

UEL PURCHASING TERMS & CONDITIONS

1. In these conditions:

"The order" shall mean the contract formed by the acceptance (whether express or implied) of our order.

"The goods" shall include services.

"Proprietary goods" shall mean unused goods of a standard type not designed or modified by us or by you on our instructions or by some third party on our behalf.

2. All the terms of the contract between you and us are set out on the face of our order form and in these conditions and all other written, printed or standard terms are hereby excluded. Unless any terms discussed or arising from the previous course of business between us are specifically incorporated into the order they shall not form part of the contract. Any written acceptance of the order (unless clearly stated on its face to be a counter offer) or delivery of the "goods" shall be an unconditional acceptance of the order. Any written acceptance of the order (unless clearly stated on its face to be a counter offer), or commencement of performance, or delivery of the goods shall be an unconditional acceptance of the order, its terms and conditions.

3. No variation of the order shall be binding on us without prior agreement and signed by our duly authorised representative, including change to price.

4. The goods shall conform in every respect to the specifications, drawings, samples or descriptions furnished or adopted by us and be merchantable and free from defect in design, material and workmanship. In the case of proprietary goods, you shall give us advance notice of all changes in specification or design. Defective goods or parts thereof, will be returned to you at your expense for repair or replacement. You will repair or replace such defective goods or parts and return same to us, at no charge, within ten (10) days of our notification to you of such defect. We shall be entitled to deduct any costs and expenses that we may incur as a result of or in relation to such defective goods or parts, their repair or replacement, from any sums that may be due to you from us under this order or otherwise.

5. You will establish such quality and specification control procedures, including testing and inspection and such documentation and certification as may be necessary, to comply with the order. You will give us full details of such procedures and advance notice of any proposed changes in such procedures or, in any manufacturing process.

6. We shall be entitled to inspect any goods during manufacture or on delivery. No such inspection, nor any failure to reject pursuant to clause 23 below, shall constitute or imply acceptance of the goods. We shall be given any access which we may require in connection with clauses 5 and 6 and nothing in these clauses shall relieve you of full responsibility for complying with the terms of this order.

7. Delivery times are of the essence in this order and the goods must be delivered in the quantities and at the time stated in the order, or in accordance with our written instructions. We reserve the right to adjust our specified rate of delivery at any time. The forward lead times for procurement of materials and production planning will be agreed with you, but you will be fully responsible for ensuring that materials are ordered in time to meet the scheduled delivery dates. We may cancel the order if you fail to deliver the goods by the specified dates without any liability except to pay for the goods already accepted. The right of cancellation is without prejudice to any other remedy we may have. In the event of late delivery of goods or documentation called for in the order, then, without prejudice to any other remedy we may have and agreed and liquidated damages. 2.5% will be deducted for every full week that items are late against the agreed date, up to a maximum of 25%.

8. We reserve the right to make alternative delivery arrangements. We will not pay for nor return packing materials unless previously agreed.

9. You shall provide us with such invoices, advice notes, delivery notes and other documentation as we shall from time to time specify. The order number is to be quoted on all documentation and advice notes are to be sent at the time the goods are dispatched.

10. All materials, drawing, patterns, gauges, tooling, castings, samples, specifications and other technical data prepared in connection with the order (in this clause and in clauses 11 and 12 are referred to as "the said items") shall be our exclusive property and we may reproduce and use the said items freely for any purpose whatsoever.

11. You hereby undertake not without our prior written consent, to use any of the said items as detailed in clause 10, except in connection with the order and in particular not to manufacture or sell the goods or any part thereof, except to us or on our behalf. You will not apply for any Letters, Patent or Registered Design in relation to the goods or the said items.

12. You will keep safe any of the said items as detailed in clause 10, in your possession and replace any which are lost or damaged within a reasonable time. You will not part with the possession of the said items or do any act inconsistent with our ownership thereof. You shall treat the said items as strictly confidential and not make any modifications thereto. The provisions of clauses 10, 11 and 12 shall not apply to Proprietary Goods.

13. You shall indemnify us against all claims, costs and expenses resulting from any infringement or any Letters, Patent, Registered Trade Mark or Registered Design, or any passing-off action, in any part of the World and assist in the defence of any action brought against us. You shall not be liable under this clause, if any such infringement is due solely to your manufacture of goods strictly in accordance with any designs, plans or specification supplied by us.

14. Neither this order nor our name shall be used by you for advertisement or publicity purposes without our prior written consent.

15. Where parts are proprietary they shall be made available for the life of our vehicle or product. If you intend to discontinue manufacture of the goods, or parts thereof that are not superseded by other acceptable goods or parts, then you will give good notice, in writing of such intention and offer us the opportunity of ordering, at reasonable prices such quantities that will be required. Alternatively, we may agree to buy such drawings, patterns, specifications for us to make, in which case, you will provide us at no charge with full details of all your suppliers and subcontractors employed in the manufacture of such goods and parts.

