

Carter Manufacturing Ltd – Conditions of Purchase

1. GENERAL

- i) This order (“the Purchase Order”) shall not be binding upon Carter Manufacturing Limited unless it is accepted by the Seller by return of the acknowledgement attached hereto within ten working days of the date of the Purchase Order.
- ii) Return by the Seller of the acknowledgment slip shall constitute a contract between the Seller and Carter Manufacturing Limited (“the Contract”) incorporating the terms and conditions stated in the Purchase Order and all documents referred to therein including any relevant specification.
- iii) No conditions and no stipulations that the Seller may attempt to impose on Carter Manufacturing Limited being inconsistent with these conditions of purchase or which in any way purports to modify or add to or subtract from the said conditions in any way shall have any effect unless expressly accepted by Carter Manufacturing Limited in writing.
- iv) Any processing or progressing of this order by the Seller shall of itself constitute acceptance of the Purchase Order by the Seller on the terms and conditions hereinafter appearing.
- v) The term “Seller” shall mean the party identified as such in the Purchase Order.

2. VARIATION

No variation shall be made to the Contract unless issued in writing on Carter Manufacturing Limited's official amendment form and duly signed on behalf of Carter Manufacturing Limited and accepted by the Seller as provided therein.

3. PRICE AND PAYMENT

- i) No payment of or on account of the contract price shall constitute any admission by Carter Manufacturing Limited as to the performance by the Seller of its obligations under the terms and conditions hereof.
- ii) The contract price shall be exclusive of VAT but inclusive of all other charges and duties, unless specified in the Purchase Order.
- iii) The contract price shall be fixed and not subject to variation in any respect unless specific provision is made in the Purchase Order or Carter Manufacturing Limited has agreed in writing to such variation.
- iv) The Seller warrants that the prices of the items set forth on the Purchase Order do not exceed those charged by the Seller to any other customer purchasing the same item or items in like or smaller quantities and on other similar conditions.
- v) Carter Manufacturing Limited shall have no liability to the Seller for any delay in payments attributable to:-

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- a. the Seller's failure to submit invoices on the day of dispatch for each consignment advice of dispatch; or
 - b. the Seller's failure to submit a monthly statement of account quoting the invoice numbers applicable to each item thereof; or
 - c. the Seller's failure to mark clearly Carter Manufacturing Limited's order numbers on the packages, packing notes, advice notes, invoices, monthly statements and all other correspondence relating thereto; or
 - d. Invoice errors; or
 - e. Other order documentation errors eg. consignment note, advice notes, etc; or
 - f. Non-delivery; or
 - g. Early or late delivery; or
 - h. Quantity discrepancies; or
 - i. Deliveries to the wrong destination; or
 - j. Goods being inadequately packed; or
 - k. Inadequate identification; or
 - l. Goods not being in conformance with the Purchase Order; or
 - m. A dispute specifically related to the Purchase Order; or
 - n. A dispute of a general nature; or
 - o. Force Majeure (as per clause 17).
- vi) No interest charges will be payable on overdue accounts.

4. TITLE

- i) Title in the goods shall pass to Carter Manufacturing Limited on delivery at the place specified in the Contract or upon any payment being made to the Seller with respect thereto whichever is the earliest without prejudice to Carter Manufacturing Limited's rights of rejection at law or under contract should the goods or work be unsatisfactory or not in accordance with the Contract.
- ii) The Seller warrants that the goods will be delivered free and clear from any security interest, lien or encumbrance whatsoever.

5. DELIVERY AND RISK

- i) Time of delivery is of the essence of the Contract.
- ii) When the goods under the Purchase Order are to be delivered in installments, each separate delivery will not constitute a separate contract and failure by the Seller to deliver any one or more of the installments in accordance with these terms and the Purchase Order, or claim by Carter Manufacturing Limited in respect of any one or more installments shall entitle Carter Manufacturing Limited to treat the Contract as a whole as repudiated.
- iii) Unless otherwise specified in the Contract delivery of goods shall be made at Carter Manufacturing Limited's premises nominated in the

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- Purchase Order during the normal business hours of Carter Manufacturing Limited.
- iv) Risk in the goods shall pass on delivery being made to Carter Manufacturing Limited unless otherwise specified in the Contract.
 - v) The goods shall be insured by the Seller for their full value until delivered in accordance with the requirements of the Contract.
 - vi) The Seller shall pack the goods securely and properly prior to dispatch and shall be wholly responsible for all losses and damage in transit. Where advised, Carter Manufacturing Limited's packing specifications will be complied with by the Seller.
 - vii) The Seller shall notify Carter Manufacturing Limited immediately of any anticipated delay in deliveries.
 - viii) Subject to clause 17, if the goods are not delivered on the due date in accordance with the Purchase Order then, without limiting any other remedy, Carter Manufacturing Limited shall be entitled to deduct from the Contract price or, if Carter Manufacturing Limited has paid the Contract price, to claim from the Seller by way of liquidated damages for delay 1% of the Contract price for every 1 week delay, up to a maximum of 10% of the Contract price.
 - ix) Where services or work on Carter Manufacturing Limited's premises are being carried out, the Seller shall be bound by Carter Manufacturing Limited's "Site Working Conditions" which are available from the Purchasing Manager and must be duly signed by an authorized representative of the Seller before any work commences.
 - x) All costs of delivery shall be included in the Contract price. Unless otherwise provided for in the Contract, all packaging supplied by the Seller shall be non-returnable and its cost included in the Contract price.
 - xi) Carter Manufacturing Limited's Purchase Order number must be shown on each package.

6. INSPECTION AND REJECTION

- i) Carter Manufacturing Limited's inspector or representative and any inspector or representative of a customer of Carter Manufacturing Limited or his agent, or any Government department concerned shall have the right to inspect and/or test the goods at the premises of the Seller or its sub-contractors at any reasonable time subject to reasonable notice.
- ii) Such inspection shall not relieve the Seller of any of its liabilities under the Contract.
- iii) Carter Manufacturing Limited may reject any goods which do not comply with the Contract including quality, quantity or description. Carter Manufacturing Limited shall be entitled to reject those goods or any part of them at any time after delivery, irrespective of whether the

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goods have already been accepted or Carter Manufacturing Limited has accepted them on delivery. Any acceptance of such goods shall be without prejudice to any rights that Carter Manufacturing Limited may have against the Seller. Carter Manufacturing Limited shall be entitled to return any rejected goods to the Seller at the Seller's risk and cost.

- iv) The rejection of goods shall:-
 - a. not excuse the Seller for any delay for meeting the delivery date of the Contract and
 - b. entitle Carter Manufacturing Limited to serve notice on the Seller requiring the replacement of the goods rejected.

7. QUALITY

- i) The Seller will ensure that all goods and work will conform to and perform in accordance with applicable drawings, specifications, and samples supplied by Carter Manufacturing Limited in connection with the Purchase Order and with the requirements of this Contract.
- ii) The Seller confirms all statements and representations whether written or verbal made in respect of the goods, work and materials or services prior to the Purchase Order.
- iii) The Seller will ensure that all goods and work will be free from defects in materials and workmanship and be of satisfactory quality and fit for the purpose for which they are intended, whether expressed or reasonably implied.
- iv) The Seller warrants to Carter Manufacturing Limited that all work will be performed by appropriately qualified and trained personnel with all due care and skill and in accordance with any agreed specification.
- v) The Seller will ensure that any goods or services supplied conform to current UK and European legislation.
- vi) In addition to any rights or remedies hereunder by statute or implied by common law, the Seller shall be responsible for making good with all speed, any defects attributable to faulty design, materials, installation (if included in the Contract) or workmanship.
- vii) Where aircraft product is being procured, Carter Manufacturing Limited requires that a factory certificate of conformance to be sent with the goods inside any packaging. Certification should also be held on file for immediate reference by Carter Manufacturing Limited should the need arise.
- viii) Should there be any revisions in product specification, status or issue change then Carter Manufacturing Limited is to be notified immediately in writing.
- ix) All Records pertaining to Carter Manufacturing Limited purchase orders placed upon the seller should be accessible to Carter Manufacturing Limited, it's customers and all relevant regulatory bodies.

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- x) Should any products ordered by Carter Manufacturing Limited be subject to recall it is the seller's sole responsibility to notify Carter Manufacturing Limited immediately in writing.

8. INDEMNITY

The Seller shall indemnify Carter Manufacturing Limited against all claims, costs, expenses (including legal expenses), loss or damage whether direct or consequential which Carter Manufacturing Limited may suffer howsoever arising from the Seller's breach of any of its obligations under the Contract.

9. FREE ISSUE MATERIAL

- i) Where Carter Manufacturing Limited provides tools, patterns, materials, drawings, specifications or any other data for the purpose of the Contract such materials shall be and remain the property of Carter Manufacturing Limited and shall be used in the execution of the Contract and for no other purpose whatsoever.
- ii) The Seller will return such free issue material to Carter Manufacturing Limited on demand or on completion of the Contract (whichever is the earlier) in good condition, fair wear and tear excepted.
- iii) Neither the Seller nor any sub-contractor shall have a lien on such free issue material for any sum due to the Seller or sub-contractor.

10. INJURY AND DAMAGE

The Seller shall indemnify and hold Carter Manufacturing Limited, its officers, employees and agents harmless from and against any and all losses, claims, proceedings, damages, costs, charges and expenses whatsoever arising from the performance of the Contract, including death or injury to any person or persons or any loss of or damage to any property real or personal belonging to any person or persons arising from any alleged fault or defect (howsoever arising) in the materials of workmanship of goods or services manufactured or supplied by the Seller, its sub-contractors or their employees.

PROVIDED THAT the Seller shall have no obligation to indemnify under this clause if and to the extent of any relevant claim, liability damage or expense incurred, was only incurred because the Seller delivered the goods or provided the services strictly in accordance with designs, plans or specifications supplied by Carter Manufacturing Limited.

11. CONFIDENTIALITY OF INFORMATION

- i) The Seller shall keep confidential and not without prior consent in writing by Carter Manufacturing Limited, disclose to any third party or copy any drawings, specifications, designs or information whether of

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- commercial or technical nature acquired from Carter Manufacturing Limited that it may obtain in connection with the Contract.
- ii) This shall include information gained from third parties involved in the Contract.
 - iii) The Seller shall (without limiting Carter Manufacturing Limited's other remedies) account to Carter Manufacturing Limited for any profits made by it from using confidential information gained from Carter Manufacturing Limited in relation to the Contract in breach of this Clause either during or after completion of the Contract.
 - iv) The restrictions within this clause 11 shall continue to apply after the expiration or termination of the Contract without limit in point of time but shall cease to apply to any information which comes into the public domain through no fault of the Seller.

12. INTELLECTUAL PROPERTY RIGHTS

- i) The Seller shall indemnify Carter Manufacturing Limited against all losses, claims, demands, charges, fees, payments, royalties, damage, costs and expenses of any kind arising from the infringement or alleged infringement of any intellectual property rights whether in the form of letters patent, registered design, trade mark, copyright or other protected rights whatsoever made by the third party in relation to work done under the Contract or to the use or purchase or sale of the goods, save to the extent that any infringement is solely attributable to the Seller having adhered to the designs or specifications supplied by Carter Manufacturing Limited to the Seller for the purposes of the Contract.
- ii) Any intellectual property rights including, without limit, any letters patent, registered design, trade mark or copyright arising from performance or in the course of the performance of the Contract shall become Carter Manufacturing Limited's property and the Seller may reasonably require, in order to vest such rights in it, or secure such interest by registration or otherwise.
- iii) Any intellectual property rights including, without limit, any letters patent, registered design, trade marks, copyright or other intellectual property right arising from performance of the Purchase Order in accordance with Carter Manufacturing Limited's patterns, drawings, specifications or any other data or any other item referred to in Clause 12(i) shall become Carter Manufacturing Limited's property.

13. TERMINATION FOR CAUSE

Carter Manufacturing Limited reserves the right without prejudice to Carter Manufacturing Limited's rights and remedies at law to terminate the Contract or any part thereof in the event that:-

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- i) the goods or work are not in accordance with the requirements of the contractor
- ii) the material or workmanship does not pass such inspection as maybe carried out by Carter Manufacturing Limited or Purchasers customer, its agent or any Government department concerned; or
- iii) the Seller fails to deliver the goods or perform the work by the date or dates agreed in the Contract; or
- iv) the Seller becomes bankrupt or insolvent or commences winding-up by reason of insolvency or makes an assignment for the benefit of creditors or commits an act in respect of which a petition for a winding-up order may be presented in which case the Seller shall have no further claim against Carter Manufacturing Limited;

14. GOVERNMENT CONTRACTS

- i) Where it is indicated in the Contract that the goods or services are for or pursuant to H.M. Government requirements, the Contract will also be subject to the latest issue of the applicable standard conditions.
- ii) In the event of any conflict between this Contract and any such standard conditions referred to in Clause 14(i) above, the latter shall prevail.
- iii) It is understood that in relation to such standard conditions Carter Manufacturing Limited should assume the rights and obligations of the “Authority” and the Seller shall assume the rights and obligations of the “Contractor”.

