

DEFINITIONS

In these conditions and in all text relating to the purchase order set out overleaf the following definitions will apply save where the context otherwise requires. The "order means the signed purchase order set out overleaf and any amendment in writing thereto. The "Purchaser" means Atlas Composite Technologies whose registered office is Peregrine House, Merlin Way, Quarry Hill Industrial Estate, Ilkeston, Derbyshire. DE7 4RA the "Supplier" means the Supplier Subcontractor. Stockists or person to whom the order is placed. "Supplies" means all articles, materials or work the subject of the order. The "Specifications" means any written specification of technical requirements, drawings, description of the supplies or the Suppliers proprietary specification defined or referred to in the order.

APPLICATION

These conditions of purchase together with the specification shall form an integral part of the order and shall apply except to the extent that they may be inconsistent with any special conditions appearing on the face of the order or otherwise incorporated by reference on the face of the order such special conditions shall not be varied except with the written agreement of the Purchaser and Supplier as confirmed by amendment to the order duly signed on behalf of the Purchaser by an authorised signatory. These conditions of purchase and any such special conditions exclude any other terms and conditions inconsistent therewith which the Supplier might seek to impose even though such other terms and conditions may be submitted in a later document and/or purports to exclude or supersede any terms and conditions inconsistent with them or maybe contained in any offer, acceptance or counter offer made by the supplier.

ACCEPTANCE OF ORDER

The Supplier must accept the order within fourteen days of receipt, failure to do so will give the Purchaser the right to cancel the order. Completion of the formal acknowledgement form or other agreed form of written receipt shall be deemed final acceptance of the order.

Commencement of work under the order will be normally construed as acceptance by the Supplier of these conditions of purchase and any special conditions. Notice will be taken of any outstanding objections under negotiation. The Purchaser will not accept responsibility for any supplies unless supplied in accordance with the order.

ASSIGNMENT

The Supplier shall not assign or transfer or purport to assign or transfer the order or the benefits thereof to any other person without the prior written consent of the Purchaser, such consent to be given or withheld as the as maybe a Purchaser's sole discretion.

DELIVERY & RISK

Time of delivery shall be of the essence and shall be strictly in accordance with the order. The Purchaser will have the option to cancel the order wholly or in part without liability to the Purchaser where delivery is not made on the date(s) specified without prejudice to any other right or remedy which the Purchaser may have. The supplier shall not be liable for delays in delivery due to causes beyond the Suppliers control and without the Supplier fault or negligence including Act of God, fire, flood, explosion or earthquake, quarantine restrictions, serious accidents, government action, war, riot, insurrection or labour dispute, provided that in such cases the Supplier promptly notifies the Purchaser of any delay or anticipated delay as soon as it is known and resumes performance as soon as possible thereafter. Where any such delay exceeds thirty days the Purchaser shall be entitled to cancel the order without liability to the Purchaser except in respect of supplies already delivered to the Purchaser prior to such cancellation.

Delay in delivery which arises directly from the failure to perform of any of the Suppliers Sub-contractors will not be accepted as an excusable reason for delay unless there is a proven case of force majeure affecting or having affected the sub-contract concerned and the Supplier has promptly notified the Purchaser accordingly. If due to circumstances beyond the control of the Purchaser including, but not restricted to, Act of God, fire, flood, strikes and lockouts whereby the Purchaser is unable to take delivery of the supplies of the specified delivery date the Purchaser may wholly or partly suspend acceptance of deliveries. Unless otherwise agreed by the Purchaser in writing, the supplies shall be at the risk of the Supplier until delivered to the Purchaser or its authorised agent.

ACCESS

Representatives of the Purchaser are permitted to visit the suppliers premises and those of any permitted Sub-contract(s) of any reasonable time to check the process of the work of supplies and the Quality Manager of the Purchaser or his representative or any other representative of the customer of the Purchaser or the customers agent or any government department concerned shall be entitled on the authority of the Purchaser to inspect the supplies which are the subject of the order at any reasonable time at the Supplier's work or at the premises of permitted Sub-contractor(s).

PASSING OF PROPERTY

Without prejudice to the Supplier's other obligations therein title to the supplies shall pass to the Purchaser upon delivery at the Purchaser's works or other place as may be defined on the order.