16. Unless otherwise agreed in writing we shall pay against a monthly Statement of Account.

17. You will indemnify us against any loss, damage or injury to us and from and against any claim in respect of loss, damage or injury made against us by third parties and any costs and expenses arising, in connection therewith which will result from your failure to comply with any terms of the order or your performance of the order (whether negligent or otherwise) and in particular, but without prejudice to the generality of the foregoing result from a defect in the goods or their material, construction, workmanship or design. You will at all times, ensure and keep yourself insured with a reputable Insurance Company against all insurable liability under the order and in particular against all your liabilities under this clause. You will provide all facilities assistance and advice required by us or our Insurers for the purpose of contesting, or dealing with any action claim or matter arising out of your performance of the order.

18. Where under the terms of any warranty given by us, for our products we repair or replace free of charge, any part or component supplied by you which is proved to our satisfaction to be defective in materials, workmanship or design and you have supplied the goods in the defective condition, we shall be entitled to credit or compensation for, or free replacement or repair of such faulty parts from you (without prejudice to our rights or remedies). Such goods will be returned to you on request at your expense (and where goods have been exported, such request must be in writing and accompanied by payment in advance of the carriage charges) otherwise the parts will be held for 28 days in our service department of our overseas distributors for your inspection. Where in the case of a Proprietary part you give your own specific guarantee or warranty in terms not less favourable than our own warranty, then we will accept such guarantee or warranty in lieu of this clause, provided that such guarantee or warranty shall be deemed to remain in force, until the expiry of the warranty given by us, in respect of the vehicle or unit containing the part in question and that any terms of such guarantee which seek to exclude or limit your obligations or liabilities under this contract shall be of no effect.

19. The order must not be assigned by you without our prior written consent. In any legal proceedings between us, you shall not set up the existence of a sub-contract or any of the terms thereof as a defence to such proceedings and shall be responsible for your sub-contractors in all respects.

20. No extension of time or other concessions granted by us shall in any way affect our rights or your obligation under the order.

21. If any our equipment is used, proper authority by any of our workmen, representatives or authorised subcontractors any accident or damage arising therefrom shall be your responsibility. You will at all times whilst on our premises comply with all security and safety regulations from time to time in force for those premises. You will be deemed to have full knowledge of such regulations, copies of which will be supplied on request. When our General Conditions of Works of Construction or of purchase of capital equipment are applicable, you will be asked to sign a Certificate of Acceptance of those conditions before work is commenced.

22. Unless otherwise agreed in writing the property of the goods shall pass to us by our acceptance thereof after any inspection we may require.

23. If you shall have failed to comply with the terms of the order, we shall be entitled (whether or not the goods or any part of the goods have been accepted by us), to avail ourselves of any one or more of the following remedies at our discretion:

- (a) rescind the Contract
- (b) return the goods or any part thereof to you. Any costs incurred to be paid by you. We shall be entitled to be repaid in full for any goods so returned.
- (c) give you the opportunity to replace, repair or reinstate at your expense the goods so that they comply with the terms of the order.
- (d) refuse to accept any further deliveries or instalments of the goods or any part thereof without any liability to you.
- (e) carry out at your expense such work as may be necessary to make the goods or any part thereof comply with the order.
- (f) be reimbursed by you for such damages as we may have sustained in consequence of any breach of contract.

These rights and remedies shall be in addition to and without prejudice to any other rights we may have.

24. Neither we nor you shall be liable to the other for any failure to fulfil obligations under the order, if such failure is attributable to force majeure, provided that the affected party is promptly notified by the other of the commencement of the force majeure event, the amount and degree to which it affects its performance of this order and its termination. A force majeure event shall be considered as one that is beyond the affected party's reasonable control. If the consecutive period of such force majeure event continues in excess of one

- (1) month, the other party shall be entitled to terminate this order without liability.

25. In addition to any rights we may have under the foregoing clauses or at Law we shall be entitled to terminate the order by written notice and to refuse to accept any goods not delivered and accepted at the date of such notice. Provided that:

(a) we shall pay to you the contract price of goods delivered and accepted by us and not already paid for.

(b) you shall if so required complete all goods partially manufactured at the date of such notice and we shall pay the contract price of all such goods as are accepted by us.

Except as stated above if this contract is terminated under this condition we shall not be liable to you in any way whatsoever. We shall also have the right to terminate this order, or any part thereof, and cancel all or any part of the undelivered portion, in the event of the occurrence of any of the following:

- you becoming insolvent;
- filing of an involuntary petition to have you declared bankrupt; or
- the execution by you of an assignment for the benefit of creditors.

We shall have no obligation to you in respect of the cancelled portion of the order and our liability shall be limited to payment for the delivered portion of the order at the rate specified herein.

26. Where goods are required in connection with Civil aircraft and are to be inspected and certified under Air Navigation Regulations and the requirements of the Civil Aviation Authority, full certification is required.

27. The order and all matters arising, shall be constructed and take effect according to the laws of England and the Courts of England shall have exclusive jurisdiction over all and any claims arising between us.