



Gibbs Gears Precision Engineers Ltd
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HP22 5BL

Company No. 3319645
Company VAT No. 690 137633
05/07/2017
Doc. No.: QMWI-4002

STANDARD TERMS & CONDITIONS OF PURCHASE

DEFINITIONS

In these Conditions:

- **"Company"** shall mean **Gibbs Gears Precision Engineers Limited**
- **"Supplier"** shall mean the party to whom this order is addressed.
- **"Goods"** shall include all components and goods supplied by the supplier hereunder, including goods to which Services are applied by the Supplier hereunder:
- **"Order"** shall mean the company purchase order for the supply of goods or services either electronic or Hard Copy issued by the Company referring to these Terms & Conditions.
- **"Services"** shall mean the services performed or to be performed by Supplier here-under:
- **"Free Issue"** shall mean free issue material or parts supplied by the Company to the supplier, to be processed by the supplier, and or Free Issue Tooling, Gauges etc. supplied by the Company.

BASIS OF CONTRACT

An order shall not be valid unless on the Company's official form signed by a Company authorised representative. The contract shall comprise (in order of precedence): the purchase order, any order amendments, these general conditions of purchase and any other document (or part document) referred to on the purchase order. The contract shall not include any of the Supplier conditions of sale notwithstanding reference to them in any document. However, should this contract be held by a court of competent jurisdiction to include the terms and conditions of sale, then in the event of any conflict or apparent conflict, these general conditions of purchase shall always prevail over the terms and conditions of sale. Delivery of goods in response to a purchase order or order amendment shall be taken to imply that the Supplier has accepted the terms and conditions of this contract.

The Supplier must acknowledge orders and show order number, price and delivery prior to the commencement of any work to supply Goods or Services.

These terms of Purchase are endorsed on all orders, and, together with any instructions given to the Supplier in writing by an authorised representative of the Company, in connection with such order, constitute the whole contract between the Company and the Supplier, and in particular no alleged collateral warranty, representation, bargain or understanding shall be of any effect whatsoever.

All specifications; drawings and other information including Intellectual Property provided by the Company to the Supplier shall remain the exclusive property of the Company and shall not be disclosed by the Supplier to any third party without the Company's consent. All Information both verbal and written concerning Gibbs Gears and its customers and suppliers is confidential and shall be treated and kept by the parties in such a way that it does not come to the knowledge of a third party.

The Supplier shall so far as reasonably practical comply with all instructions endorsed on any orders or given to them in writing by an authorised representative of the Company in connection with any order, If such

instructions involve a variation or departure from the agreed specification of the Goods, the company will pay to the Supplier the reasonable additional agreed expenses (if any) involved.

DELIVERY & INSPECTION & QUALITY REQUIREMENTS

Supplier shall complete any Services and deliver any completed Goods in such quantities and within such times as may be specified on the Company's order. Without prejudice to its other rights under these Conditions the Company shall be entitled, if delivery or service is not made within the aforesaid time; to cancel any order or any quantity of Goods remaining undelivered pursuant to such an order, and in such event the Company shall be entitled to purchase the Goods or obtain the Services elsewhere and without prejudice to any further claim they may have to damages, debit the Supplier with any costs thereby incurred.

The Supplier shall, at its own expense, provide any programmes of manufacture and delivery that the Company may reasonably require, and the Supplier shall notify the Company without delay, in writing, if its progress falls behind, or may fall behind, any of these programmes.

Supplier shall deliver Goods carriage paid in accordance with the company's instructions and all Goods shall be at the Supplier's risk until actual delivery in accordance with these instructions. Property in any goods not already owned by the Company will also pass on delivery. Subject to INCOTERMS 2010

The Company, its duly authorised representatives, the Company's customers and any regulatory authority shall have access at all reasonable times to any works, warehouses or other premises belonging to or under the control of the Supplier and including any sub-contractors, for the purpose of inspecting any process of manufacture or works being carried out by the Suppliers. The Supplier shall forthwith carry out all alterations or modifications required by the Company in consequence of any such inspection. The supplier will also allow access to all quality documentation related to the order to the Company, the Company's customers and any regulatory authority that may need to inspect them.

