



TECHNO GROUP

MANUFACTURERS OF HIGH PRECISION
MACHINED COMPONENTS

TERMS AND CONDITIONS OF PURCHASE

THE TERMS AND CONDITIONS DETAILED BELOW FORM PART OF ALL TECHNO GROUP LTD AND ITS' SUBSIDIARIES, TECHNOSET LTD AND TEHNOTURNLTD, PURCHASE ORDERS FOR GOODS & SERVICES. ACCEPTANCE OF A TECHNO GROUP LTD PURCHASE ORDER IMPLIES ACCEPTANCE OF THESE TERMS AND CONDITIONS

1. DEFINITIONS

"Contract" shall mean any contract resulting from the order

"Order" shall mean the purchase order

"Buyer" shall mean TECHNO GROUP LTD AND ITS' SUBSIDIARIES.

"Seller" and/or "Supplier" shall mean the party on whom the order is placed

"Goods" shall mean the supplies and/or services to be delivered under the contract

"FAI" shall mean First Article Inspection report

2. SCOPE OF AGREEMENT

These terms and conditions represent the entire agreement between the parties and supersede any terms and conditions referred to or offered or relied on by the Seller in dealings with the Buyer at any time previously.

The purchase order constitutes the Buyer's offer to the Seller, and becomes a binding contract on the terms and conditions set forth herein when it is accepted by the Seller either by the acknowledgement or the commencement of performance hereunder. No condition stated by the Seller in accepting or acknowledging the order shall be binding upon the Buyer if in conflict with, inconsistent with, or in addition to the terms and conditions contained herein unless approved in writing by a duly authorised officer of the Buyer.

The foregoing provisions do not affect any claim which the Buyer might have at common law or under the Misrepresentation Act 1967 in relation to any representations however made or expressed which preceded formation of the contract which were relied upon by the Buyer and which were therefore a material influence on the formation of the contract.

3. VARIATION & WAIVER

The Buyer shall not be bound by any variation waiver of or additions to these conditions except as agreed in writing by a duly authorised officer of the company and such waiver alteration or addition shall have effect only in relation of the particular contract and shall not affect any future contractual relationship.

4. DELIVERY

4.1 The supplier shall complete and deliver the goods at the time or times specified in the order and time shall be of the essence.

4.2 The Seller shall not be liable for delays or defaults due to causes beyond the Seller's control and without its fault or negligence, provided that, in such circumstances, the Seller advises the Buyer in writing immediately the delays are anticipated or ought to have been anticipated setting forth the cause of the delays and the Seller's anticipated revised delivery schedule. The Buyer shall not be obliged to accept the revised delivery schedule and shall have the option to cancel the order or any outstanding part thereof.



TECHNO GROUP

MANUFACTURERS OF HIGH PRECISION
MACHINED COMPONENTS

- 4.3 The Buyer may at any time or times by notice in writing to the Seller postpone the date(s) of delivery of any goods without thereby incurring any liability and the Seller shall deliver such goods on the revised date(s) so notified and shall not make any claim for adjustment in price or otherwise in respect of any such postponement unless otherwise agreed in writing by the Buyer.
- 4.4 The place of delivery shall be the Buyer's premises except where some other place of delivery has been nominated by the Buyer before the goods have been put into transit by the Seller.
- 4.5 All risks in transit of the goods remain with the Seller and where the Seller arranges any contract of carriage in relation to the goods the Seller shall do so as principal and not as agent of the Buyer.
- 4.6 If the supplier delivers quantities in excess of the quantity due the Buyer shall have the right to accept or reject the quantity in excess of that due.
- 4.7 The Buyer shall not be obliged to accept delivery of any goods prior to the delivery date and if the Seller shall so deliver:
the Buyer shall be entitled to return the goods to the supplier or to charge storage to the supplier and to calculate the date for payment according to the due delivery date.
- 4.8 The Seller shall be responsible for the appropriate packaging and labelling of the goods to ensure undamaged arrival at their destination. Returnable packaging shall be held at the Seller's risk and returned at the Seller's expense.
5. **ACCEPTANCE AND REJECTION**
All supplies will be subject to final inspection and acceptance by the Buyer within a reasonable time after receipt at the designated destination, irrespective of prior payment. The Buyer may reject any article which contains defective material or workmanship or does not conform to specifications, samples or warranties.

Any article so rejected may be returned to the Seller at the Seller's risk and expense, and at full invoice price plus applicable transportation charges both ways. No defective article or material shall be replaced unless requested by the Buyer.
- 5.1 **CERTIFICATE OF CONFORMANCE REQUIRED FOR GOODS INTENDED FOR AIRCRAFT APPLICATIONS AND FOR GOODS WHERE REQUIRED ON THE RELEVANT DRAWING**
The certificate of conformance is a quality record that shall include the Buyer's part number, purchase order number, quantity shipped, date shipped, Seller's part number, Seller's date code (see below) and details of certified quality system. It should be signed to indicate compliance with the requirements of the document. Certificates are to be submitted for all shipments of parts delivered to the Buyer.
- 5.2 **DATE CODE/LOT NUMBER CONTROL REQUIRED FOR GOODS INTENDED FOR AIRCRAFT APPLICATIONS AND FOR GOODS WHERE REQUIRED ON THE RELEVANT DRAWING**
Deliveries of parts/components with multiple date codes or multiple lot numbers must be segregated such that each part/component is identifiable by its date code or lot number. The paperwork must also reflect if multiple date codes or lot numbers have been delivered with the associated quantity.
- 5.3 **RELEASE REQUIREMENTS / CODES:**



TECHNO GROUP

MANUFACTURERS OF HIGH PRECISION
MACHINED COMPONENTS

CODE A: No Release Requirements I.e. Delivery Note Only

CODE B: This Order is subject to the conditions of your ISO 9000 Series Registration and a Certificate of Conformity is required.

