the Seller for actual or alleged infringement of a third party's intellectual property rights arising out of or in connection with the Seller's use of the Specification. This clause 3.2 shall survive termination of the Contract.
- 3.3 The Seller reserves the right to amend the Specification if required by any applicable statutory or regulatory requirements.

4. Delivery

- 4.1 The Seller shall ensure that each delivery of the Goods is accompanied by a delivery note which shows the date of the Order, all relevant Buyer and Seller reference numbers, the type and quantity of the Goods (including the code number of the

Goods, where applicable), special storage instructions (if any) and, if the Order is being delivered by instalments, the outstanding balance of Goods remaining to be delivered.

- 4.2 All Goods will be delivered Ex-Works (Incoterms 2010) unless otherwise stated by the Seller, in which event:
- the Seller shall not accept any claims for damage, shortage, mis-delivery, non-delivery or loss in transit unless notice in writing reaches the Seller in the case of UK sales, within such time as would enable a claim to be made on the carrier or, in the case of sales outside the UK within 30 days of arrival or anticipated arrival of consignment at port of destination and no responsibility will be accepted by the Seller for any failure or delay on the part of the Buyer to make a claim on insurance where applicable; and
 - the Goods shall be delivered by such method of transport as the Seller thinks fit.
- 4.3 Seller will use its reasonable endeavors to adhere to delivery or completion dates quoted, but time for delivery shall not be of the essence.
- 4.4 If the Buyer fails to accept delivery of the Goods within three Business Days of the Seller notifying the Buyer that the Goods are ready, then, except where such failure or delay is caused by a Force Majeure Event or the Seller's failure to comply with its obligations under the Contract:
- delivery of the Goods shall be deemed to have been completed at 9.00 am on the third Business Day after the day on which the Seller notified the Buyer that the Goods were ready; and
 - the Seller shall store the Goods until delivery takes place and charge the Buyer for all related costs and expenses (including insurance).
- 4.5 The Seller may deliver the Goods by instalments, which shall be invoiced and paid for separately. Each installment shall constitute a separate Contract. Any delay in delivery or defect in an installment shall not entitle the Buyer to cancel any other installment.
- 4.6 The Buyer shall be responsible for obtaining any import licenses and complying with all regulations governing the admission of the Goods into the country of destination and for payment of all customs duties, port dues and other charges.
- 4.7 Where the Seller is required to apply for an export license, the Buyer shall be responsible for providing all necessary documentation to support the license application in accordance with the prevailing UK regulations. Acceptance of the Order will be contingent upon receipt of such documentation. In the event that the UK Government refuses to grant an export license, the Seller shall be entitled to terminate the contract without incurring any liability whatsoever.

5. Quality and Warranty

- 5.1 The Seller warrants that on delivery, and for a period of 12 months from the date of delivery (warranty period), the Goods shall:
- conform in all material respects with the Specification;
 - be free from material defects in material and workmanship; and
 - be fit for any purpose held out by the Seller.
- 5.2 If:
- the Buyer gives notice in writing to the Seller during the warranty period within 30 days of discovery that some or all of the Goods do not comply with the warranty set out in Condition 5.1; and
 - the Seller is given a reasonable opportunity of examining such Goods; and
 - the Buyer (if asked to do so by the Seller) returns the Goods to the Seller's work place together with a full report thereon, the Seller shall, at its option, repair or replace the defective Goods free of charge except for carriage and customs and other duties.
- 5.3 The Seller shall not be liable for Goods' failure to comply with the warranty set out in Condition 5.1 in any of the following events:
- the Buyer makes any further use of such Goods after giving notice in accordance with Condition 5.2;
 - any defect is caused by or arises from fair wear and tear, neglect, misuse, improper storage, failure to follow the Seller's instructions (if any), unauthorised reconditioning or repair or, in respect of any hydraulic component use of hydraulic fluid other than that approved by the Seller;
 - the defect arises as a result of the Seller following any drawing, design or Specification supplied by the Buyer;
 - the Buyer alters or repairs such Goods without the written consent of the Seller.

- 5.4 Except as set out in these Conditions, all warranties, conditions and other terms implied by statute or common law are, to the fullest extent permitted by law, excluded from the Contract.
- 5.5 In the case of Goods which are not of the Seller's manufacture, the Seller shall use its reasonable endeavours to pass on to the Buyer the benefit of the manufacturer's warranty (if any).
- 5.6 Seller will if possible and if so requested by the Buyer be prepared to make suitable arrangements for the attendance of an engineer in situ subject to payment by the Buyer of a mutually agreed charge per hour together with his subsistence and travelling expenses at cost.
- 5.7 These Conditions shall apply to any repaired or replacement Goods supplied by the Seller.

