

# Terms and Conditions of Purchase for M.P.Engineering (UK) Limited

These terms and conditions apply to all purchases by M.P.Engineering (UK) Limited

## 1. Interpretation

1.1 In these conditions;

"Purchaser"	Shall mean M.P.Engineering (UK) Limited
"Supplier"	Shall mean the person, company, organisation or other legal entity to which the purchase order is issued
"Conditions"	Shall mean the standard terms and conditions of purchase set out in this document and (unless the context otherwise requires) includes any special terms and conditions agreed in writing between the Supplier and the Purchaser.
"Contract"	Shall mean the contract between Purchaser and Supplier consisting of the purchase order and any other document specified on the purchase order.
"Goods"	shall mean any goods (including any instalment of the goods) and services to be supplied to the purchaser by the supplier (or by any of the supplier's sub-contractors) set out in the contract
"Service"	Shall include all service work specified in the purchase order.

1.2 Any reference in these conditions to any provision of a statute shall be a reference to that provision as amended, re-enacted or extended at the relevant time.

1.3 The headings in these conditions are for convenience only and shall not affect their interpretation.

1.4 The expression "person" shall mean any person, company, organisation or other legal entity, words importing to the singular number shall include the plural and vice versa and words importing to one gender shall include all genders.

## 2. Basis of Purchase

- 2.1 The purchaser shall purchase and the supplier shall supply goods and/or services in accordance with any oral or written order of the purchaser, subject in either case to these Conditions, which shall govern the contract to the exclusion of any other terms and conditions introduced or purported to be introduced by the Supplier.
- 2.2 No variation to these Conditions shall be binding unless agreed in writing between the supplier and a Director of M.P.Engineering (UK) Limited.
- 2.3 Commencement of performance by the Supplier or acknowledgement by the Supplier shall constitute the Suppliers acceptance of these terms and conditions.
- 2.4 The Supplier shall keep confidential and not disclose and shall procure that his employees keep confidential and do not disclose any information of a confidential nature obtained by him by reason of this Order except information which is in the public domain otherwise than by reason of a breach of this provision.
- 2.5 The provisions of paragraph 2.4 shall apply during the continuance of this Order and after its termination howsoever arising.

## 3. Orders and Specifications

- 3.1 The Supplier shall be responsible to the Purchaser for ensuring the accuracy of the terms of any order, including goods supplied to the latest issue of any applicable specification or reference number unless stated otherwise and for giving the Purchaser any necessary information relating to the goods or delivery within a sufficient time frame to enable the Purchaser and Supplier to perform the Contract in accordance with its terms.
- 3.2 The Purchaser may, by verbal or written notice to the Supplier, cancel all or part of the purchase order if
  - 3.2.1 The Supplier fails to deliver the goods within the time specified on the purchase order
  - 3.2.2 The Supplier fails to perform any other part of the contract without written permission to alter the contract prior to delivery
  - 3.2.3 The Purchaser deems it necessary due to situations beyond their control, or
  - 3.2.4 in the event the Supplier's insolvency, appointment of receiver or any other alteration to the Suppliers business for the benefit of its creditors.
- 3.3 The Supplier shall indemnify and hold harmless the Purchaser from any loss, damage, expense including legal fees, incurred or sustained by the Purchaser caused by or resulting from any defect in goods manufactured or supplied that do not comply to the specifications on the purchase order and/or drawings supplied.
- 3.4 The Supplier shall not use a sub-contractor for any purpose to fulfil the contract requirements without the express permission of the Purchaser.
- 3.5 Should the Purchaser give express permission for the Supplier to use a subcontractor, the Supplier shall use customer designated or approved suppliers & apply appropriate controls to these direct & sub-tier suppliers to ensure that requirements are met.

## 4. Quality

- 4.1 The Purchaser requires the minimum Quality standard accreditation held by Suppliers to be third party registered to ISO9001 unless specific requirements dictate otherwise.
- 4.2 The Supplier shall notify the Purchaser of any non-conforming product or process immediately and obtain approval for disposition in writing from the Purchaser prior to delivery.
- 4.3 The Supplier shall notify the Purchaser of any changes to products or processes, including changes to their suppliers or location of manufacture and obtain the Purchasers approval where required.
- 4.4 The Supplier shall flow down the supply chain any requirements detailed on the purchase order or subsequent additional information.
- 4.5 The Supplier shall retain objective evidence of inspection and tests performed and these must be available for evaluation for an agreed period of time. Unless otherwise specified or agreed in writing for aerospace components, this period will be for the life of the aircraft. All other industries are a minimum of three years.
- 4.6 The Supplier shall provide right of access to the Purchaser, customers of the Purchaser and regulatory authorities. This shall include by mutual agreement, access to all applicable facilities and records as necessary at any level of the supply chain.
- 4.7 The Supplier shall notify the Purchaser immediately on any loss of Quality accreditation.
- 4.8 The Purchaser will monitor & apply controls to the Suppliers Quality & on-time Delivery performance.
- 4.9 The Supplier shall prevent the use of Counterfeit product.
- 4.10 The Supplier shall ensure that their employees are aware of their contribution to Product conformity & Product Safety.
- 4.11 The Supplier shall ensure that their employees are aware of the importance of ethical behaviour.

