

**1. Interpretation:**

1.1. In these Conditions:

'BUYER' means Percival Aviation Ltd.

'BUYER'S GOODS' means any dies, tools, patterns, equipment, negatives, data or goods supplied by the Buyer to the Seller referred to in Clauses 8 and 9 of these Conditions. 'CERTIFICATION' means documentation delivered with the Goods attesting the quality of the Goods, including Certificate of Conformity, EASA Form One, FAA 8130, Mill Certificate, Material Test Analysis or similar document as specified in the Contract.

'CONDITIONS' means the standard terms and conditions of purchasing set out in this document and (unless the context otherwise requires) includes any special terms and conditions agreed in writing between the Buyer and Seller.

'CONTRACT' means the contract for the purchase and sale of the Goods.

'DELIVERY NOTE' means the document accompanying the delivery of Goods stating the Buyer Order number and giving full particulars (including the part number) of the goods supplied.

'DESIGN DATA' means any drawings, specifications, instructions, electronic data or similar information in whatever format, provided by the Buyer for the manufacture of the Goods.

'GOODS' means the goods or services (including any instalment of the goods or services or any parts thereof) which the Seller is to supply in accordance with these Conditions.

'SELLER' means the person who accepts an order of the Buyer for the purchase of the Goods.

'STATEMENT OF ACCOUNT' means the document submitted to the Buyer containing particulars of the invoices to which it relates.

'TOOLING' means dies, tools, patterns and equipment ordered by the Buyer used in the manufacture of the Goods whether to be paid for in whole or part by the Buyer.

'WRITING' includes email, telex, cable, facsimile transmission and comparable means of communication.

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

1.3. The headings in these Conditions are for convenience only and shall not affect their interpretation.

**2. Acceptance**

2.1 Unless other terms and conditions are expressly accepted by the Buyer by means of specific written amendment hereto signed by the Buyer or a director of the Buyer the Contract will be on the terms and conditions set out below and overleaf ("the Contract") to the exclusion of any other terms and conditions (except those implied in favour of a Buyer which are not inconsistent with the Contract) whether or not the same are endorsed upon, delivered with or referred to in any quotation or other document delivered or sent by the Seller to the Buyer.

2.2. Any reference overleaf to the Sellers quotation specification or like document will not be deemed to imply that any terms or conditions endorsed upon delivered with or referred to in such quotation specification or like document will have effect to the exclusion or amendment of the Contract.

2.3. Acceptance by the Seller of a Contract from the Buyer includes acceptance of MAN-152 – Supplier Requirements, at the issue available on the Percival Aviation website at the time of contract placement.

**3. Payment**

3.1. Payment for Goods produced and work done under Contract will be made not against invoices but only against monthly Statements of Account.

3.2. Each monthly Statement of Account must be sent to the address stated in the heading overleaf so as to arrive on or before the 20th of each month.

3.3. Payment for each Statement of Account will be 30 days from the end of month of invoice.

**4. Packing and Carriage and Delivery**

4.1. Transit and off-loading shall be at the Seller's risk and no charges for packing, carriage or insurance will be allowed unless so specified overleaf.

4.2. Unless otherwise agreed in writing the Goods are to be delivered carriage paid to the address designated by the Buyer.

4.3. The Buyer reserves the right to make alternative delivery arrangements and to an allowance equal to any carriage charge saved.

4.4. All Goods must be delivered to the address for delivery specified by us during normal working hours and until delivery to such address will be at the Seller's risk in all respects.

4.5. Unless we expressly agree otherwise in writing containers and packing must be supplied free but will be returned, if required, at the Seller's risk and expense.

4.6. All Goods must be accompanied by a detailed Delivery Note.

**5. Changes in Specification**

5.1. The Buyer may at any time make changes in writing relating to the Contract, including changes in the drawings or specifications, method of shipment, quantities, packing or time or place of delivery. If such changes result in an increase in cost of, or time required for, the performance of the Contract, an equitable adjustment shall be made to the price, delivery schedule or both.