6. Title and Risk

- 6.1 The risk in the Goods shall pass to the Buyer on completion of delivery in accordance with Condition 4.
- 6.2 Title to the Goods shall not pass to the Buyer until the Seller has received payment in full (in cash or cleared funds) for the Goods and any other goods or services that the Seller has supplied to the Buyer in respect of which payment has become due. The Buyer acknowledges that until such time he is in possession of the Goods as bailee for the Seller and if so required, shall store the Goods separately from his own Goods and in such a fashion as to be readily identifiable by the Seller. If the Buyer shall re-sell any of the Goods before title passes to the Buyer, the Buyer shall, until such time, hold the purchase money on trust for the Seller and place the same in a separate account.
- 6.3 If before title to the Goods passes to the Buyer the Buyer becomes subject to any of the events listed in Condition 7.2, or the Seller reasonably believes that any such event is about to happen and notifies the Buyer accordingly, then, provided that the Goods have not been resold or irrevocably incorporated into another product, and without limiting any other right or remedy the Seller may have, the Seller may at any time require the Buyer to deliver up the Goods and, if the Buyer fails to do so promptly, enter any premises of the Buyer or of any third party where the Goods are stored in order to recover them.

7. Buyer's insolvency

- 7.1 If the Buyer becomes subject to any of the events listed in Condition 7.2, or the Seller reasonably believes that the Buyer is about to become subject to any of them and notifies the Buyer accordingly, then, without limiting any other right or remedy available to the Seller, the Seller may cancel or suspend all further deliveries under the Contract or under any other contract between the Buyer and Seller without incurring any liability to the Buyer, and all outstanding sums in respect of Goods delivered to the Buyer shall become immediately due.
- 7.2 For the purposes of clause 7.1, the relevant events are:
 - a) the Buyer suspends, or threatens to suspend, payment of its debts, or is unable to pay its debts as they fall due or admits inability to pay its debts, or is deemed unable to pay its debts;
 - b) the Buyer commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with its creditors other than where these events take place for the sole purpose of a scheme for a solvent amalgamation of the Buyer with one or more other companies or the solvent reconstruction of the Buyer;
 - c) a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of the Buyer, other than for the sole purpose of a scheme for a solvent amalgamation of the Buyer with one or more other companies or the solvent reconstruction of the Buyer;
 - d) a creditor or encumbrancer of the Buyer attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of its assets and such attachment or process is not discharged within 14 days;
 - e) an application is made to court, or an order is made, for the appointment of an administrator or if a notice of intention to appoint an administrator is given or if an administrator is appointed over the Buyer;
 - f) a person becomes entitled to appoint a receiver or administrative receiver over the Buyer's assets or a receiver or administrative receiver is appointed over the Buyer's assets;
 - g) any event occurs, or proceeding is taken, with respect to the Buyer in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in Condition 7.2(a) to Condition 7.2(f) (inclusive);
 - h) the Buyer suspends, threatens to suspend, ceases or threatens to cease to carry on all or substantially the whole of its business; and

- i) the Buyer's financial position deteriorates to such an extent that in the Seller's opinion the Buyer's capability to adequately fulfill its obligations under the Contract has been placed in jeopardy.
- 7.3 Termination of the Contract, however arising, shall not affect any of the parties' rights and remedies that have accrued as at termination. Conditions which expressly or by implication survive termination of the Contract shall continue in full force and effect.

8. Price and Payment

- 8.1 The price of the Goods shall be the price set out in the Order or, if no price is quoted, the price set out in Seller's published price list in force as at the date of delivery.
- 8.2 The Seller shall have the right to vary at any time before delivery the price of the Goods to:
- a) conform with the Seller's published price list at the date of dispatch; and/or
 - b) reflect increases in pay or the cost of materials or transport between the date of order and the date of delivery; and/or
 - c) take account of the cost of :-
 - i. implementing any requests by the Buyer for changes in delivery schedules completion dates, quantities, designs or specification; and/or
 - ii. delays caused by any instructions of the Buyer or by any failure of the Buyer to give adequate information or instructions.
- 8.3 The price of the Goods is exclusive of the costs and charges of packaging, which shall be invoiced to the Buyer.
- 8.4 The price of the Goods is exclusive of amounts in respect of value added tax (**VAT**). The Buyer shall, on receipt of a valid VAT invoice from the Seller, pay to the Seller such additional amounts in respect of VAT as are chargeable on the supply of the Goods.
- 8.5 The Seller may invoice the Buyer for the Goods on or at any time after the completion of delivery.
- 8.6 The Buyer shall pay the invoice in full and in cleared funds within 30 days of the date of the invoice. Payment shall be made to the bank account nominated in writing by the Seller. Time of payment is of the essence.
- 8.7 If the Buyer fails to make any payment due to the Seller under the Contract by the due date for payment (due date), then the Seller shall have the right to withhold any further deliveries until payment is received and the Buyer shall pay interest on the overdue amount pursuant to the Late Payment of Commercial Debts (Interest) Act 1988. Such interest shall accrue on a daily basis from the due date until the date of actual payment of the overdue amount, whether before or after judgment. The Buyer shall pay the interest together with the overdue amount.
- 8.8 The Buyer shall pay all amounts due under the Contract in full without any deduction or withholding except as required by law and the Buyer shall not be entitled to assert any credit, set-off or counterclaim against the Seller in order to justify withholding payment of any such amount in whole or in part.
- 8.9 The Seller reserves the right to correct any errors and omissions in invoices and other documents, but no liability for customs duty or otherwise arising out of any such errors or omissions will be accepted.