The Good's shall conform as to quality, design and description with all particulars stated on the order, be of sound material and workmanship, be Genuine product (Not counterfeit) be equal in all respects to the samples, patterns or specification provided by either the Company or the Supplier, and be capable of any standard of performance specified In the order. The supplier shall inform the Company of any non-conforming product. The supplier will not change the product or process definition without prior written authorization from the Company. The Supplier will provide Certificate of Conformity, Test results, FAIR, Safety Data Sheets, Instruction Manuals and other documents when requested and ensure traceability to the order.

The Supplier shall only purchase products to be delivered, or incorporated as goods, to the Company directly, from the original component manufacturer, original equipment manufacturer or mill, authorised distributor chain, aftermarket manufacturer or authorised reseller. The products shall have verification that goods are traceable to the original manufacturer, and the documents to be available to the Company on request.

No part of this contract shall be assigned or sub-contracted without the Company's written consent other than such details as are customary to assign or sub-contract ie Independent testing. All applicable requirements of the order must be flowed to the sub-contractor.

All Goods, whether or not previously inspected, shall be subject to inspection by the Company on, or within a reasonable time after delivery, in accordance with the Company's instructions, and the Company, in addition to any other rights it may have hereunder may, on such inspection, may reject any Goods which do not comply with the nature, description and specification stated in the order or otherwise made known to the Supplier. Any Inspection or approval shall not relieve the Supplier from its obligations under this contract.

The Supplier must keep records associated to the purchase order for a minimum of 3 years or longer as specified by any specific release requirements which may be 25 years + life of the product.

WARRANTY

The supplier shall ensure that the goods correspond with the description and any specification agreed between the supplier and the company in relation to the goods. Be of good quality and fit for purpose. Be genuine and not Counterfeit, be new and in an unused condition, free from defects in design, materials and workmanship and remain so for 18 months from the date of delivery.

If following inspection or testing the Company consider the goods do not conform to the requirements of the purchase order, drawings, specifications the Company shall inform the Supplier and the Supplier shall immediately take such remedial action as is necessary to ensure compliance. All costs, expenses, transportation and Insurance so incurred shall be borne solely by the Supplier.

If the Supplier fails to remedy any defect within 5 days of the Company notifying the Supplier, the Company shall be entitled to return the goods at the Suppliers cost and receive a full refund of all monies paid to the supplier.

The warranty shall be in addition to and not in substitution for any condition or warranty implied by Law or any other provision or indemnity contained in the contract.

The Company may require the Supplier to promptly repair or replace, at the buyers option, any goods which breach the Warranty. The Company may return/ship the goods on the fastest available commercial carrier at the supplier's expense and risk of loss. Goods returned to the Company shall be shipped at the supplier's expense and risk of loss and shall be accompanied by notice stating whether they are new replacements, or repaired originals and shall continue to be covered under this warranty. The Supplier shall conduct intake, review, analysis and any other activity required to evaluate whether the returned Goods are covered by the Warranty at no expense to the Company.

Notwithstanding any other provision and in addition to the foregoing, the Supplier shall be liable for the Company's actual costs, expenses and damages related to or arising from Goods not conforming to the Warranty, including but not limited to labour and other costs related to transportation of Goods, expediting, removal, disassembly, failure analysis , fault isolation, assembly, reinstallation, inspection, retrofit, and any and all other such corrective action costs incurred by the Company.

