



## **General Terms and Conditions of Purchase for AIM Aviation Ltd**

1 **GENERAL:** (i) [AIM Aviation] Limited is hereinafter termed the “Company”. The Person, Firm or Company supplying the goods is hereinafter termed the “Supplier”. (ii) Except only where expressly agreed otherwise by the Company in writing, every purchase by the Company shall be subject to these printed terms and conditions (hereinafter called “Conditions”). Any Conditions other than these Conditions and any special conditions of purchase required by the Company and applicable to this Order are expressly excluded and these Conditions apply to the Contract to the exclusion of any other terms that the Supplier seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing. The Order shall be deemed to be accepted on the earlier of: (a) the Supplier issuing a written acceptance of the Order; or (b) the Supplier doing any act consistent with fulfilling the Order. (iii) “Contract” means the contract between the Company and the Supplier for the sale and purchase of the Goods in accordance with these Conditions. (iv) “Goods” means each and any goods and/or services to be supplied to the Company pursuant to the Order. (v) “Order” means the Company’s purchase Order for the goods and/or services required by the Company and includes any Specifications, date, instructions, descriptions, standards, samples or other items issued by the Company as part of the Order and any release authorisations or schedules for control of production, materials, quality or Specifications. (vi) “Specifications” means any specifications for the Goods, including any related plans and drawings that is supplied to the Supplier by the Company, or produced by the Supplier and agreed in writing by the Company.

2 **AUTHORISATION** The Company accept no liability for any goods delivered or services provided unless the Order has been placed or amended on the Company’s behalf by a duly authorised officer.

3 **CANCELLATION** The Company reserves the right at any time without notice to cancel this Order or any parts thereof and the Company shall not be liable for any loss or damage sustained by the Supplier in consequence thereof.

4 **PRICE** (i) The price of the Goods shall be as stated in the Order and unless otherwise so stated, shall be inclusive of all charges for packaging, packing, shipping, carriage, insurance and delivery of the Goods to the delivery address and any duties, imposts or levies other than value added tax, but shall be exclusive of any applicable value added tax which shall be payable by the Company subject to receipt of a prior VAT invoice. (ii) The sale price may not be increased (whether on account of increased material, labour or transport costs, fluctuation in rates of exchange or otherwise) without the prior written approval of the Company and no price increase approved by the Company shall apply to the Goods which should have been delivered before the approved effective date for such increase. (iii) The Company shall be entitled to any discount for prompt payment, bulk purchase or

volume of purchase customarily granted by the Supplier, whether or not shown on its own terms and conditions of sale. (iv) If the Supplier quotes or charges lower prices to customers purchasing comparable quantities of similar goods, then such lower prices shall have effect for all Goods invoiced to the Company after the date of such quotation or charge.

**5 GUARANTEE** (i) If within thirty six months after the Goods have been put into service any defects in the Goods shall be discovered or arise under normal use attributable to faulty design, materials or workmanship, the Supplier shall remedy the defect either by replacement or repair at the Supplier's own expense. The Supplier will not be entitled to reject any claim made in respect of any defect arising within the Guarantee period on the basis that the Company failed to make a claim in respect of any such defect during such period. (ii) The provisions of this Clause shall apply to Goods so replaced or repaired and shall be effective from the date of such replacement or repair, but shall not prejudice any of the Company's rights resulting from any defects.

**6 INSPECTION AND TESTING** Prior to delivery the Supplier shall inspect and test the Goods for compliance with the Order and in assessing their fitness for use the Company shall be deemed to rely on the Supplier's skill and judgement. The Supplier shall if requested by the Company supply certified copies of records of such inspection and tests free of charge. The Supplier will grant to the Company or the Company's nominated representatives a right of access at all reasonable times for the purpose of checking progress and carrying out or witnessing tests and/or inspection procedures. Such tests and inspection as the Company may carry out shall not in any way diminish, affect or impair the Supplier's obligations.

**7 PACKAGING** The Supplier will package the Goods in a manner suitable for transit and/or storage at no cost to the Company. The Company will on written request from the Supplier and payment of carriage forward return to the Supplier at the Supplier's expense any packaging or packing materials for the Goods.

**8 DETERIORATION OF GOODS** If the goods are perishable or have a life expectancy of a fixed duration or if there are any circumstances known to the Supplier which would adversely affect the life-span of the Goods, the Supplier will forthwith advise the Company in writing of all such necessary and appropriate information relating thereto which shall form part of the description of the Goods.

**9 DELIVERY** (i) Time shall be of the essence of this Order (ii) Unless otherwise specified by the Company delivery of the Goods shall be effected by the Supplier at the Supplier's own risk and expense (including the risk of deterioration in the Goods necessarily incident to the course of transit) at the place and on the date(s) specified in the Order. (iii) In the event of the Goods not being made available on the date(s) specified in the Order, the Company retain the right to cancel the Order pursuant to Condition 12.