9. Exhibitions

- 9.1 Goods must not be exhibited at any exhibition or show anywhere in the world either by the Buyer or any ultimate buyer (so far as the Buyer can control) without the Seller's express written permission.

10. Limitation of Liability

10.1 Nothing in these Conditions shall limit or exclude the Seller's liability for:

- a) death or personal injury caused by its negligence, or the negligence of its employees, agents or subcontractors (as applicable);
- b) fraud or fraudulent misrepresentation;
- c) breach of the terms implied by section 12 of the Sale of Goods Act 1979;
- d) any matter in respect of which it would be unlawful for the Seller to exclude or restrict liability.

10.2 Subject to Condition 10.1:

- a) the Seller shall under no circumstances whatever be liable to the Buyer, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, or any indirect or consequential loss arising under or in connection with the Contract; and
- b) the Seller's total liability to the Buyer in respect of all other losses arising under or in connection with the Contract, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall in no circumstances exceed the price of the Goods.

11. Force Majeure

11.1 Neither party shall be liable for any failure or delay in performing its obligations under the Contract to the extent that such failure or delay is caused by a Force Majeure Event. A Force Majeure Event means any event beyond a party's reasonable control, which by its nature could not have been foreseen, or, if it could have been foreseen, was unavoidable, including strikes, lock-outs or other industrial disputes (whether involving its own workforce or a third party's), failure of energy sources or transport network, acts of God, war, terrorism, riot, civil commotion, interference by civil or military authorities, national or international calamity, armed conflict, malicious damage, breakdown of plant or machinery, nuclear, chemical or biological contamination, sonic boom, explosions, collapse of building structures, fires, floods, storms, earthquakes, loss at sea, epidemics or similar events, natural disasters or extreme adverse weather conditions, or default of suppliers or subcontractors.

12. Copyright and Confidentiality

12.1 Each party undertakes that it shall not at any time during this agreement and for a period of two years after termination disclose to any person any confidential information disclosed to it by the other party concerning the business or affairs of the other party or of any member of its group, including but not limited to information relating to a party's operations, processes, plans, product information, know-how, designs, trade secrets, software, market opportunities and customers (Confidential Information), except as permitted by Condition 12.2.

12.2 Each party may disclose the other party's Confidential Information:

- a) to its employees, officers, agents, consultants or sub-contractors (Representatives) who need to know such information for the purposes of carrying out the party's obligations under this agreement, provided that the disclosing party takes all reasonable steps to ensure that its Representatives comply with the confidentiality obligations contained in this Condition 12 as though they were a party to this agreement. The disclosing party shall be responsible for its Representatives' compliance with the confidentiality obligations set out in this Condition; and
- b) as may be required by law, court order or any governmental or regulatory authority.

12.3 Each party reserves all rights in its Confidential Information. The copyright in all documents (including drawings) supplied by the Seller to the Buyer for the purposes of the Order shall at all times remain the Seller's and in no circumstances whatsoever shall either such documents or their contents be used for any purpose other than that for which they were supplied.

13. General

13.1 Assignment

- a) The Seller may at any time assign, transfer, charge, subcontract or deal in any other manner with all or any of its rights or obligations under the Contract.
- b) The Buyer may not assign, transfer, charge, subcontract or deal in any other manner with all or any of its rights or obligations under the Contract without the prior written consent of the Seller.

13.2 Notices

- a) Any notice or other communication given to a party under or in connection with the Contract shall be in writing, addressed to that party at its registered office (if it is a company) or its principal place of business (in any other case) or such other address as that party may have specified to the other party in writing in accordance with this clause, and shall be delivered personally, sent by pre-paid first class post, recorded delivery, commercial courier, fax or e-mail.
- b) A notice or other communication shall be deemed to have been received: if delivered personally, when left at the address referred to in Condition 13.2(a); if sent by pre-paid first class post or recorded delivery, at 9.00 am on the second Business Day after posting; if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed; or, if sent by fax or e-mail, one Business Day after transmission.
- c) The provisions of this Condition shall not apply to the service of any proceedings or other documents in any legal action.

13.3 Severance

- a) If any court or competent authority finds that any provision of the Contract (or part of any provision) is invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed to be deleted, and the validity and enforceability of the other provisions of the Contract shall not be affected.
- b) If any invalid, unenforceable or illegal provision of the Contract would be valid, enforceable and legal if some part of it were deleted, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable.

13.4 Waiver

A waiver of any right or remedy under the Contract is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default. No failure or delay by a party to exercise any right or remedy provided under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

13.5 Third Party Rights.

A person who is not a party to the Contract shall not have any rights under or in connection with it.

13.6 Variation.

Except as set out in these Conditions, any variation to the Contract, including the introduction of any additional terms and conditions, shall only be binding when agreed in writing and signed by the Seller.

13.7 Governing Law and Jurisdiction.

The Contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with English law and the parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales.