

1. GENERAL

- a) The term 'Company' shall be defined as Nelson Tool Co (Stockport) Ltd on the purchase order.
- b) The term 'Customer' shall be defined as Nelson Tool Co (Stockport) Ltd.'s customer.
- c) The term 'Supplier' shall be the person or company named on the purchase order.
- d) The term 'Counterfeit Part/Material' shall be defined as parts or material that is or contains items misrepresented as having been designed and/or produced under an approved system or other acceptable method. The term also includes approved parts/materials that have reached a design life limit, or have been damaged beyond possible repair, but is altered and misrepresented as acceptable
- e) No liability will be accepted for any deviations to the purchase order; any variations must be supported by an amended purchase order.
- f) Nelson Tool Co (Stockport) Ltd terms and conditions (QP 06 F2) apply on all purchases and countermand all 'Supplier's' terms and conditions.

2. DELIVERY OF GOODS/WARRANTY

- a) The dates of delivery of goods/services stated on the purchase order are the essence of the contract and liquidation damages shall be applied in the event of late delivery unless agreed between both parties in writing.
- b) Goods must be delivered carriage paid to the 'Company' and if delayed the 'Company' shall have the right to pursue the fastest possible method of transport at the 'Supplier's' expense.
- c) Goods delivered must be accompanied by a delivery note listing the contents in such way to enable inspection and checking to take place on receipt, in cases where this is not possible the delivery note will be signed as unchecked.
- d) The 'Supplier' must notify the 'Company' of product /service changes made during the purchase phase.
- e) Any faulty goods will be collected by the 'Supplier' at its own cost and replacements supplied to the 'Company' within an agreed timescale. Alternatively, rework may be carried out by the 'Company' to reduce time delays and all damages will be charged back to the 'Supplier'. If goods are delivered faulty by 'Supplier' and require rework, the goods will be considered late and also subject to clause 2a.
- f) Delivery may be suspended at the 'Company's' request in the event of unforeseen contingencies arising after the date of purchase order.
- g) In the event of industrial disputes or any other unforeseen contingency causing a delay or stoppage of work at the 'Company's' premises or its 'Customer's' site, delivery may be suspended at the 'Company's' request until the issue is resolved.
- h) All goods/services shall be warranted for a minimum 12-month period against defective workmanship and materials.

3. PRICE AND PAYMENT.

- a) The price quoted shall be exclusive of VAT.
- b) The 'Company' reserves the right to cancel any order if in the 'Company's' sole opinion it considers that the 'Supplier's' obligations may not be met by the agreed delivery date on purchase order. In this event any monies paid by the 'Company' against the order will be reimbursed to the 'Company'.
- c) The price stated on the purchase order shall be fixed and agreed for the duration of the contract. Where a price is to be agreed, a quotation must be submitted by the 'Supplier' and a confirming amendment to purchase order issued prior to the rendering of an invoice.
- d) The 'Supplier' will flow down through its internal and external supply chain; awareness of contribution to product or service conformity, product safety and ethical behaviour surrounding the supply of goods and services in relation to this purchase order agreement.

4. THIRD PARTIES.

- a) The 'Supplier' shall not sub-contract the order either in whole or in part to a third party without prior consent of the 'Company'.
- b) The 'Supplier' shall flow-down to sub-contract, sub-tier organisations all the requirements of the purchase order including statutory, regulatory and key characteristic requirements.
- c) The 'Supplier' shall notify the Company when any key characteristic, interchangeable-replaceable features, fracture critical features, durability critical features, maintenance critical features, safety critical features, critical safety hardware/features, or the 'Supplier' changes affecting fit, form or function are to be subcontracted.

5. LAW & JURISDICTION.

- a) The law governing this contract, its application, performance and interpretations shall be English law, venue England.

6. TITLE.

- a) Title to the goods shall pass to the 'Company' when delivery has been made as per the purchase order.
- b) Any parts issued free of charge by the 'Company' shall remain at all times the property of the 'Company', in the event of damage or scrapping of any parts supplied by the 'Company' the 'Supplier' shall be liable to repair or replace at its expense.

7. REACH

- a) The supplier warrants that where it sells, supplies or transfers goods and/or services to the Company, it has complied with the Regulation (EC) No. 1907/2006 of the European Parliament concerning the registration, evaluation, authorization and restriction of chemicals, REACH. The supplier will ensure that each chemical substance contained in or used in the manufacture or deliverables sold, supplied or transferred to the Company is, where required, registered; registered for the Company's use; supplied with a safety data sheet, and is not restricted under Annex XIV of REACH. In any circumstance where the chemical does appear on Annex XIV of REACH, the supplier must ensure that it is authorized for the Company's use.
- b) Whether REACH applies to any deliverables sold, supplied or transferred to the Company, on request by the Company, the supplier will provide all information required to enable the Company to fulfil its own obligations under REACH. This clause applies to all deliverables sold, supplied or transferred to the Company inside or outside of European market.

8. COUNTERFEIT PARTS/MATERIALS PREVENTION

- a) The term Counterfeit Parts and Materials, for the purpose of these terms & conditions will be abbreviated to CPM.
- b) The 'Supplier' agrees and shall ensure that CPM is not delivered to the 'Company'.
- c) The 'Supplier' shall immediately notify the 'Company' with the pertinent facts if the 'Supplier' becomes aware or suspects that it has furnished CPM. When requested by the 'Company', the 'Supplier' shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM.
- d) If goods delivered under this order constitutes or includes CPM, the 'Supplier' shall, at its expense, promptly replace such CPM with genuine Parts or Materials conforming to the requirements of this order. The 'Supplier' shall be liable for all costs relating to the removal and replacement of CPM, including without limitation the 'Company' customer's costs of removing CPM, of reinserting replacement Parts or Materials and of any testing necessitated by the reinstallation of the Parts or Materials after the CPM have been exchanged. The remedies contained in this paragraph are in addition to any remedies the 'Company' may have at law, equity or under other provisions of this order.
- e) This section applies in addition to any quality provision, specification, statement of work or other provision included in the order addressing the authenticity of Parts or Materials. To the extent such provisions conflict with this section, this section prevails.

9. INSPECTION.

- a) The 'Supplier' may be subject to Quality Assurance audits by the 'Company'.
- b) The 'Supplier' must notify the 'Company' of changes in product/process, change of suppliers, change of facility location, and where required obtain approval from the 'Company'
- c) The 'Supplier' must notify the 'Company' of any non-conforming product issues that arise prior to delivery so as to determine disposition.
- d) The 'Supplier' must obtain approval from the 'Company' for the disposition of non-conforming products/services.
- e) All goods shall be accompanied by the relevant documentation
- f) The 'Company', the 'Customer' and any statutory/regulatory authorities reserves the right of access to the 'Supplier's' premises to inspect and progress work under the purchase order agreement at any level of the supply chain; such inspection shall not absolve the 'Supplier' from any responsibility or liability therein.
- g) The 'Company' reserves the right to reject any part of the goods/services that does not conform to its requirements.

10. QUALITY SYSTEM APPROVALS

- a) Should the 'Supplier' suffer the loss of or, have withdrawn by the relevant authority, any of its Quality Management System approvals, then the 'Company' shall be informed at the earliest possible convenience of this change in scope of supply, 'Supplier's' must possess the relevant accreditation to execute the purchase order.

11. MODELS/TOOLS, DATA AND RECORDS.

- a) All models/tools or data supplied by the 'Company', be it hard copy or digital data shall remain the property of the 'Company' and shall be returned on completion of purchase order in similar condition as initially received.
- b) All tools or data supplied by the 'Company' shall be treated with the strictest confidentiality.
- c) All records created by and/or retained by the 'Supplier', i.e. test certificates, Certificates of Conformity, Inspection Reports are to be stored by the 'Supplier' in accordance with 'Customer', statutory/regulatory authorities and made available to the 'Company', the 'Customer' and regulatory authorities at any time during and after the purchase period.
- d) Records (electronic form preferred but hard copy will be acceptable) retained by the 'Supplier' are to be retained for a minimum of two (2) years for all records, with the exception of Test Certificates that must be retained for a minimum of ten (10) years in line with statutory/regulatory requirements, unless otherwise stated on the purchase order.
- e) Disposition of 'Supplier' retained expired records is to be agreed with the company's Quality Manager.
- f) It is the responsibility of the 'Supplier' to ensure all national and international standards used in supply of goods or services are current.

12. INDEMNITY.

The 'Supplier' shall indemnify the 'Company' against liability which the 'Company' may incur to any other person whatsoever and against all claims, demands, proceedings, damages, costs and expenses made against or incurred by the 'Company' by reason of any act, omission or breach of statutory duty of the 'Supplier', his employees, sub contractors or agents or otherwise in carrying out his obligations under the purchase order.

13. TERMINATION.

- a) In the event of the 'Supplier' failing to comply with any provisions of this order or becoming bankrupt or insolvent or having a receiving order made against it or compounding with its creditors or being a corporation commencing to be wound up other than for the purposes of reconstruction or amalgamation or carrying on its business under a receiver, the 'Company' may terminate this order forthwith by written notice without prejudice to any other rights of the 'Company'.
- b) The 'Company' shall have the right to cancel the 'purchase order' at any time before actual production or commencement has been made, in the event of such cancellation the 'Company's' liability shall be limited to the actual cost incurred by the 'Supplier' up to the date of such cancellation.

14. Security, Confidentiality and Publicity

- a) The Supplier further agrees to comply with all applicable export control laws and regulations of Manufacturer countries relating to the importation and/or exportation of Goods or Services to be supplied, specifically including but not limited to the requirements of the European control laws and regulations, Arms Export Control Act, 22 USC.2751-2794, the International Traffic in Arms Regulations (ITAR), 22 CFR 120 et seq., and the Export Administration Regulations, 15 CFR. 730-774
- b) Each Party agrees to treat as confidential and not to use or disclose to any third party any information disclosed by one Party to the other Party in connection with the Contract without the prior written consent of the disclosing Party and only to use such information to the extent reasonably necessary for the proper performance of the Contract. Notwithstanding the foregoing, the Purchaser shall be entitled to disclose confidential information received from the Supplier to the Purchaser's customers where necessary to comply with its obligations to such customer(s).
- c) The Supplier shall not make any statements or public release for publicity or marketing purposes without the Purchaser's prior written permission.