CODE C: This Order is subject to the conditions of your ISO 9000 Series Registration and a Certificate of Conformity and Test Samples are required.

CODE D: This Order is subject to the conditions of your ISO 9000/AS9100 Series Registration and a Certificate of Conformity is required.

CODE E: This Order is subject to the conditions of your ISO 9000/AS9100 Series Registration and a Certificate of Conformity and a First Article Inspection Report (FAIR) is required.

5.4 RECORD RETENTION

In addition to contractual requirements the supplier shall retain verifiable objective evidence of inspection and tests performed. Quality records shall be made available for evaluation for a contractually agreed upon period. Unless otherwise specified, the period shall be 5 years.

5.5 NOTIFICATION OF NON-CONFORMING PRODUCT

The supplier must notify the Buyer and seek approval for:

- Changes in product and/or process definition and, where required, obtain the Buyer's written approval.
- Any known non-conformities relating to the Purchase Order, prior to delivery of product. Provisions must be made by the supplier to control the quarantine of non-conforming items identified until disposition of the non-conforming parts is given by the Buyer.
- Any significant changes that may affect the manufacture / process of product relating to the Purchase Order. i.e. Change of suppliers: Change of manufacturing facility or location.
- The cessation of any national / international approvals that has an effect on Purchase Order requirements
- Any significant changes made with the Management Structure of the Supplier.

5.6 RIGHT OF ACCESS BY THE BUYER, THEIR CUSTOMER AND REGULATORY AUTHORITIES

In accordance with contractual agreements, right of access by the Techno Group Ltd and its' subsidiaries, their customer, and regulatory authorities shall be afforded to all facilities involved in the order and to all applicable records.

5.7 KEY CHARACTERISTICS

Where Identified within the specification, drawing and/or purchase order the supplier shall flow down to sub-tier suppliers the applicable requirements in the purchasing documents, including key characteristics where required.

5.8 ASSIGNMENT

The Seller shall not assign the contract or any part of it or subcontract the production or supply of any goods under the contract without the prior written consent of the Buyer unless such action on the part of the Seller is a normally acceptable arrangement in relation to the supply of the particular goods. Where assignment or



TECHNO GROUP

MANUFACTURERS OF HIGH PRECISION
MACHINED COMPONENTS

sub-contract is acceptable to the Buyer it will be the responsibility of the Seller to ensure that all the requirements of the Buyer are flowed down to the assignee. It will remain the responsibility of the Seller to certify that the goods supplied conform to the requirements of the contract and the Seller will remain fully liable in relation to all his obligations under the contract.

The Buyer shall have the right to assign this contract on giving written notice to the Seller and an assignee shall then take on the entire benefits of the contract and shall be considered by the Seller to have full rights under the contract.

6. TITLE TO GOODS

The Seller unconditionally guarantees that the Seller will at all times have a full and clear title to the goods and that the Seller is thereby able to pass such title to the Buyer free of any charge or encumbrance in favour of any third party of which the Seller declares the goods to be free. In the event of a breach of this provision the Seller will indemnify the Buyer to the fullest extent against any loss or carriage thereby occasioned and such indemnity shall include the costs and expenses of resisting or settling any claim made by any third party whether or not this was done with the Seller's consent or knowledge. Without prejudice to the foregoing or to such other rights as it might have the Buyer shall also in the event of a breach of this clause be entitled to the remedies set out in Clause 7.

7. BUYER'S REMEDIES

Failure to comply with the precise specification, terms and conditions of the order, or failure to deliver in accordance with the Seller's promise shall be grounds for cancellation without penalty to the Buyer.

In the event of any breach by the Seller of any part of clauses 5 and 6, the Buyer shall have the right to return goods at the Seller's expense and recover the purchase price if already paid or be under no obligation to pay if not already paid.

8. INTELLECTUAL PROPERTY CLAIMS

The performance of the contract by the Seller and the use of the contract goods by the Buyer must not involve the infringement of any rights relating to trade marks service marks or of any other right in relation to intellectual property. The Seller therefore agrees to make good to the Buyer all costs losses damages and expenses which the Buyer may incur because of proceedings in relation to such matters whether well-grounded or not and whether or not the Seller was informed or consented to the Buyer's course of action.

9. DUTY OF CARE

The Seller undertakes to indemnify the Buyer against any breach of statutory or common law duties relating to the goods or services supplied.



TECHNO GROUP

MANUFACTURERS OF HIGH PRECISION
MACHINED COMPONENTS

10. JURISDICTION

The contract is deemed to have been made in St Leonards, East Sussex and the parties agree to submit to the jurisdiction of the local courts and English law. Matters arising out of or connected with the contract may be referred to arbitration with the agreement of the parties.