INSPECTION AND REJECTION

The Supplier shall be subject to whichever of the quality assurance conditions are specified on the face of the order. The Purchaser reserves the right through its Quality Manager to reject any of the supplies which are not compliant with the specification or do not meet the required standards of design, materials, workmanship or which are not in accordance with the Supplier's sample proved by the Purchaser. The Purchaser may return such rejected supplies to the Supplier at the Supplier's risk and expense and the Supplier shall accept a Debit Note to the value of such supplies and credit the value of such supplies to the Purchaser's account, and promptly supply replacement supplies which in all respect are in accordance with the order without prejudice to any further remedies by way of damages or otherwise which the Purchaser may have against the Supplier. The supplier shall notify the purchaser of instances of non-conformities. The provision of clause 8(ii) of these conditions do not modify in any respect the responsibility the Supplier has for insuring that all materials component parts, sub-assemblies and assemblies are of new manufacture and are in accordance with the specification and meet the required standards of workmanship.

ADVICE/RELEASE CERTIFICATES

The Supplier shall on the day of despatch of each consignment send advice note (s) and such Certificate (s) of Conformity/ Civil Approved Certificate (s) and invoice (s) as may be indicated by the terms of the order in addition one copy of such Certificates of Conformity or such other document as may be required by clause 8(i) of these Conditions shall accompany each consignment. NB, if in the cause of satisfying the order the supplier has to export the supplies, a duplicate set of the aforementioned documents shall be attached to the outside of the consignment package for customs clearance purposes.

The Supplier shall clearly mark the Purchaser's order number and item number on each consignment package, packing note, advice note, Certificate of Conformity/Civil Approved Certificate and all correspondence relating thereto. The supplier shall ensure that any Certificate of Conformity/Civil Approved Certificates shall bear the following statement "The whole of the supplies detailed herein have been tested and inspected, and unless otherwise stated above, conform to the full requirements of the appropriate specification and order". The Supplier shall ensure that each such Certificate is signed by the Executive of the Supplier responsible for product quality (or approved signatory).

QUANTITY

No quantity delivered over and above that called for on the order will be accepted or paid for without prior agreement in writing of the Purchaser.

PRICE

Where prices have been agreed, no alteration to prices shall be made without the consent of the Purchaser in writing. Where the order is marked price to be agreed (TBA), quotations must be submitted by the Supplier and shall be formally accepted by the Purchaser by confirming order amendment before any binding contract shall be made. All prices shall include packing and boxing of the supplies and must be delivered carriage paid in accordance with the instructions on the face of the order at the Supplier's own risk. All cases and packing materials will be non-returnable and non-chargeable unless the contrary is stated on the Supplier's advice note in which event such cases will be returned at the Supplier's expense.

Any indirect charges which have been agreed pursuant to clause 5(i)(v) of these conditions of purchase shall be separately detailed in the invoice.

INVOICES AND PAYMENT

The Supplier shall ensure that prior to submitting to the Purchaser any invoice, debit notes or credit notes raised in connection with the order, that details of the Supplier's bank sort code account number and bank name and address have been advised to the Purchaser.

Invoices should be submitted by the third day of the month following the month of delivery and should quote Order Item part and drawing number, description, quantities and weights.

All invoices shall state the price of the supplies exclusive of Value Added Tax (VAT) and shown the amount of VAT (if any) separately. The Purchaser's normal method of payment, against the value of approved invoices, less any Suppliers credit notes or Purchaser's debit notes applicable will be made by cheque or Bankers Automated Clearing services at the discretion of the purchaser such that accounts will become payable 60 days from the end of the month in which delivery of the supplies has taken place unless otherwise agreed by Atlas Composite Technologies. The supplier shall ensure that all advice notes, invoices or credit notes, clearly stated the Atlas Composite Technologies part number Purchaser order number and item number. Failure to do so may result in delayed payment.

TERMINATION

FOR DEFAULT

In the event in breach of non-observance of any of these Conditions of Purchase the Purchaser may give the Supplier written notice of such breach or non-observance following which the Supplier shall have twenty eight days from receipt of such notice in which to rectify the forthwith terminating without compensation the whole or any part of the order and any contract arising out of the order. The Purchaser reserves the right to recover from the Supplier the extra costs of purchasing the supplies from other sources.

FOR INSOLVENCY

Should the Supplier (being an individual or firm) have any distress or execution levied upon a substantial part of its property or assets or offer to make an arrangement with its Creditors or commit any act of bankruptcy or have a petition in bankruptcy presented against it or should the Supplier (being a limited liability Company) pass resolution, for winding up or have any petition for winding up presented should winding up in either of the above cases behind other than for the purposes of a bone fide amalgamation or reconstruction or should the Supplier have a Receiver or its undertaking appointed or make a general assignment of its assets for the benefit of its Creditors then the Purchaser shall have its right to give the Supplier written notice forthwith terminating the order without compensation.

