

1. Definitions

HEC Precision Ltd - TERMS AND CONDITIONS OF PURCHASE

The Company is HEC Precision UK thereafter referred to as HEC PRECISION. The Supplier means the person, or company to whom the Purchase Order is addressed. The Goods mean the goods or work and materials, or services specified in the Purchase Order. Additional Terms are conditions of purchase specified by the Company from time to time relating to the Company's purchase of particular types of goods and referred to in the Company's Purchase Order. Copies of such terms will normally be attached to the order referring to them, and will be supplied upon request. Conditions of Purchase means the terms and conditions set out herein together with the terms stated at an Additional Terms referred to in the Purchase Order. A Purchase Order means an authorized, printed and numbered order form issued by the Company.

2. Applicable Conditions.

The conditions and the Order shall constitute the entire agreement between the Supplier and HEC PRECISION and shall, supersede any prior communications or representations between the supplier and HEC PRECISION including any Conditions of Sale issued by the supplier unless otherwise agreed.

3. Order Acceptance and Amendments

No supplies will be accepted or paid unless supplied in accordance with the Order and an HEC PRECISION official Purchase Order form. The Supplier shall reference the Order Number on all correspondence. No changes to the Order will be accepted by HEC PRECISION unless agreed in writing by an authorized employee of HEC PRECISION.

4. Specification

All supplies under an Order shall conform with the quantity, quality standard and specification stated on the Order and shall be fit for the purpose required by HEC PRECISION and 'free from any defect actual or latent.

5. Packaging and Carriage

All supplies shall be securely and adequately packed, and the packaging marked with HEC PRECISION's Order Number. All packaging shall be non-chargeable and non-returnable, unless otherwise agreed in writing by HEC PRECISION. Failure to comply may result in the goods being returned at the suppliers risk and expense. All goods to be delivered carriage paid.

6. Release Documentation and Certificate of Conformity

a) Where stated in the Inspection Requirements, one copy of a numbered Certificate of Conformity/Release Certificate detailing Order Number, Part Number, description, serial number and quantities delivered, shall accompany each consignment delivery. b) Where applicable the Supplier, shall provide one copy of the Certificate of Conformity/Release Certificate from the manufacturer of the Supplies and one copy of the Suppliers own release documentation.

7. Delivery

a) Delivery shall be strictly in accordance with the instructions detailed on the Order and shall be at the risk of the supplier. Deliveries unless otherwise stated shall be to the HEC PRECISION works during the following times: - Monday to Thursday 8.00am - 1.00pm then 1.30am - 4.30pm. Friday 8.00am - 1.00pm.

b) If, for whatever reason delivery is not in accordance with the Order, then HEC PRECISION may, without prejudice to any other right or remedy, wholly or partially terminate the order without incurring liability to the Supplier.

c) Title in the supplies shall pass to HEC PRECISION on delivery. Such passing of title shall not constitute acceptance of the Supplies.

d) In the event of HEC PRECISION being unable to accept deliveries, HEC PRECISION will have the right to suspend, wholly or in part, deliveries under the Order.

e) No over deliveries will be accepted or paid for.

8. Inspection

a) Inspection requirements shall be in accordance with the provisions on the Order.

b) Where an Order is furtherance of an Aerospace contract or is for the Calibration of any HEC PRECISION equipment, the Supplier shall ensure that all Inspection Personnel have an annual eye examination carried out by a qualified optician. Records of the results must be retained and be available upon request.

9. Rejection

HEC PRECISION shall have the right to reject at any time supplies that are not in accordance with the Order, or fit for purpose. Rejected Supplies shall be at the Suppliers risk and expense. Any Supplies rejected shall be deemed as not having been delivered.

10. Price

Prices shall be as stated on the Order and unless agreed otherwise shall be exclusive of VAT, customs duties and taxes. No amendments/alterations will be accepted unless prior written agreement by an authorized employee of HEC PRECISION.

11. Invoices and Payments

a) Invoices quoting the Order number, Certificate of Conformity/Release Certificate number (where applicable), part numbers, description and quantity of Supplies delivered shall be forwarded at the time of despatch to HEC Precision UK, Unit 5 Cranleigh Gardens Industrial Estate, Southall.

Middlesex. Failure to detail any of the above information may result in a delay in payment by HEC PRECISION.

b) On receipt of a correct invoice payment will be net two monthly or as agreed.

12. Articles on Loan and HEC PRECISION Supplied Equipment

a) Any free issue material, drawings, documents, samples, jigs , tools or patterns supplied by HEC PRECISION or manufactured by the supplier in satisfaction of the order -

i) shall be adequately insured by the Supplier.

ii) shall be clearly marked as the property of HEC PRECISION or as specified by HEC PRECISION

iii) shall be maintained in a reasonable condition (fair wear and tear accepted) at the Suppliers premises and entirely at the risk of the Supplier

iv) shall not be copied or communicated to any other party or used for any other work other than that detailed on this Order, without the express written consent of HEC PRECISION.

v) shall where applicable be clearly marked with the tooling/identification number issued by HEC PRECISION.

b) HEC PRECISION shall at all times have control over property deemed scrap, and the sole discretion as to its disposal.

c) HEC PRECISION may at any time request retain any of HEC PRECISION furnished equipment at the risk and expense of the Supplier.