5.2. Any claim or adjustment by the Seller must be approved by the Buyer in writing before the Seller proceeds with such change.

5.3. Any change to the Contract by any party to the contract and communicated in any form must be confirmed with a Contract amendment formally issued by the Buyer and accepted in Writing by the Seller for the change to come into effect.

**6. Failure to Comply with Instructions**

6.1 Failure to comply with the instructions overleaf will delay payment. Such delay will not however affect the Buyer's rights to any cash discount to be allowed on the price of Goods supplied under the Contract.

6.2 The Seller will provide the Buyer with such invoices, advice notes, delivery notes, statements and other documentation as the Buyer may from time to time specify.

**7. Property and Risk**

7.1 The property and risk in the Goods will pass to the Buyer at the time and place of delivery unless otherwise specifically agreed.

7.2 Where any advance payment or progress payment is made by the Buyer, property but not the risk, in any materials purchased or allocated by the Seller for the purpose of this Contract shall immediately vest in the Buyer.

**8. Dies, Tools, Patterns and Equipment**

8.1 Invoices for Tooling shall be rendered separately. Payment of such invoices shall not be authorised until the Buyer approves the quality of samples, produced from Tooling.

8.2 Tooling shall be kept securely in good condition by the Seller adequately protected from and insured against all risks (including fire, theft and weather) without expense to the Buyer.

8.3 No Tooling, drawings, data, information or intellectual property supplied by or for the Seller or used in manufacture of the Goods shall be used in the production, manufacture or design of any other goods without the prior written consent of the Buyer.

8.4 At the termination of the Contract, Tooling will be delivered at the Seller's expense to the Buyer's premises or as the Buyer

shall direct. The Seller shall not dispose of, use, transfer or otherwise encumber the Tooling without the written consent of the Buyer.

8.5 Tooling which is to be paid for by the Buyer in whole or in part shall at all times be the property of the Buyer.

#### **9. Negatives and Free Issue Materials**

9.1. All negatives and other goods supplied by the Buyer to the Seller for the purpose of manufacture, processing, repair or storage shall not be removed from the Seller's premises without the written instructions of the Buyer except for the purpose of fulfilling the Contract.

#### **10. The Buyer's Goods**

10.1 The property in the Buyer's Goods shall remain in the Buyer who may retake possession thereof at any time without notice. The Seller shall keep the Buyer's Goods separate and apart from all property of other persons and shall clearly mark the Buyer's Goods "Property of Percival Aviation Ltd".

10.2 The Buyer is granted irrevocable authority to enter upon the Seller's premises or other premises where the Buyer's Goods are located by its employees or agents to take possession of the Buyer's goods and (if necessary) to dismantle the Buyer's Goods from anything to which they are attached.

10.3 The Seller hereby undertakes that it shall reimburse and pay all compensation, including costs, as the result of loss or damage to the Buyer's Goods during the time they are in the Seller's possession, custody or control. During such time the Seller shall adequately insure the Buyer's Goods in the name of and for the benefit of the Buyer at the Seller's expense with a reputable insurance Company against loss or damage arising from any cause whatsoever and shall produce to the Buyer on demand the policies of such insurance and the receipt for premiums paid thereon.

10.4. The Seller hereby waives any lien that it might otherwise have (whether at the date hereof or subsequently) on any of the Buyer's Goods for work done thereon or otherwise but this Clause shall not be construed as a waiver of any other right of recovery of any charges that may be due to the Seller for such work.

10.5. The Seller shall keep the Buyer's Goods free of all mortgages, charges or other encumbrances and will procure that any lien over the Buyer's Goods is discharged forthwith.

10.6. The Seller shall promptly pay the Buyer on demand the full replacement value of any of the Buyer's Goods which are not returned or satisfactorily accounted for.

