



# TERMS AND CONDITIONS OF PURCHASE

<b>Department Owner:</b> Purchasing
<b>Author:</b> A. Wilkinson
<b>Date of Issue:</b> 14/11/17
<b>Reviewed by:</b> C.Taylor
<b>Date of Review:</b> 17/09/2020

1. **Definitions.** In the following terms and conditions:
  - "Buyer" means Beagle Technology Group Limited registered address Stony Lane, Christchurch BH23 1EX Registered in England and Wales Number: 968265.
  - "Seller" means the company or persons to whom the Order is addressed.
  - "Goods" means the materials, articles or services described in the Order.
  - "Order" means the instructions given to the Seller by the Buyer or the supply of goods and by means of an official Order form signed by the Buyer's authorised official.
2. **Acknowledgement and Acceptance.**
  - (i) By such acknowledgement, the Seller signifies his acceptance of the following full terms and conditions of the Order, and including any additional clauses stated on the front of the Order.
  - (ii) here it is indicated on the front that the order is for Government requirements it will also be subject to the latest issue of Standard Conditions relating to Government Contracts for Stores Purchases unless otherwise stated.
3. **Delivery.**
  - (i) All goods must be adequately handled, stored, packed and delivered free at Seller's risk to Buyer's Works, or other destination if stated unless otherwise agreed in writing.
  - (ii) A consignment note quoting full details including Order Number, Drawing/Pattern Number, Description of goods. Ref. No., quantity consigned; method of despatch, must accompany the goods.
  - (iii) An 'Advice' copy of this note must be posted by first class post the same day as despatch and must clearly state our Order Number.
  - (iv) Except by special arrangement, the Buyer will not pay for Packing Cases which will be returned to the Seller, carriage paid.
  - (v) THE BUYER MAY REJECT AND SHALL NOT BE LIABLE FOR, ANY QUANTITY DELIVERED IN EXCESS OR ANY VARIATION TO THE ORDER SPECIFICATION, UNLESS PREVIOUSLY AGREED IN WRITING AND CONFIRMED BY AN OFFICIAL AMENDMENT TO THE ORDER.
  - (vi) Failure by the Seller to deliver by the date or dates specified will render this Order or any part of it liable to cancellation without notice and the Buyer reserves the right to purchase such goods elsewhere and to charge the Seller with any additional expenses incurred.
  - (vii) Deliveries shall be made from 7am to 3.30pm Mon-Thurs. Any deliveries outside of these hours unless agreed between the parties prior, will be rejected and re-delivered the next working day at the Sellers expense.
  - (viii) Unless agreed prior and stated on the delivery date of the purchase order, no deliveries will be made in the last week of the month. Any deliveries made in the last week of the month, without prior agreement will be refused.
  - (ix) Unless agreed prior by the Buyer, any deliveries received by the Seller 3 days prior to the delivery date will be subject to the payment terms as per the requested delivery date on the Order.
4. **Damage or Loss in Transit.**

Risk passes to Buyer only after delivery to and acceptance by them.
5. **Quality, etc.**
  - (i) Unless otherwise stated all goods must conform to British Standard Specifications and conditions where applicable: and without the Buyer's prior consent in writing no maker's name or marks must appear thereon in the case of goods supplied or embodied in the Buyer's equipment.
  - (ii) In the case of 'proprietary' articles, the Seller must furnish the Buyer with drawings and maintenance manuals when acknowledging the Order and Certificate of Test and Guarantee with delivery of the Goods: all these documents to be supplied FREE OF CHARGE.
  - (iii) Should such articles prove defective within the time specified by the guarantee, the Seller must rectify or replace free of charge including collection, servicing and delivery costs.
  - (iv) Records to support traceability shall be retained by the Seller in accordance with ISO9001 for a minimum of 10 years.
  - (v) Personnel shall be appropriately trained and qualified.
  - (vi) The seller shall notify the buyer of changes in product or process definition and where appropriate obtain approval from the buyers QA Dept.
  - (vii) The seller shall use sub-tier suppliers only with the agreement of the buyers QA Dept. Where sub-tier suppliers are used the seller shall ensure flow down of applicable requirements given on the buyers purchase order.
  - (viii) The seller shall notify the buyer of any change in the location of manufacturing facilities.
6. **Inspection and Rejection.**
  - (i) All goods shall be subject to inspection to one of the following requirements as defined on the face of the order by the requirements code:
    - (a) By the Seller's Quality Assurance Organisation approved by the Defence Quality Assurance Board Ministry of Defence and to the satisfaction of the Buyer's Quality Manager.
    - (b) By the Seller's Assurance Organisation as approved by the Civil Aviation Authority and to the satisfaction of the Buyer's Quality Manager or Chief Inspector.
    - (c) By the Sellers QA Organisation as complying with requirements of ISO9000.
    - (d) By the Sellers QA Organisation as approved by the respective customers of Beagle Technology Group Ltd.
    - (e) By the QA Organisation of the Buyer on receipt at the Buyers Works.
    - (f) By exceptional arrangements determined by the Q.A. Manager and shown on the face of the order.
    - (g) Letter of Guarantee.
    - (h) Certificate of material analysis.
  - (ii) The Buyer reserves the right through its Quality Manager to reject any of the goods or services ordered which do not comply with the latest specification or do not reach approved standards of design, material, workmanship or quality, or which are not in accordance with Sellers samples. Should the Seller identify that goods are non-conforming the Seller must inform the Buyer and obtain written approval on how to proceed prior to release to the Buyer. The Buyer may return such rejected goods to the Seller at the Seller's expense and risk and the Seller shall at the Buyer's option credit the full value of such goods to the Buyer or supply replacement goods free of charge within a reasonable time without prejudice to any further remedies by way of damage or otherwise which the Buyer may have against the Seller.
  - (iii) The Buyer's instructions regarding submission of samples for inspection as stated in the Purchase Order or as notified in writing prior to dispatch must be adhered to.
  - (iv) The Buyer's Inspector or Representative and any Inspector or Representative of our customer or of any government department concerned shall be entitled to, on the Buyer's authority, audit facilities, inspect the goods or work at the Seller's premises. Such inspection does not absolve the Seller of the responsibility to provide acceptable product. Nor shall it preclude subsequent rejection by the Buyer or the Buyer's customer.
  - (v) First Article Inspection is required on the first production batch. Thereafter, a FAIR shall be carried out if there is a break in production of over 1 year and a partial/delta FAIR (i.e. changed features only), shall be carried out the first batch incorporating a change. Where first article inspection reports are required, they shall be in accordance with the requirements of AS9102, or customer specific requirements if defined on the face of the purchase order.
7. **Product Safety**