The Supplier warrants to the Company that all services provided under or in connection with the order (1) have been , if applicable, and will be performed in a professional and workmanlike manner and in accordance with current, sound and generally accepted industry standard and practices by appropriately licensed, trained, supervised and personnel who are experienced in the appropriate fields; and (2) do, if applicable, and will conform to and be in compliance with all applicable specifications, performance requirements and other requirements contained in the Order (Or "Service Warranty") . The Supplier agrees that should any of the services be defectively performed by the Supplier, the Supplier will re-preform or correct any such defective Services at no additional charge. Notwithstanding any other provision, in addition to the foregoing, the Supplier shall be liable for the Company's actual costs, expenses and damages related to or arising from the Services not conforming to the Services Warranty.

FREE ISSUE

Where the Company provides the Supplier with Free Issue this shall be sufficient for the production of the number of parts required and may in addition include a quantity allowed for reasonable wastage in the ordinary course of production. For the avoidance of doubt Free Issue shall at all times remain the property of the Company: no lien shall arise on Free Issue and Supplier shall return Free Issue to the Company (at Supplier's cost) forthwith on the Company's request. The supplier shall identify and keep identified and traceable all Gibbs Gears Free Issue.

If the Supplier shall through its own negligence or the negligence of its servants or agents lose, damage, spoil, waste, destroy or otherwise render unusable all or any part of the Free Issue then the Supplier shall be liable for the replacement expenses. Gibbs Gears must be notified, and any replacements must be discussed to ensure Gibbs Customer's requirements and traceability is adhered to.

The Supplier shall keep Free issue tooling identified, insured, in good order and condition, including (but not limited to) gauges, samples, and jigs – including tooling that has been purchased on the Company's behalf by the Supplier. This tooling must be returned on request, at the Suppliers cost, and must only be used for Gibbs Gears orders.

Supplier shall at its own expense insure Free Issue and the parts produced from it against all risks from the time of taking delivery of the Free Issue to the time of delivery to the Company.

PRICING & PAYMENT

The prices specified in any order are firm inclusive prices and the Supplier shall not be entitled to make any additional charge in respect of carriage, packing, boxing, crating or any other matter or contingency unless specifically authorised by such order.

The Supplier shall on the date of despatch of each consignment of Goods post to or Email the Company a priced invoice bearing the Company's order number, separate invoices being sent for each separate order number covered by the consignment. The Supplier shall also render to the Company not later than the fourth day of each calendar month a statement of account covering all consignments despatched during the preceding months.

TERMINATION

Termination for Convenience

Gibbs Gears may, at any time, terminate all or part of the Order (which, for the avoidance of doubt, includes the Agreement), for its convenience upon written notice to Supplier.

Upon termination, in accordance with Gibbs Gears written direction, Supplier will immediately: (i) cease work and place no further subcontracts or orders for materials, services, or facilities, except as necessary to complete the continued portion of the Order; (ii) prepare and submit to Buyer an itemization of all completed and partially completed Goods and/or Services; (iii) deliver to Gibbs Gears any and all Goods completed up to the date of termination at the pre-termination Order price; and (iv) if requested by Gibbs Gears, deliver any work-in-process.

In the event Gibbs Gears terminates for its convenience after performance has commenced, Gibbs Gears will compensate Supplier only for the actual and reasonable raw material costs in the following circumstances: (i) raw material which cannot be returned to the raw material Supplier; (ii) raw material which cannot be used to make other products for Gibbs Gears or any other customer of the Supplier; (iii) work in progress costs and Goods in transit or Goods delivered to Gibbs Gears but not yet paid for by the Gibbs Gears to the Supplier required to be delivered within the Lead Time period, calculated from Gibbs Gears issuance of the notice of termination. If the Order does not specify Lead Time, Lead Time shall be the reasonable average lead time for the Goods in accordance with Gibbs Gears data and (ii) any previously mutually agreed non-recurring costs incurred by the Supplier, not yet paid for by the Gibbs Gears. Supplier shall use reasonable efforts to mitigate its own and Gibbs Gears liability under this Section. In order to receive compensation, Supplier's termination claim must be submitted within ninety (90) days from the effective date of the termination.