15. WAIVER

No failure or delay on the part of Carter Manufacturing Limited in exercising any right, power or remedy under the Contract shall operate as a waiver thereof nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of other rights, powers or remedies. The powers, rights and remedies conferred on Carter Manufacturing Limited under the Contract are cumulative and are additional to, and not exclusive of, any powers, rights or remedies provided by law or otherwise available to it. No waiver shall be effective unless specifically made in writing and signed by a duly authorised officer of Carter Manufacturing Limited. Carter Manufacturing Limited may, in its absolute discretion, in whole or in part release, compromise or compound, or waive its rights or grant time or indulgence in respect of, any liability to it under the Contract.

16. ASSIGNMENT AND SUB-CONTRACTING

- i) The Seller shall not without the prior written approval of Carter Manufacturing Limited assign or subcontract any of the obligations to

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- be performed by the Seller in accordance with the Contract, except as is customary in the trade.
- ii) No such approval shall relieve the Seller from its obligations under the Contract.
 - iii) Carter Manufacturing Limited shall be entitled to assign the benefit of the Contract to another company within its Group (meaning together Carter Manufacturing Limited, its holding company and every company which is for the time being a subsidiary of Carter Manufacturing Limited or such holding company).

17. FORCE MAJEURE

In the event of any industrial dispute, strike, lockout, fire, explosion, accident, act of God, riot, civil commotion, rebellion, abnormal weather conditions, fire, flood, tempest, lightning, earthquakes, Government action, restrictions, regulations, prohibitions or bye-laws of any kind, insurrection, war, invasion or of delay in either parties business or work attributable to circumstances beyond their reasonable control which may prevent or hinder the use of the goods or work, the delivery of such goods or the completion of such work and the payment therefore maybe suspended at either parties option until the circumstances preventing or hindering the use of the goods or work have ceased. In addition the Purchaser shall have the option to terminate the Contract with no liability if the circumstances prevent the Purchaser from gaining full benefit from the Contract provided that the Purchaser will give the Seller reasonable notice of such termination.

18. ARBITRATION

Carter Manufacturing Limited reserves the right to have any dispute between Carter Manufacturing Limited and the Seller arising out of the Contract finally settled by a single Arbitrator who shall be appointed by the then President of the Law Society and who shall conduct the arbitration in such manner and shall make such awards as he shall deem appropriate subject to the provision of the Arbitration Act 1996.

19. NOTICES

- i) Any notice or communication to be given by either party to the other under this Contract shall be in writing and maybe served by delivering it by hand or by sending it by first class pre-paid registered or recorded delivery post to the address specified for the relevant party in the Contract or to such other address as maybe notified by either party for the purpose.
- ii) Any such notices delivered by hand, faxed or emailed shall be deemed to have been served immediately upon delivery and if sent by first

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class pre-paid registered or recorded delivery it shall be deemed to have been served after 48 hours of posting.

20. HEADINGS

The headings in shown in these conditions are for convenience only shall not affect the construction thereof.

21. NOT CONSTITUTE A PARTNERSHIP

None of the provisions of these terms and the Contract shall be deemed to constitute a partnership between the parties and neither has authority to bind the other in any way.

22. THIRD PARTY RIGHTS

Save as provided in the Purchase Order and subject to the remaining terms, no third party shall have any right to enforce or rely on any provision of the Contract or these terms which does or may confer any right or benefit on any third party directly or indirectly, expressly or impliedly and hence no third party shall have any right under the Contracts (Rights of Third Parties) Act 1999.

23. LAW

- i) Any provision of the Contract or these terms which is prohibited or unenforceable by law shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of these terms. Where any provision of the Contract or these terms is prohibited or unenforceable by law, the parties agree to use reasonable endeavors to agree upon a new provision which shall reflect as closely as possible the effect of the provision which it is intended to replace.
- ii) The construction, validity and performance of the Contract shall be governed by the Laws of England and subject to the exclusive jurisdiction of the English Courts.