## 5. Price of Goods

- 5.1 The price specified on the Order shall remain fixed and no increase will be accepted by the Purchaser unless otherwise agreed in writing before the execution of the Order. All indirect charges such as but not limited to packaging, freight, insurance, import duties, foreign taxes and other like charges shall be included in the price.
- 5.2 Notwithstanding the above, the Purchaser shall pay to the Supplier in addition to the agreed price a sum equal to the Value Added Tax chargeable on the value of the Goods.

## 6. Terms of Payment

- 6.1 Invoices must quote the Order number, and be sent to the "Invoice" address shown. Failure to quote the Order number may result in delayed payment.
- 6.2 Purchaser's payment terms are 60 days from month end of the invoice date or satisfactory completion of deliveries or services, whichever is the later date.
- 6.3 Invoices must be received within 5 working days of month end, any invoices received after this date will be passed into the following month and will be processed as clause 6.2.
- 6.4 The purchaser may withhold payment of any amount due to Supplier if Purchaser asserts any credit, set-off or counterclaim against Supplier.

## 7. Delivery

- 7.1 Time of delivery shall be of the essence and failure to deliver on dates agreed gives Purchaser right to cancel all or part of the order without prejudice to Purchaser's other rights, but in Force Majeure situations Purchaser will attempt to give reasonable extensions to delivery timing on prompt notification of situation by Supplier. Any extra costs resulting must be paid by Supplier.
- 7.2 Supplier shall use reasonable endeavours to meet Purchaser's request to change delivery timings at no extra cost to Purchaser and will inform Purchaser at once of any difficulty. Purchaser may refuse early delivery.

7.3 A delivery or advice note must accompany every delivery, detailing the Order number, quantities and description of the Goods included in the consignment.

7.4 All Goods must be delivered at the delivery point specified in the Purchase Order, between 08.00 and 18.00 hours Monday to Friday, unless otherwise agreed by the Purchaser in writing.

7.5 Supplier must obtain a legible authorised signature on a separate copy of the Delivery Note, as proof of delivery.

#### **8. Force Majeure**

8.1 Except for payment of money due, neither party shall be liable for failure to perform its obligations under this Contract, nor give rise to any claim for compensation or damage, nor be deemed in breach of this Contract, if and to the extent that such failure arises from an occurrence or circumstances reasonably beyond that party's control (Force Majeure).

8.2 If either party is affected by Force Majeure that party shall give written notice without delay to the other party of the nature and extent of the circumstances and the date and anticipated duration of the suspension.

8.3 If such Force Majeure causes a delay of sixty (60) days or more and such delay may reasonably be anticipated to continue, then either party may terminate this Contract forthwith.

8.4 The party serving notice pursuant to Clause 8.1 shall notify the other in writing as soon as the performance of its obligations is no longer affected by Force Majeure and the parties shall resume the performance of their respective obligations each to the other with effect from the date so notified.

#### **9. General**

9.1 Any notice required or permitted to be given by either party to the other under these Conditions shall be in writing and delivered by hand or sent first class recorded delivery or registered post addressed to that other party at its registered office if a company or principle place of business if another trading entity

9.2 No waiver by the Purchaser of any breach of the Contract by the Supplier shall be considered as a waiver of any subsequent breach of the same or any other provision.

9.3 If any provision of these Conditions is held by any competent authority to be invalid or unenforceable in whole or in part the validity of the other provisions of these conditions and the remainder of the provision in question shall not be affected thereby.

9.4 The Contract shall be governed by the laws of England.

#### **10. Unique Conditions/Customer Requirements**

10.1 For goods, property or information (which includes but is not limited to purchase orders, drawings and associated documents) which are subject to US export control regulations, including but not limited to ITAR (International Traffic in Arms Regulations) the Supplier shall only engage and allow access to US citizens, permanent residents of the US, or nationals of other countries for which the Supplier has first requested and the Purchaser has obtained US Department of State or Department of Commerce approval, as applicable. The order may be immediately suspended or cancelled if unauthorised access to such goods, property or information is allowed. All related goods, property or information will be clearly stamped ITAR.

10.2 Any reproduction of any documents stamped ITAR is strictly prohibited.

10.3 The Supplier shall indemnify and hold the Purchaser harmless to the full extent of any loss, damage or expense, for any failure of the Supplier to comply with such laws and regulations.