#### **11. Exclusive Manufacture**

11.1. The Seller will not either during the period of the Contract or at any time thereafter:-

11.1.1. Manufacture or procure to be manufactured for any person or company other than the Buyer any goods to designs or specifications originated or owned by the Buyer; or

11.1.2. Disclose to any person or company any manufacturing process, design, negative, engineering drawing or data, information, or any other trade secret of whatsoever nature relating to the Buyer or the Goods or services being supplied to the Buyer under the Contract provided always that this restriction shall not apply to any information:-

11.1.2.1. Which at the time of disclosure is in the public domain or which becomes public after disclosure otherwise than through the actions of which the Seller can show by satisfactory proof to have been in its possession prior to disclosure hereunder.

11.2. The Contract must be performed by the Seller personally and no part of it may be assigned sub-let or sub-contracted by the Seller without our written permission

#### **12. Inventions, improvements and discoveries**

12.1. The Seller agrees to assign to the Buyer all inventions, improvements and discoveries conceived in the performance of

the Contract (whether such is patentable or not) made by any person employed by or working under the direction of the Seller. On completion of the Contract, the Seller shall give to the Buyer all designs, negatives, engineering drawings and data and information of whatsoever nature in its possession and cause its employees to sign any documents necessary to enable the Buyer to file applications for patents throughout the world and to obtain title thereto and the Seller shall use its best endeavours to facilitate the same.

12.3. The Seller irrevocably appoints such person as may be nominated by the Buyer to be the Attorney of the Seller to act for and on its behalf in completing any assignments to put in to effect the Seller's agreement in Clause 12.1.

#### **13. Patents and Designs**

13.1. The Seller warrants that the sale or use of goods supplied pursuant to the Contract will not infringe any Letters, Patent, Registered Design, Copyright Industrial Design, Design Right, Topography Right, Trade Mark or Trade Name or other protected right in this country and undertakes to indemnify the Buyer against all judgments, decrees, orders, damages, costs and expenses arising from actual or alleged infringements of the same.

#### **14. Right to Terminate**

14.1. The Buyer shall be entitled to terminate the Contract without liability to the Seller and without prejudice to the Buyer's other rights in any of the following circumstances:-

14.1.1 The Seller fails to deliver the goods on the date set out overleaf or in any delivery schedule time being of the essence.

14.1.2. Notwithstanding any guarantee given by the Seller the quality of the goods supplied by the Seller either in performance of the Contract or as a sample is such that they do not conform to specification, drawings, samples or other descriptions or they are unfit or insufficient for the purpose intended or that they are un-merchantable or defective in material or workmanship.

14.1.3. The Seller has had a bankruptcy order made against him or has made an arrangement or composition with his creditors or otherwise taken the benefit of any Act for the time being in force for the relief of insolvent debtors or has suffered or allowed any execution whether legal or equitable to be levied on his property or obtained against him or (being a body corporate) has had convened a meeting of creditors (whether formal or informal) or has entered into liquidation (whether voluntary or compulsory) except a solvent voluntary liquidation for the purpose only of reconstruction or amalgamation or has a receiver manager administrative receiver or administrator appointed of its undertaking or any part thereof or a resolution has been passed or a petition presented to any Court for the winding up of the Seller or any proceedings have been commenced relating to the insolvency or possible insolvency of the Seller.

14.1.4. The Seller comes under the ownership or control of a competitor of the Buyer.

14.1.5. Any breach by the Seller of a term of this Contract.

#### **15. Payments on Termination**

15.1. The Buyer may at any time give written notice to the Seller to terminate the Contract forthwith and in such event the Buyer shall pay and the Seller shall accept in settlement of all claims under the Contract such a sum as shall reasonably compensate the Seller for work done and raw materials received and paid for by the Seller in and for the performance of the Contract prior to its termination.

15.2. The provisions of Clause 15.1 shall not apply if the order is terminated by the Buyer pursuant to the default of the Seller pursuant to any term of the Contract.