Gibbs Gears shall not be liable to Supplier for costs or damages other than as described above, and in no event for lost or anticipated profits, or unabsorbed indirect costs or overhead, or for any sum in excess of the price allocated to the portion of the Order terminated.

In the event the Supplier wishes to terminate the agreement, they must advise Gibbs Gears in writing – a minimum of 12 months in advance. The Supplier must also support Gibbs Gears with continuity of supply, in line with this agreement, throughout this period.

Termination for Default

Gibbs Gears may, by written notice, terminate the Order (which, for the avoidance of doubt, includes the Agreement) or any portion thereof, for default without any liability or obligation whatsoever to Supplier for the portion terminated, in the following circumstances: (i) Supplier fails to perform any obligation hereunder, including a delivery obligation; (ii) when Gibbs Gears has reasonable grounds for insecurity, and Supplier fails to provide adequate assurances of performance within ten (10) days following Gibbs Gears demand or, (iii) should Supplier suspend, or threaten to suspend, payment of its debts, or is unable to pay its debts as they fall due or admits inability to pay its debts, or (being a company) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986, or (being an individual) is deemed either unable to pay its debts or as having no reasonable prospect of so doing, in either case, within the meaning of section 268 of the Insolvency Act 1986, or (being a partnership) has any partner to whom any of the foregoing apply; or (iv) a petition is filed, a notice is given, a resolution is passed, or an order is made, for in connection with the winding up of Supplier (being a company); or (v) an application is made to court, or an order is made, for the appointment of an administrator, or if a notice of intention to appoint an administrator is given or if an administrator is appointed, over Supplier (being a company); or (vi) the holder of a qualifying floating charge over the assets of Supplier (being a company) has become entitled to appoint or has appointed an administrative receiver; or (vii) a creditor or encumbrancer of the Supplier attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of Supplier's assets and such attachment or process is not discharged within 14 days; or (viii) any event occurs, or proceeding is taken, with respect to Supplier in any jurisdiction to which it is subject that has

an effect equivalent or similar to any of the events mentioned in (iii) to (vii) ; or (ix) Supplier suspends or ceases, or threatens to suspend or cease, carrying on all or a substantial part of its business.

Gibbs Gears shall have no liability in relation to those Goods terminated for Supplier's default. Supplier shall be liable to Gibbs Gears for any and all expenses, costs, and damages including increased procurement costs, requalification costs, and other non-recurring costs, except in the circumstance of any failure or delay constituting an "Excusable Delay" as set forth in the Section herein entitled "Force Majeure."

If the Order is entirely or partially terminated under this Section, Gibbs Gears, in addition to any other rights Gibbs Gears may have, may require Supplier, at no charge to Gibbs Gears, to: (i) deliver to Gibbs Gears all information, data, know-how, and other Intellectual Property, including proprietary and manufacturing information, utilized by Supplier in performing the Order; (ii) deliver the tooling and test equipment necessary to make or have made the Goods and provide technical and transition assistance.

If, after notice of termination under this Section, it is determined that Supplier was not in default, the rights and obligations of the Parties shall be the same as if the notice of termination had been issued pursuant to the Termination for Convenience Section. In such case, Supplier shall not be entitled to any remedy other than as provided for in the Termination for Convenience Section.

FORCE MAJEURE

If the Supplier's performance of its obligations hereunder is delayed or impeded by fire, flood, explosion, strike, lock-out, war, hostilities, civil disturbance, governmental demand, regulation or prohibition or by any other cause beyond the control of the Supplier, the Supplier shall be entitled to a reasonable extension of the dates for delivery of any component.

If the Company's process of manufacture is stopped, delayed or impeded by fire, flood, explosion, strike, lock-out, war, hostilities, civil disturbance, governmental demands, regulation or prohibition or by any other cause beyond the control of the Company; the Company may require Supplier's performance of its obligations hereunder to be partially or wholly suspended during and for a reasonable time after the period during which the process of manufacture is stopped, delayed or impeded as aforesaid.