FOR CONVENIENCE

The order may be terminated by the Purchaser at any time in the whole or in part by delivery to the Supplier of a notice of termination. In the event of any such notice being given the Supplier shall stop work forthwith and comply with any direction with regard to the supplies which may be given by the Purchaser. Subject submitting within six weeks from the affected date of termination his termination claim in the form prescribed by the Purchaser in the notice of termination the Purchaser undertakes to pay a fair and reasonable price for all work done in accordance with the terms of the order up to the time of termination. Such payments made for work done taken together with any sums paid or due or becoming due to the Supplier under the order shall not exceed the total price of the supplies under the order. Any termination of the order shall not prejudice any rights which shall have accrued or shall accrue to either party.

QUALITY REQUIREMENTS

The supplier shall Implement a Quality Management System. Use customer designated or approved external providers, including process sources (e.g. special processes). Notify Atlas Composites Technologies of any nonconforming processes, products or services and obtain

approval for their disposition. Prevent the use of Counterfeit parts "Counterfeit Parts Avoidance" In order to mitigate counterfeit parts entering the supply chain, the seller must fulfil this purchase order using only parts from the original component manufacturer (OCM) / original equipment manufacture (OEM) or authorized distributors. Independent distributors, brokers or other secondary sources shall not be used for items on this purchase order. If counterfeit parts are furnished under this purchase order, such items shall be impounded. The seller shall promptly replace such items with items acceptable to Atlas Composite Technologies and the seller shall be liable for all costs relating to impoundment, removal and replacement. Notify Atlas Composites Technologies of changes to processes, products or services, including changes to their external providers or location of manufacture, and obtain ACT approval. Flow down to external providers applicable requirements including any customer requirements. Where applicable provide test specimens for design approval, inspection/verification, investigation or auditing. Retain documented information, including retention periods and disposition requirements. Allow rights of access to ACT, their customers and regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain. Ensure all employees are aware of their contribution to product or service conformity, their contribution to product safety, the importance of ethical behaviour.

PATENTS

Except where the supplies are manufactured to detailed drawings supplied by the Purchaser the Supplier will indemnify the Purchaser against any action, claim or proceeding relating to infringement or alleged infringement (whether by manufacture, use, sale or otherwise) of any patents or registered design or other industrial property right arising in connection with the supplies and to indemnify in like manner any customer of the Purchaser or the operator of any equipment or system supplied by the Purchaser in cases where such equipment or system incorporates the supplies. Where the supplies contain or constitute reports, designs or other like work to be undertaken on behalf of the Purchaser, all copyrights, rights, patents and other industrial property rights arising from such supplies shall be the property of and vested in the Purchaser, and the Supplier shall do all acts and things necessary to perfect and assure such vesting.

FREE ISSUE

All specifications, drawings, patterns, tools, materials, and other equipment and data loaned by the Purchaser to the Supplier for use in connection with the order will remain at all times the Purchaser's property and be surrendered to the Purchaser upon demand in good and serviceable condition (fair wear and tear accepted), and are to be used by the Supplier solely for the purpose of completing the order. Free issue items as categorised under clause 15(i) shall while in the Supplier's possession or control be at the Supplier's risk and shall be maintained in good and serviceable condition. The Purchaser will not accept liability for any free issue items as categorised under clause 15(i) received by the Supplier from the Purchaser in a damaged state under or in connection with the order unless such damage is ratified in writing to the Purchaser within five days of receipt by the Supplier of such parts or materials.

All scrap arising from material free issued by the Purchaser which is in excess of the authorised scrap allowance shall be replaced by the Supplier at the Supplier's expense.

On completion of the order or otherwise as directed by the Purchaser the free issue items as categorised under 15(i) shall be returned to the Purchaser at the Supplier's risk and expense. In the event of the Suppliers non compliance with the sub clause or 15(i) the Purchaser may withhold or require the reimbursement of such part of any payment due to the Supplier as is necessary to replace or repair the Purchaser's property.

PRODUCT SUPPORT AND DOCUMENTATION

The Supplier shall comply with every requirement of the Purchasers relevant Specification or direction if any relating to product support including Inter alia the supply free of charge of technical data applications, modifications and spares data. The Supplier will provide the Purchaser with all present and future instructions relating to the use of supplies and in particular draw attention to any dangers which may be met in the handling or application or in their use of processing. The Supplier shall notify the purchaser in writing in respect of any changes made to produce/service supplied when compared to that defined by the purchase order, these changes will include but are not limited to :-

- Changes in processing parameters,
- Amendment to product composition in respect of material obsolescence, legislative and /or health and safety requirements.
- Changes to any records that are created or retained in relation to an order placed by the purchaser.
- Prior to disposing of any records, the supplier will contact the purchaser for authorisation to ensure contractual retention requirements are met. (Min 7 years)

Where goods or services are purchased against a previously agreed specification the supplier must have agreement in writing from the purchaser before goods or service can be supplied.

