

STANDARD TERMS AND CONDITIONS OF
AEROTECH PRECISION MANUFACTURING LIMITED

1. General

- 1.1 Aerotech Precision Manufacturing Limited (the Company) submits all quotations and accepts all orders subject to the following conditions of contract, which apply, to all contracts for goods supplied or work carried out by them or their employees to the exclusion of all other representations, conditions or warranties, expressed or implied. No contract in respect of goods supplied or work done by the Company shall exist until the buyer's order has been accepted by the Company and confirmed by the Company in writing. Unless agreed otherwise in writing, these conditions shall be incorporated in all contracts of the Company to sell and manufacture goods and shall be the sole conditions under which the sale takes place.
- 1.2 The Company reserves the right to re-issue, accept orders at a price other than at the price stated in force at the time of the order. The Company reserves the right to vary the specification or withdraw from offer any of its products without prior warning. The Company reserves the right to refuse to accept any contract that is deemed to be contrary to the Company's policies in force at that time.

2. Pricing

- 2.1 Subject to clause 2.2 below the price payable for goods shall, unless otherwise stated by the Company in writing and agreed on its behalf, be the price quoted by the Company current at the date of despatch and in the case of an order for delivery by instalments the price payable for each instalment shall be at the Company's current price quoted at the date of despatch of each instalment.
- 2.2 Unless otherwise agreed the Company's prices may be subject to variation to take account of variations in wages, materials or other costs since the date of the Company's quotation (or if no quotation is issued) the buyer's order. The Company accordingly reserves the right to adjust the invoice price payable by the amount of any increase or decrease in such costs after the price is quoted and the invoice so adjusted shall be payable as if it were the original contract price.
- 2.3 All prices are exclusive of value added tax, taxes and all other applicable duties. The buyer shall be liable for all and any local taxes or charges as appropriate.
- 2.4 In addition for the invoiced value the buyer is liable for all import duty as may be applicable in the buyer's location. If there is any documentation required for import formalities whether or not for the purposes of duty assessment, the buyer shall make this clear at the time of the order.
- 2.5 The buyer agrees that section 32(3) of the Sale of Goods Act 1979 shall not apply to goods sent by the Company.
- 2.6 The Company shall be entitled to invoice the buyer by post or e-mail for the price of the goods in pounds sterling or in Euros.

2.7 The Company has the right to invoice the buyer for the costs of any packaging, transportation of the goods or any additional costs resulting from any other alteration made by the buyer on or at the time of delivery or upon notification by the Company that the goods are awaiting collection. Any such additional costs may be invoiced by the Company in pounds sterling or Euros.

3. **Delivery**

3.1 All delivery times offered by the Company are to be treated as best estimates and no penalty can be accepted for non-compliance with them. The standard estimation of delivery times is subject to quotation/acceptance of order/resolution of any technical issues, whichever is the later. Delivery shall be made by the Company using a courier service of its choice. The cost of the delivery plus a nominal fee for administration may be added to the invoice issued. If multiple shipments are required by the buyer, multiple delivery charges may be made. In the case of multiple deliveries separate invoices will be raised. If requested at the time of ordering an alternative delivery service can be used, but only if the account details are supplied to the Company so that the delivery can be invoiced directly to the buyer by the delivery service. The buyer accepts that any T-B-A scheduled orders not completed within 12 months from the date of acceptance of the original order can be shipped and invoiced by the Company in full at any time after completion of that 12 month period.

3.2 Goods received by the buyer that are in an unsatisfactory condition the following course of action shall be taken. If the outer packaging is visibly damaged then the goods should **not** be accepted from the courier, or they should be signed for only when noting that the packaging has substantial damage. If the goods are found to be damaged after unpacking, the Company must be informed in writing within 48 hours. Under no circumstances should damaged goods be returned unless expressly authorised by the Company. If the damage is not reported within 48 hours of receipt, the insurers of the Company shall bear no liability. Any returns made to the Company for any reason at any time shall be packaged in the original packaging, or its direct equivalent and must be adequately insured by the buyer. Any equipment sent to the Company for any purpose including but not limited to equipment originally supplied by the Company must be adequately insured by the buyer whilst on the premises of the Company.

3.3 All items are sold Ex-Works and the Company accepts no liability for goods or services from the point at which they leave the Company's despatch, notwithstanding the method of transport or courier.

4. **Payment**

4.1 All payments due under any contract must be made by the buyer at the end of the calendar month following the date of the invoice sent by the Company to the address provided by the buyer. The buyer shall not be entitled to exercise any set off or lien or any other similar right or claim.

- 4.2 If the goods are delivered in instalments the Company shall be entitled to invoice each instalment as and when delivery thereof has been made and payment shall be due in accordance with clause 4.1 above in respect of each invoice.
- 4.3 Any failure by the buyer to either pay any due instalment in accordance with this contract or failure to give delivery instructions in respect of any goods shall cause the whole of the price for goods already manufactured at the time of such a default, to become due forthwith without notice.
- 4.4 Prompt payments shall be a condition precedent to future deliveries of the goods due under any contract.
- 4.5 Failure to pay in accordance with the Company's credit terms shall entitle the Company without prejudice to any other rights to terminate the contract immediately and to charge interest at the rate of 3% per month above the Bank of England base rate together with compensation for debt recovery costs pursuant to The Late Payment of Commercial Debts (Interest) Act 1998 as amended and supplemented by The Late Payment of Commercial Debts Regulations 2002.

5. **Passing of title and risk**

- 5.1 Risk in the goods shall remain with the Company until delivery by the Company, collection of the goods by the buyer or receipt by the Company of all payments due for the goods by the buyer, whichever is the earlier at which time the risk in the goods shall be transferred to the buyer.
- 5.2 Title in the goods shall only pass to the buyer upon the buyer having paid (in full and cleared funds) to the Company all sums due from it to the Company under this contract or under other contracts between the Company and the buyer including any sums due under contracts made after this contract whether or not the same are immediately payable
- 5.3 Until payment due under this contract and any other contract between the parties has been made in full and in cleared funds by the buyer, the buyer shall not dispose of any goods which are delivered to the buyer unless authorised in writing by the Company.
- 5.4 In the event of failure to pay in accordance with this contract, the liquidation or bankruptcy of the buyer, the Company, its servants or agents, may forthwith enter upon any premises or land occupied or owned by the buyer for the purpose of removing all goods in relation to which title remains with the Company. The Company may exercise any right of re-sale in respect of such goods, which shall operate in addition to any other legal rights, which may accrue to the Company.

5.5 Pending payment of the full purchase price of the goods, the buyer shall at all times keep the goods comprehensively insured against loss or damage by accidents, fire, theft and other risks usually covered by insurance in the type of business which the goods are for the time being used, in an amount of at least equal to the balance of the price for the same for the time remaining outstanding. The policy shall bear an endorsement recording the Company's title and interest and shall be produced to the Company upon request.

6. **Warranties**

6.1 Nothing herein or in any warranty given by the Company shall impose any Liability upon the Company in respect of any defect in the goods arising out of acts, omissions, negligence or default of the buyer, its servants and agents including without limitation any failure by the buyer to comply with recommendations of the Company as to storage and handling or use or servicing of the goods, use of the goods with other goods or misuse of the goods or accident and fair wear and tear of the goods.

6.2 Except as provided for these Conditions any warranties, (whether expressed or implied by stature or common law or how so every (including without limitation those of satisfactory quality or of fitness for a particular purpose) even if that purpose is made known expressly or by implication of the Company) are hereby excluded.

7. **Liability**

7.1 The Company are not responsible for designs and drawings supplied by the buyer.

7.2 The Company shall not be liable (whether or not the Company has been advised of the possibility of such loss) in contract, tort, negligence or otherwise howsoever arising for any claim, damage, loss or costs in respect of:

7.3 Any losses special to the buyer and any direct loss of profits, any direct loss of turnover and/or any direct loss of revenue; and

7.4 Any direct or consequential loss or damage howsoever caused including without limitation any losses special to the buyer, and loss of profits, loss of turnover, loss of revenue, loss of business and/or loss of data.

7.5 The aggregate liability of the Company (whether in contract, tort, negligence or breach of statutory duty or otherwise) too the buyer for any loss or damage shall be limited to the price of the goods.

7.6 The buyer shall be liable for and shall indemnify the Company against any and all expenses, loss, liability or proceedings suffered by a third party arising as a result of or in connection with any act, omission, negligence and/or breach of the terms of this contract or otherwise to the default of the buyer.

7.7 The Company makes no representation or warranty but the use of the goods does not infringe the rights of any third party and the Company accepts no liability in this respect.