LIABILITY & INDEMNITY

The Supplier warrants that neither the sale nor the use of any of the Goods or any part thereof will infringe any United Kingdom or overseas patent, trade mark, trade name or registered design or amount to a passing-off of any other person's product, avoid counterfeit parts and undertake to indemnify and keep the Company indemnified against all demands, processes, actions, judgments, decrees, costs, claims and expenses resulting from any actual or claimed infringements of such rights and undertake at their own expense to defend or assist in the defence of any suit or action which may be brought in this connection.

The Company shall be under no liability whatsoever in respect of any damage to, failure or destruction of the Supplier's machines or tools howsoever caused, and in particular (without prejudice to the generality of the foregoing) shall not be under any liability whatsoever in respect of any consequential damages or expenses or loss of profit arising from such damage, failure or destruction except in the case of such liability arising from legislation implementing EEC Council Directive 85/374 EEC or in the case of personal injury or death arising from the negligence of the Company.

The Supplier must ensure that any of its personnel on Gibbs Gears Premises are fully insured and comply with Gibbs Gears Health & Safety, Environmental, Security etc policies and procedures.

If the negligence of the Supplier, or the Supplier's servants or agents, results in loss, damage, spoiling, destruction or otherwise rendering unusable all or any of the Goods then the Supplier shall pay to the Company forthwith the cost to the Company of replacement of the Goods lost, damaged, spoiled, destroyed or otherwise rendered unusable. Where such Goods were supplied by the Company to be worked on by the Supplier the replacement cost of the worked product should include the cost to the Company of material of the same quality and workability and the cost of operations performed on such material by or on behalf of the Company. For the avoidance of doubt the Supplier shall not in any case make any charge for the repetition of any operation by Supplier made necessary by the negligence aforesaid.

If any claim is made against the Company by any third party in respect of injury, loss or damage due or alleged to be due to any defect in the material or workmanship of any of the Goods, or to any defect in the design of any of the Goods not manufactured in accordance with the detailed specification of the Company, the Supplier will furnish to the Company all advice and assistance required for the purpose of contesting or dealing with such claim, and if the claim is made good, will indemnify the Company against such claim and all damages, costs and other expenses incurred by the Company in connection therewith. If any such claim is made against the Supplier it shall promptly notify the Company thereof and the Company may, if it thinks fit, take over conduct of the matter and may make any such settlement thereof as agent of the Supplier as it may in its absolute discretion think fit.

Without prejudice to the generality of the foregoing indemnities the Supplier shall indemnify and keep indemnified the Company from and against any loss (including consequential loss and loss of profits) costs, claim, damage, injury or expense in respect of either or both of the following:-

(a) An alleged defect in the Goods;

(b) Failure of the Goods to comply with the general safety requirement of, any regulation arising from the legislation (whether in the United Kingdom or, in any other member company of the European Economic Community) Implementing EEC Council Directive 85/374 EEC.

COMPLIANCE WITH LAWS & REGULATIONS

The Supplier shall, and shall ensure that its subcontractors, conduct their business ethically and comply with all applicable laws, statutes, regulations and codes in-force including but not limited to the Bribery Act 2010 and the Modern slavery Act 2015 Data Protection Act 1998, COSHH, REACH and Health & Safety Legislation.

The supplier shall indemnify the Company against any losses, liabilities, damages, fines, costs (Including Legal Fees and expenses) incurred by, or awarded against the Company as a result of a breach of this clause.

NOTICES

Any Notice to be given under this Order, shall be in writing, and shall be sent recorded delivery first class Post or by Commercial Courier. Notice is not valid if sent by Email.

LAW

The construction, validity, and performance of this contract shall be governed in all respects by the laws of England.