#### **16. Pre-Delivery Inspection**

16.1. Prior to delivery to the Buyer the Seller shall adequately inspect and test the goods and if the Buyer so requires the Seller shall furnish the Buyer with test certificates. The Seller

shall allow the Buyer or its authorised representative unrestricted access to any area of any premises where the Goods or any part are being manufactured or stored or where any of the Buyer's Goods are being kept in order that the Buyer or its authorised representative such use of the Seller's equipment and employees as is reasonable in the circumstances in order to facilitate such inspection testing or verification.

16.2. No inspection or testing by the Buyer pursuant to this Clause shall imply any acceptance of the Goods by the Buyer or in any way relieve the Seller of its obligations and duties under the Contract or otherwise.

16.3. The Seller shall not ship, nor will the Buyer accept non-conforming material unless authorised by the Buyer's concession in advance. Buyer approved non-conforming material shall be identified on the Certification provided by the Seller with the relevant concession number.

#### **17. Post-Delivery Inspection**

17.1. Goods supplied shall be subject to the Buyer's inspection and right of rejection at any time within 12 months of delivery irrespective of date of payment therefore. When Goods are rejected either in part or in total they will be returned at the Seller's expense.

#### **18. Guarantee and Indemnity**

18.1. Without prejudice to the Buyer's rights under any condition warranty or other term implied herein by statute or by Common Law or under any term of the Contract, the Seller will be liable to the Buyer for and indemnify and keep the Buyer indemnified against any liability, claim, cost (on a full indemnity basis), proceeding loss or damage (including the stopping of or interference with the production or manufacture or supply or recall by the Buyer of any goods or services), including:

18.1.1. Caused by any defect in any goods supplied or work done by the Seller or by their not complying with the appropriate specification set out overleaf.

18.1.2. In the event of delays, defaults or non-deliveries arising other than as a result of negligence on the part of the Buyer, against any increase in:-

18.1.2.1. The cost of labour or material required to produce the goods.

18.1.2.2. The cost of transportation.

18.1.2.3. The cost of any other item in connection with the goods which would not have been incurred but for such delay, default or non-delivery.

18.1.3 Incurred by the Buyer under contracts entered into by the Buyer the performance of which has been delayed or rendered impossible by the Sellers' breach of its obligations hereunder.

18.1.4 Arising directly or indirectly out of any breach by the Seller of the Contract any sums expended by the Buyer so caused or arising shall be reimbursed to the Buyer by the Seller on demand.

18.2 In connection with any liability claim, proceeding loss or damage under this Clause the Seller must provide all such facilities assistance or advice as we may request for the purpose of contesting the same and further must, if so requested by us, accept as final and binding the decision of any Court (whether in the United Kingdom or anywhere else in the world) in relation to the same.

18.3. The Seller consents to the Buyer transferring any guarantee or similar rights given by the Seller to the Buyer in relation to the goods or services supplied to any other person or company to whom the Buyer sells, hires or disposes of such goods or services to the intent that such guarantee or similar right may be enforced against the Seller not only by the Buyer but also by any person or company claiming through the Buyer.

#### **19. Advertising**

19.1. The Seller will not without first obtaining the written consent of the Buyer in any way whatsoever advertise or

publish the fact that the Seller has contracted to supply to the Buyer the goods or services herein mentioned.

19.2. Except solely for the purposes of manufacturing the product to satisfy this order, the Seller will not use images of Percival Aviation products in any form without prior permission from the Buyer.

#### **20. Quality Assurance, Health and Safety**

20.1. We hereby give notice that we carry on business as manufacturers and Sellers of parts or components for use in the aircraft industry as principals, under license and otherwise. The goods and services are required for the purpose of such business and all items must be regarded as safety critical in the absence of express written notification to the contrary. Any breach of these terms and conditions or any defect in the goods and services is likely to cause serious financial loss and/or physical injury.