WARRANTY

Any warranty given by the Supplier to the Purchaser or implied by law in respect to the supplies shall be deemed to be given for the benefit of any enforceable by all or any aircraft manufacturers, civil aircraft operators or other ultimate users to whom such supplies shall be sold subsequently.

PRODUCT LIABILITY

Subject to the proviso hereto, the Supplier shall indemnify the Purchaser against any award of damages and costs made pursuant to a claim or claims under part 1 of the Consumer Protection Act 1986 - in respect of any defect(s) in the supplies provided that this indemnity shall not extend to any award made pursuant to a claim which if it has been made against the Supplier, the Supplier would have had a complete defence.

INSURANCE

Where the Supplier is required to perform services of construction, installation and/or servicing on the premises of the Purchaser or on premises prescribed by the Purchaser the Supplier agrees to effect (and if so required to demonstrate to the Purchaser that he had effected) public liability insurance in an amount not less than £1,000,000 per event in respect of loss, damage or injury to property or persons.

CONFIDENTIALITY

The order and the subject matter thereof shall be treated as confidential between the Supplier and the Purchaser and shall not be disclosed in whole or in part by the Supplier or any Sub-Contractor to the Supplier to any third party or used by the Supplier or any Sub-Contractor for any purpose other than supplying the supplies to the Purchaser. All specifications, design drawing and information and all copies thereof must be retained in safe custody and maintained in good condition until disposal is agreed by the Purchaser. The Supplier shall not make use of the Purchasers name or of any information contained in the order or related documents for publicity purpose without the Purchasers written consent.

NOTICES AND COMMUNICATIONS

All notices and communications shall be in writing. Any notice or other communications sent to the Supplier shall be sufficient sent to an address notified to the Purchaser for the purpose or to the address of the Supplier last known to the Purchaser. Notices or other communications sent by the Supplier to the Purchaser shall be sent to the address given for the Purchaser on the face of the order for the attention of the Purchasing Manager.

WAIVER

Any concession, latitude or waiver allowed by the Purchaser to the Supplier in respect of any term hereof at any time shall not prevent the Purchaser from subsequently enforcing that term and shall not be deemed a waiver of any subsequent breach.

HEALTH, FIRE AND SAFETY

The Supplier its employees and its Sub-Contractor shall comply with the current edition of the Purchasers Publication "Safety Regulations for Contractors" and all other pertinent Purchasers documents and regulations including without limitation those relating to health, fire and safety. The Supplier shall provide with and ensure that its employees and Sub-Contractors employees use the protective clothing and safety equipment required by the said publications regulations and documents.

INTERPRETATION AND SEVERANCE

These conditions shall be governed by construed and shall take effect with the Laws of England and any action arising therefrom shall be brought only in a court of England. In the event that any condition or provision of the order shall be nullified or made void by any Governmental law decrees, regulation or order or by the decision or order of any Court having jurisdiction the remaining terms, conditions and provisions of the order shall remain in full force and effect.

APPLICABLE LAW

These conditions shall be governed by construed and shall take effect in accordance with the Laws of England and any action arising therefrom shall be brought in a court in England. Nothing in these conditions, shall prejudice any condition or warranty (express or implied) or any other right or remedy to which the Purchaser is entitled in relating to the supplies by virtue of statute law, common law or otherwise.

GOVERNMENT CONTRACTS

Where it is indicated on the face of the order that the order is placed in connection with the Government contract the order shall be subject to such conditions of the Standard Conditions of Government Contracts for Stores Purchased (Form GC/ Stores/ 1). As from time to time amended and to such other Government Conditions from time to time in force as the Purchaser shall specify in writing (the Government Conditions). In applying the Government Conditions the necessary variations and modifications and wording (so far only as necessary) shall be made to render the same applicable to these conditions of Purchase. The Supplier undertakes to and hereby indemnifies the Purchaser in respect of any liability of the Purchaser whether under Standard Conditions 55 or otherwise for damage to or loss of Government property to the extent that such a liability arises on account of the act or omission on the part of the Supplier or his servants or agents. If any of the Conditions of Purchase contained at 1.25 inclusive is inconsistent with the corresponding condition of the Government Conditions the latter shall prevail to the extent of the inconsistency provided always that nothing shall limit the rights of the Purchaser under conditions 8 (i), 13 and 14 hereof.