13. Indemnity

The Supplier hereby agrees to indemnify and hold harmless HEC PRECISION against all claims, damages, liabilities and costs in respect of the Order whatsoever resulting from:

a) any damage, loss, death or injury caused by an act, negligence or omission of the Supplier or any of its sub-contractors.

b) any alleged or actual infringement of any patent, registered design, trademark or copyright in existence or pending at the date of the Order relating to the Supplies.

14. Design Rights

Any work in pursuance of the Order that includes design to be performed by the Supplier, all rights in such design shall be vested in HEC PRECISION and such design shall not be used except for the purpose of the Order, nor copied or communicated to any other party without written consent from HEC PRECISION. All drawings and other documents delineating or recording such, shall likewise be

HEC PRECISION property and shall be returned as requested by HEC PRECISION on completion of the Order.

15. Work on Site

If any work on pursuance of the Order that is carried out by or on behalf of the Supplier at HEC PRECISION works, it shall be subject to HEC PRECISION General conditions of Work on Site, copies available on request.

16. Confidentiality

All information associated with the Order shall be treated as strictly confidential between HEC PRECISION and the Supplier.

17. Assignment

- a) The Supplier agrees that no work in satisfaction of the Order shall be assigned to any 3rd party company without prior written consent of an HEC PRECISION authorised person.
- b) All NADCAP approved supplier shall maintain a list of all sub tier approved suppliers including their scope of supply.
- c) When an operation or process is to be undertaken by a second or third stage sub-contractor, the Supplier shall first obtain written confirmation from an HEC PRECISION authorised person that the second/third stage sub-contractor is HEC PRECISION approved for that specific process prior to placement of an Order.

18. Partial Invalidity and Waiver

Any provision of the Order subsequently found to be invalid shall not in any way affect the validity or enforceability of the remainder of the Order. Any failure by either party to enforce any provision of the Order shall not be construed as a waiver of that or any other provision.

19. Communication and Notices.

All communication including notices shall be in writing and addressed to the HEC PRECISION authorised person that placed the Order (name found at the foot of the Order) or the Hec Quality Representative.

NOTE - All verbal communications between any HEC PRECISION personnel and the Supplier are not to be misconstrued as either being an Order or being an authorisation to make a change to any part of an Order. Prior written consent from a HEC authorised person shall be obtained before any change to an Order can be applied.

The Supplier shall communicate the following to HEC PRECISION;

- a) Notify the Organisation of a nonconforming product within 24 hours.
- b) Obtain Organisational approval for nonconforming product disposition.
- c) Notify the organisation of change in product and/or process, change of suppliers, changes of manufacturing facility location and, where required, obtain organisation approval, and flow down to the supply chain the applicable requirements including customer requirements.

The Supplier shall communicate the following to all 3rd party Order related suppliers;

- a) All flow down procedures including Customer requirements.
- b) Record retention requirements.
- c) Rights of access requirements by the Organisation, their customer and regulatory authorities to all applicable areas relating to the Order and access to all relating records.

20. Termination for Convenience

HEC PRECISION shall have the right to terminate the Order in whole or part, at any time by serving on the Supplier written notice of termination. Upon receipt of such notice of termination, all terminated work shall be discontinued and HEC PRECISION shall pay to the Supplier such sum as is fair and reasonable in respect of any direct loss sustained by the Supplier by reason solely of such termination and the Supplier agrees to accept such sum in full and final satisfaction of all claims arising out of such termination. In the event of termination of the Order, the Supplier shall use its best endeavours to mitigate the loss arising from such termination. In no case shall the amount payable by HEC PRECISION for the terminated work exceed the price that would have been payable if the work had been completed. HEC PRECISION reserve the right to recover any part completed work, including any relevant jigs, tools, fixtures or documentation.

21. Termination for Default

- a) HEC PRECISION shall notify the Supplier of any breach of these conditions. If the supplier is unable to remedy such breach of default within the period of 30 days from the notice being given then HEC PRECISION reserves the right to terminate the Order in whole or part without incurring liability to the Supplier.
- b) Insolvency. In the event that the Supplier becomes insolvent then HEC PRECISION reserves the right to suspend or terminate the Order without incurring liability to the Supplier.

22. Applicable Law

This agreement and any Order shall be subject to and interpreted in accordance with the laws of England and the Supplier hereby submits to the jurisdiction of the English Courts. Any dispute or

difference arising out of this agreement on any Order shall be referred to a single arbitrator with the provisions of the Arbitration Acts 1996 or any statutory modification or re-enactment thereof for the time being in force.

23. Access Rights and Control of Records

The supplier shall allow right of access to Hec Precision Ltd, their customer and Regulatory Authorities to the applicable areas of all facilities, and at any level of the supply chain involved in the order and to all applicable records.

The control and retention of any records relating to a Purchase Order shall be held for a period of 25 years unless otherwise specified, and in accordance with any customer approvals held by the Supplier.