A Safety Management System shall be implemented and maintained for all parts related to aviation, space and defence.
8. **Counterfeit Parts**

The Buyer encourages the seller to pay due consideration to the prevention of use of counterfeit parts, by ensuring full traceability to source, using genuine manufacturers and requiring Mill Certificates/Certificates of Conformity etc. to ensure counterfeit parts are prevented from entering the supply chain.
9. **Patterns, etc.**
  - (i) Any tools or patterns made specially for the execution of this order or supplied by the Buyer must not be used, without the Buyers written consent, in the service of any other company.
  - (ii) All patterns, tools and drawings supplied for the execution of this order will remain the Buyer's property and must be returned carriage paid in good condition, upon the Buyer's instruction.
10. **Environment**

The Buyer encourages the seller to pay due consideration to environmental issues in the manufacture and distribution of goods. The Seller is encouraged to have an Environmental Policy and follow the requirements of ISO 14001, or similar environmental model.
11. **Health and Safety**

The Buyer encourages the seller to pay due consideration to occupational health and safety issues in the manufacture and distribution of goods. The Seller is encouraged to have a Health and Safety Policy and follow the requirements of BS ISO 45001, or similar Occupational Health and Safety model.
12. **Insurance.**

Patterns, tools, equipment and goods supplied by the Buyer for execution of this order must be fully insured by the Seller at the Seller's expense. Evidence of adequate current insurance covered must be produced upon demand by the Buyer.
13. **Sub-Contracting.**

No part of this order may be sub-contracted without first obtaining the Buyer's permission in writing. Failure to do so can result in immediate cancellation of this order.
14. **Terms of Payment.**
  - (i) Unless otherwise stated in the purchase order, payment will be made within 60 days end of month date of invoice. No interests or costs are payable.
  - (ii) The price paid by the Buyer shall be that stated on the Order or the Amended price as notified by the Seller on the official acknowledgement and accepted by the Buyer.
15. **Indemnity.**
  - (i) Without prejudice to the generality of the foregoing conditions the Seller guarantees the Buyer against all loss or expense whatsoever, resulting directly or indirectly at any time from the supply by the Seller of defective material or from defective workmanship and in addition the Buyer shall be entitled to the replacement by the Seller free of charge of any defective items, or to be reimbursed for the cost of the goods, should they so desire.
  - (ii) The Seller indemnifies the Buyer against all claims for patent royalties including any payments and expenses of any kind whatsoever, paid or payable to third or any parties, in respect of any articles, matter, or things included in the goods supplied to the Order.
  - (iii) The Seller indemnifies the Buyer against all claims and costs which the Buyer may incur at Common Law or under Statute, in respect of personal injury or to disease of any of the workmen of the Seller or his sub-contractors.



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**16. Disputes.**

This Order shall be construed in all respects in accordance with English Law and in any dispute to the terms, conditions or subject matter hereof or arising hereunder shall be referred to a single arbitrator appointed by agreement between the parties or in default of such agreement by the President for the time being of the Law Society of England on the application of either party; the Arbitration Act 1950 shall apply to any arbitration hereunder. Nothing in these Conditions shall prejudice any condition or warranty (expressed or implied) or right or remedy to which the Buyer may be entitled in relation to the material or goods ordered by virtue of statute or common law. The Buyer encourages the seller to pay due consideration to environmental issues in the manufacture and distribution of goods. The Seller is encouraged to have an Environmental Policy and follow the requirements of ISO 14001, or similar environmental model.

**17. Works On Buyers Site**

- (i) Any Seller which provides labour to work on the Buyer's premises for the erection, installation, repair or servicing of equipment or for any other purpose and regardless of whether the persons concerned are directly employed or sub-contractors employed by the Seller the following special conditions shall apply:
  - (a) Full and proper insurance covering Contract Works. Employers' Liability and Public Liability shall be affected and maintained by the Seller until all works are completed.
  - (b) The Seller will promptly provide proof of adequate cover if requested.
  - (c) All such employees or sub-contractors of the Seller will report to reception on each day of services when entering / exiting the business for the works stated in the purchase order.
  - (d) A risk assessment shall be supplied as part of the works carried out as required.

**18. Awareness**

- (i) The seller shall ensure their continual awareness towards product or service conformity, product safety & ethical behaviour as per AS9100 Section 8.4.3 (m).

**19. Performance Monitoring**

- (i) The seller acknowledges that the buyer will perform control and monitoring of performance; this shall include reporting on (and not be limited to) On Time in Full, In Full Delivery and Rejections (PPM) performance monitoring.