**10 PASSING OF PROPERTY AND RISK** (i) The property and risk in the Goods shall pass on delivery unless the Company makes payment before delivery in which case they should pass once payment has been made and the Goods have been appropriated to the Order. Where Goods are paid for by instalments property will

pass on payment of the first instalment, but remain at the Supplier's risk until full payment is made or completion or delivery whichever is the sooner. (ii) The Supplier acknowledges that all materials, equipment and tools, drawings, specifications, data supplied by the Company to the Supplier ("Company Materials") and all rights in the Company material are and shall remain the exclusive property of the Company. The Supplier shall keep the Company Materials in safe custody at its own risk, maintain them in good condition until returned to the Company, and not dispose or use the same other than in accordance with the Company's written instructions or authorisation.

**11 WARRANTY, INDEMNITY & INSURANCE** (i) The Supplier shall ensure that at all times it has and maintains all the licences, permissions, authorisations, consents and permits that it needs to carry out its obligations under the Contract. (ii) Without prejudice to its obligations under Condition 5 above, the Supplier warrants to the Buyer that the Goods will: -(a) be of merchantable quality and fit for the purpose for which they are expressly or by implication required (b) be free from defect in design, material and workmanship (c) correspond in all respects with any relevant samples, patterns or Specifications (d) conform as to quality, description and in all other respects with the terms of the Order and be capable of any standard or performance or output specified in the Order (e) comply in all respects with all applicable requirements of any statute, statutory rule or order, or other instrument having the force of law which may be in force on the date of delivery in any country to which the Goods are to be delivered. (ii) The Supplier shall keep the Company indemnified in full against all costs, expenses, damages and losses (whether direct or indirect), including any interest, penalties, and legal and other professional fees and expenses awarded against or incurred or paid by the Company as a result of or in connection with: (a) any claim made against the Company for actual or alleged infringement of a third party's intellectual property rights arising out of, or in connection with, the supply or use of the Goods, to the extent that the claim is attributable to the acts or omissions of the Supplier, its employees, agents or subcontractors; (b) any claim made against the Company by a third party arising out of, or in connection with, the supply of the Goods, to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of the Contract by the Supplier, its employees, agents or subcontractors; and (c) any claim made against the Company by a third party for death, personal injury or damage to property arising out of, or in connection with, defects in Goods, to the extent that the defect in the Goods is attributable to the acts or omissions of the Supplier, its employees, agents or subcontractors. This clause 11 (ii) shall survive termination of the Contract. (iii) During the term of the Contract and for a period of three years thereafter, the Supplier shall maintain in force, with a reputable insurance company, professional indemnity insurance, product liability insurance and public liability insurance to cover such heads of liability as may arise under or in connection with the Contract, and shall, on the Company's request, produce both the insurance certificate giving details of cover and the receipt for the current year's premium in respect of each insurance .. (iv) Where the Supplier or its approved agents or sub-contractors carry out work under this Order at the premises of the Company they do so at the risk of the Supplier who hereby undertakes to comply fully with the provisions of the Health and Safety at Work Act 1974 and any other applicable statutory requirements and with the works regulations of the Company and agrees to indemnify the Company in

respect of any loss, damage or injury to persons or property during the execution of such work.

**12 REJECTION AND TERMINATION** If the Goods do not comply with the Order, or any of these Conditions or other conditions applying to the Order are broken or not complied with by the Supplier, or it is clear that the Supplier will be unable to perform the Supplier's part of the Order, the Company shall, at the Company's discretion without limiting any of its other rights or remedies, have the right to any one or more of the following remedies, whether or not it has accepted the Goods: (a) to terminate the Contract; (b) to reject the Goods (in whole or in part) and return them to the Supplier at the Supplier's own risk and expense; (c) to require the Supplier to repair or replace the rejected Goods, or to provide a full refund of the price of the rejected Goods (if paid); (d) to refuse to accept any subsequent delivery of the Goods which the Supplier attempts to make; (e) to recover from the Supplier any costs incurred by the Company in obtaining substitute goods from a third party; and (f) to claim damages for any other costs, loss or expenses incurred by the Company which are in any way attributable to the Supplier's failure to carry out its obligations under the Contract.