8. **Default or insolvency of buyer**

8.1 In the event that:-

8.1.1 The buyer shall be in breach of any of its obligations under the contract;

8.1.2 Any distress or execution shall be levied on the buyer's property assets; or

8.1.3 If the buyer (an individual or partnership) shall make or offer to make any voluntary arrangement or composition with its creditors or become bankrupt or if any bankruptcy petition be presented against him;

8.1.4 (If the buyer is a company) has an administrative receiver or an administrator appointed or makes a voluntary arrangement with its creditors or commences to be wound up; or

8.1.5 Otherwise if such buyer fails to pay its debts as and when they fall due; or

8.1.6 Such equivalent event in clauses 8.1.1 to 8.1.5 occurs to the buyer in its local jurisdiction;

8.1.7 The Company at its discretion and without prejudice to any other right or claim may be notice in writing forthwith determine wholly or in part any and all of the other contracts between the Company and the buyer or made (without prejudice to the Company's rights subsequently determine the contract for the same cause should it so decide) by notice in writing suspend further deliveries of goods.

9. **Force Majeure**

The Company shall be entitled to delay or cancel delivery or to reduce the amount of goods delivered if it is prevented from, hindered or delayed in manufacturing, obtaining or delivering the goods by normal route or means of delivery through any circumstances beyond its control including, but not limited to, strikes, lock outs, accidents, war, fire, reduction in or unavailability of power at manufacturing plant, breakdown of plant or machinery or shortage of or unavailability of raw materials from the normal source of supply, act of god.

11 **Waiver**

Waiver by the Company of any rights of the failure by the Company to exercise any right or to insist upon the strict performance of any provision of this contract shall not operate as a waiver of, or preclude the further exercise of enforcement of any other right or provision of this contract.

12 **Severability**

Each provision of this contract is severable and distinct from the others. The parties intend that every such provision shall be and remain valid and enforceable to the fullest extent permitted by law. If any particular case any of these conditions shall be held to be invalid and shall not apply to this contract, the other conditions shall continue in full force and affect.

13 **Purchasing**

- 13.1 Any specifications, drawings, process requirements, inspection instructions as well as any other technical data stated on the purchase order are to be used in the realization of the purchase order, this information is to be included in any documentation supplied with the finished goods.
- 13.2 Any requirements relating to the design, test, examination, inspection & related instruction for acceptance by The Company are to be presented prior to any work commencing.
- 13.3 If it is deemed necessary that a test specimen (e.g. production method, number, storage conditions) is submitted for design approval, inspection, investigating or auditing this will be stated on the purchase order.
- 13.4 The Company are to be informed at the earliest possible moment in time of any non-conforming product & arrangements for the possible approval of the offending items.
- 13.5 The supplier is to notify The Company of any changes in product &/or process definition & where applicable approval is to be granted prior to any further work being commenced.
- 13.6 The supplier is to afford access to The Company, their customer &/or regulatory authority to the facility involved in the order & to all the records.
- 13.7 The supplier is to flow down to sub tier suppliers all applicable requirements in the purchasing documents including key characteristics where applicable.
- 13.8 All records concerning the purchase order are not to be destroyed without the prior agreement of The Company.

14 **Assignment**

- 14.1 The Supplier shall not assign, sub-contract or in any way dispose of its rights or obligations under this contract without the prior written consent of the Company. The Company accepts no liability to any third party, nominated or otherwise, of a supplier to whom it awards a contract. Payments to any such third party on behalf of a supplier shall not be deemed as an agreement in principle or otherwise.
- 14.2 The Company's current payment terms are shown on its purchase orders issued to its suppliers. These terms shall only apply to Purchase Orders signed by authorised signatories. Any deviation to these terms shall not be considered a precedent. The Company reserves the right to revise its payment terms at its discretion and with out prior reference to its suppliers.

15 Notices

- 15.1 Any notice required to be served under this contract shall be served on the Company at its registered offices in the UK or such other address as the Company may from time to time notify to the buyer and on the buyer at the address notified to the Company in its initial order instructions by first class post, registered airmail or by e-mail or facsimile. The buyer is responsible for notifying the Company in writing of any change of address, e-mail address or fax number from those in the buyer's initial order instructions.
- 15.2 Any such notice served by post shall be deemed to have been served in the case of a destination in the UK two days after the date of despatch and seven days after the date of despatch to any other destination . In the case of service by e-mail, when the e-mail is available to read in the recipients inbox and in the case of facsimiles when the addressees machine acknowledges receipt thereof provided that a copy of the notice or communication is also put in the post in accordance with clause 14.1 above within 24 hours following despatch of the initial version.

16 Governing Law

This contract shall be construed and operated in accordance with the laws of England and the parties submit to the exclusive jurisdiction of the English Courts.

06-01-2009/AH