20.2. It is the responsibility of the Seller to acquaint themselves with the purposes for which the goods or services supplied are to be used.

20.3. By acceptance of the Contract, the Seller agrees to provide access to the regulatory authorities, accompanied or not by a representative of the Buyer, to any part of their premises where work in support of the Contract is carried out. The Seller will provide access at any time for the purposes of investigation and/or audit of such products, services and documentation in any format. The Seller will pass these conditions down the supply chain for any work in relation to the Contract.

20.4. In respect of all Goods supplied the Seller will maintain or observe Seller quality control and quality assurance standards in accordance with the requirements of the Buyer, its customers, relevant national or international standards, statutory and regulatory bodies.

20.5. Goods provided, including those from throughout the supply chain, shall conform to the applicable design data and be in a condition for safe operation. The Seller shall notify the Buyer within 48 hours of becoming aware of any actual or potential conditions that would adversely affect the airworthiness of the Goods.

20.6. The Supplier and others throughout the supply chain are not permitted to deviate from the approved design data without permission of the Buyer in the form of a Production Permit or Concession, available from the Buyer's website.

20.7. The Seller shall maintain an effective and positive system for controlling non-conforming material, including procedures for identification, segregation and disposition. If at any time the Seller identifies non-conforming material may have been shipped to the Buyer, the Seller agrees to notify Buyer within 48 hours.

20.8. The Seller will maintain detailed quality control and manufacturing records for the period of at least 7 years from the date of supply of the Goods.

20.9. Any Goods supplied or installed under the Contract shall be so formulated, designed, construed, finished and packaged as to be safe and without risk to health and all goods will be supplied with full instructions for their proper use, maintenance and repair and with any necessary warning notices clearly displayed.

20.10. The Seller agrees before delivery to furnish the Buyer in writing with a list by name and description of any harmful or potentially harmful properties or ingredients in the articles supplied wherever in use or otherwise and thereafter information concerning any changes in such properties or ingredients. The Buyer will rely on the supply of such information from the Seller in order to satisfy its own obligations under the Health and Safety at Work etc. Act 1974 and the Control of Substances Hazardous to Health Regulations 1988

#### **21. Excess Quantities and Early Delivery**

21.1. No Goods or work done under the Contract or Goods supplied earlier than the date for delivery set out overleaf or in

any delivery schedule will be accepted or paid for unless the Buyer notifies the Seller in writing of its intention to accept the same.

21.2. Any Goods referred to in Clause 21.1 which are not accepted by the Buyer will remain at the Seller's risk and the Buyer may return the same to the Seller at the Seller's risk and expense.

## **22. Blanket Orders**

21.1. Where the Buyer places and the Seller accepts a blanket order, the Seller binds himself to supply such of our requirements for the Goods as we may from time to time specify in delivery schedules and we agree subject to these terms and conditions to pay for the Goods supplied. Until the receipt of a delivery schedule the Seller is not authorised to commence the manufacture or production of the Goods.

22.2. If the Seller fails to accept and comply with any delivery schedule submitted by us, the Seller will be deemed to be in breach of these terms and conditions and will pay to us as damages for the branch of all costs and expenses incurred by us as a result thereof, including but not limited to all sums expended by us in securing an alternative Seller for the Goods to satisfy our future requirements (including any sums expended by reason of any increase in the price) and any loss suffered by us as a result of delays in our production.

## **23. General**

22.1. Failure by us to enforce any of the Contract will not be construed as a waiver of our rights.

22.2. Where the Seller is aware expressly or by implication that the Goods are required to enable us to fulfil a contract with a specific customer this contract will be deemed to be made subject to the contract conditions between ourselves and our customer.

22.3. This Contract will be construed and operate in accordance with English Law. The Seller hereby submits himself to the jurisdiction of the English Courts to which all disputes relating to this Contract will be referred.