**13 CONFIDENTIALITY** (i) This Order and the subject matter thereof shall be treated as confidential between the parties and shall not be disclosed or publicised to any third party for any reason without the company's prior written consent. (ii) The Supplier will not use the Company's name or other identity for advertising or publicity purposes without the Company's written consent. (iii) The Supplier will not copy, publicise or make available to any third party any drawings, patterns, tooling of any kind, written instructions, Specifications and other technical papers, supplied by the Company or produced by the Supplier at the Company's cost for the purposes of this order. All such items, together with the copyright, design rights and any other intellectual property rights therein, shall remain the Company's exclusive property, and all such items must be kept in good condition and returned to the Company on demand at the Supplier's risk. The Supplier shall not alter or modify such items in any way, and shall at the request of the Company mark any such item as belonging to the Company. The Supplier shall keep all such items fully insured in amounts and with insurers approved by the Company, and shall keep the Company fully and effectually indemnified from and against any loss or damage arising to any property of the Company whilst in the possession or under the control of the Supplier. On completion of order all drawings, and data shall be returned to the Company.

**14 FORCE MAJEURE** (i) Neither party shall be liable to the other for any delay or failure in performing its obligations under the Contract to the extent that such delay or failure is caused by an event or circumstance that is beyond the reasonable control of that party, and which by its nature could not have been foreseen by such party or, if it could have been foreseen, was unavoidable, provided that the Supplier shall use all reasonable endeavours to cure any such events or circumstances and resume performance under the Contract. If any events or circumstances prevent the Supplier from carrying out its obligations under the Contract for a continuous period of more than 20 days, the Company may at the Company's discretion suspend or cancel the delivery of the Goods and/or the performance of this Order without liability to the Supplier for payment by giving written notice to the Supplier.

**15 ASSIGNMENT AND SUB-CONTRACTING** (i) The Supplier shall not without the Company's written consent, assign, transfer or sub-contract the Order to any third party. (ii) The Company may at any time assign, transfer, charge, subcontract or deal in any other manner with any or all of its rights or obligations under the Contract. (iii) If allowed, procurement of material and further sub contacting of treatments or processes shall only be subcontracted to AIM approved suppliers/subcontractors

**16 BANKRUPTCY OR LIQUIDATION** If the Supplier shall become unable to pay its debts or have a receiving order, administration order or winding up order made against the Supplier or shall make any composition or arrangement with or any conveyance or assignment for the benefit of the Supplier's creditors or shall purport so to do or shall have any application made against the Supplier or if any resolution shall be passed or an order of the Court be made that the Supplier be wound-up (save for the purposes of reconstruction or amalgamation) or an administrator or a receiver or manager be appointed by any creditor or any act concerning the solvency of the Supplier the Company shall be entitled to determine the Contract or Order by written notice to the Supplier but without prejudice to any other right or action which the Company may have at the date of such notice.

**17 WAIVER AND SEVERANCE** (i) Except in the case of an express waiver or release duly executed under the common seal of the Company, no admission, act or omission made by the Company or on the Company's part during the continuance of this order shall constitute a waiver of or release the Supplier from any liability under any of its terms. No waiver or release by the Company in respect of any breach of any of these Conditions shall operate as a waiver of or release from any subsequent or other breach and the exercise of any right or remedy available to the Company under these Conditions shall not operate as a waiver of any other right or remedy. (ii) If any court or competent authority finds that any provision of the Contract (or part of any provision) is invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed to be deleted, and the validity and enforceability of the other provisions of the Contract shall not be affected.

**18 NON CONFORMING PARTS** Suppliers/Subcontractors will notify AIM and gain disposition for any non conforming items prior to shipping to AIM.

**19 MAJOR CHANGES** Suppliers/Subcontractors will notify AIM Aviation of any major change to premises, senior personnel, change in product and or process definition and seek approval.

**20 RECORD RETENTION** Suppliers/Subcontractors will retain all production and quality records pertaining to any parts manufactured for AIM Aviation for the life of the aircraft. If a Suppliers/Subcontractor does not wish to control these records, AIM Aviation will carry out this function by the Suppliers/Subcontractor delivering each part with the required documentation.

**21 FAI IN ACCORDANCE WITH AS9102** Suppliers/Subcontractors shall carry out an FAI on each part in accordance with the requirements of AS9102. F.A.I. reports will be maintained for all First production article parts. All new parts including details,

sub-assemblies and completed assemblies and any subsequent up-issues will be subject to a full dimensional check and conformity of every drawing attribute. For parts, which have undergone F.A.I. but are subsequently up-issued, only the drawing attribute affected by the up-issue is to be documented. The following changes will also necessitate a repeat FAI: Process change, change of production site, personnel change or a longer break in production.

22 **|SPECIAL REQUIREMENTS** AIM Aviation will flow down any special requirements including those in AS9100 and GRESS as required and these would be listed on the purchase order.

23 **LAW OF THE CONTRACT** The Contract (and all Orders) and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with, English law, and the parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales.