

Section 1 - Terms and Conditions of Purchase - General

1 Interpretation

1.1 Definitions

In these Conditions, the following definitions apply:

Business Day: a day (other than a Saturday, Sunday or public holiday) when banks in London are open for business.

Conditions: the terms and conditions set out in this document as amended from time to time in accordance with clause 24.

Contract: the contract between the Customer and the Supplier for the sale and purchase of the Goods and/or Services in accordance with these Conditions.

Customer: Beagle Technology Group Limited (registered in England and Wales with company number 00968265).

Customer Materials: has the meaning set out in clause 11.1.

Deliverables: all documents, products and materials developed by the Supplier or its agents, contractors and employees as part of or in relation to the Services in any form or media, including without limitation drawings, maps, plans, diagrams, designs, pictures, computer programs, data, specifications and reports (including drafts).

Goods: the goods (or any part of them) set out in the Order.

Order: The Customer's order for the Goods and/or Services, as set out in the Customer's purchase order form and including any additional clauses stated on the front of the order form

Proprietary Articles: any item supplied to the Customer in respect of which, according to the Specification, the Supplier retains ownership rights and **Article** being one of them

Services: the services, including without limitation any Deliverables, to be provided by the Supplier under the Contract as set out in the Service Specification.

Service Specification: the description or specification for Services agreed in writing by the Customer and the Supplier.

Specification: any specification for the Goods, including any related plans and drawings, that is agreed in writing by the Customer and the Supplier.

Supplier: the person or firm from whom the Customer purchases the Goods.

1.2 Construction.

In these Conditions, unless the context requires otherwise, the following rules apply:

1.2.1 A **person** includes a natural person, corporate or unincorporated **body** (Whether or not having separate legal personality).

1.2.2 A reference to a party includes its personal representatives, successors or permitted assigns.

1.2.3 A reference to a statute or statutory provision is a reference to such statute or provision as amended or re-enacted. A reference to a statute or statutory provision includes any subordinate legislation made under that statute or statutory provision, as amended or re-enacted.

1.2.4 Any phrase introduced by the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

1.2.5 A reference to writing or written includes faxes and e-mails.

2 Basis of contract

2.1 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.

2.2 The Order constitutes an offer by the Customer to purchase the Goods and/or Services in accordance with these Conditions.

- 2.3 The Order shall be deemed to be accepted on the earlier of:
- 2.3.1 the Supplier issuing a written acceptance of the Order; and
 - 2.3.2 the Supplier doing any act consistent with fulfilling the Order, at which point the Contract shall come into existence.
- 2.4 Without prejudice to clause 2.1 above, where it is indicated on the front of the Order that the Order is for Government requirements, the Order will also be subject to the latest issue of Standard Conditions relating to Government Contracts for Store Purchases unless otherwise expressly stated in writing
- 2.5 On receipt of any Order for Proprietary Goods the Supplier shall provide to the Customer all drawings and maintenance manuals relating to the Proprietary Goods on acknowledgment of the Order
- 2.6 All of these Conditions shall apply to the supply of both Goods and Services except where the application to one or the other is specified.

3 The goods

- 3.1 The Supplier shall ensure that the Goods shall:
- 3.1.1 correspond with their description and to appropriate National/International Standards.
 - 3.1.2 be of satisfactory quality (within the meaning of the Sale of Goods Act 1979, as amended) and fit for any purpose held out by the Supplier or made known to the Supplier by the Customer expressly or by implication, and in this respect the Customer relies on the Supplier's skill and judgement.
 - 3.1.3 be in accordance with the Supplier's samples (when supplied).
 - 3.1.4 where applicable, be free from defects in design, material and workmanship and remain so for 24 months after Delivery; and
 - 3.1.5 comply with all applicable statutory and regulatory requirements relating to the manufacture, labelling, packaging, storage, handling, and delivery of the Goods; and
 - 3.1.6 not have any maker's name or other such identifying marks unless the Customer has given consent in writing in the Order
 - 3.1.7 shall be procured, manufactured, and released in accordance with the requirements set out in the Order.
 - 3.1.8 shall be accompanied by a certificate of material analysis if requested in the Order.
 - 3.2 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.
 - 3.3 The Supplier shall ensure that it retains records to demonstrate the traceability of the Goods for a minimum period of ten years

4 Services

- 4.1 The Supplier shall from the date set out in the Order and for the duration of the Contract provide the Services to the Customer in accordance with the terms of the Contract.
- 4.2 The Supplier shall meet any performance dates for the Services specified in the Order or notified to the Supplier by the Customer.
- 4.3 In providing the Services, the Supplier shall:
- 4.3.1 co-operate with the Customer in all matters relating to the Services and comply with all instructions of the Customer.
 - 4.3.2 perform the Services with the best care, skill and diligence in accordance with best practice in the Supplier's industry, profession, or trade.
 - 4.3.3 use personnel who are suitably skilled and experienced to perform tasks assigned to them, and in sufficient number to ensure that the Supplier's obligations are fulfilled in accordance with the Contract.
 - 4.3.4 ensure that the Services and Deliverables will conform with all descriptions and specifications set out in the Service Specification, and that the Deliverables shall be fit for any purpose expressly or impliedly made known to the Supplier by the Customer.
 - 4.3.5 provide all equipment, tools and vehicles and such other items as are required to provide the

Services.

4.3.6 use the best quality goods, materials, standards, and techniques, and ensure that the Deliverables, and all goods and materials supplied and used in the Services or transferred to the Customer, will be free from defects in workmanship, installation, and design.

4.3.7 obtain and at all times maintain all necessary licences and consents and comply with all applicable laws and regulations.

4.3.8 observe all health and safety rules and regulations and any other security requirements that apply at any of the Customer's premises; and

4.3.9 not do or omit to do anything which may cause the Customer to lose any licence, authority, consent, or permission upon which it relies for the purposes of conducting its business, and the Supplier acknowledges that the Customer may rely or act on the Services.

5 Inspection

5.1 The Customer shall have the right to inspect and test the Goods at any time before delivery.

5.2 Unless otherwise specified, all Goods shall be subject to 100% inspection, prior to delivery to the customer.

5.3 Additional verification may be invoked as follows, and where relevant, will be set out in the Order:

5.3.1 By the Supplier's quality assurance organisation as approved by the Defence Quality Assurance Board of the Ministry of Defence and the Buyer's Quality Assurance Department

5.3.2 By the Supplier's quality assurance organisation as approved by the Civil Aviation Authority Defence and the buyer's Quality Assurance Department

5.3.3 By the Supplier's quality assurance organisation as complying with the requirements of ISO9001

5.3.4 By the Supplier's quality assurance organisation as approved by the clients of the Customer

5.3.5 By the Customer's quality assurance organisation on delivery

5.3.6 By any other arrangement.

5.4 If following such inspection or testing the Customer considers that the Goods do not conform or are unlikely to comply with the Supplier's undertakings at clause 3.1, the Customer shall inform the Supplier and the Supplier shall immediately take such remedial action as is necessary to ensure compliance.

5.5 Notwithstanding any such inspection or testing, the Supplier shall remain fully responsible for the Goods and any such inspection or testing shall not reduce or otherwise affect the Supplier's obligations under the Contract, and the Customer shall have the right to conduct further inspections and tests after the Supplier has carried out its remedial actions.

5.6 The Supplier must adhere to the Customer's instructions regarding submission of samples for inspection as stated in the Order or as notified in writing prior to dispatch of the Goods.

5.7 The Customer or the Customer's representative or government department shall be entitled to audit facilities and inspect the Goods or work done at the Seller's premises but such inspection shall not absolve the Seller of the responsibility to provide satisfactory Goods and nor shall it preclude a rejection by the Customer or the Customer's representative

5.8 Should any Proprietary Article be found to be defective within the time specified by the guarantee for that Article, the Supplier must rectify or replace that Article without charge to include all carriage costs and servicing

5.9 In respect of any Goods that the Customer wishes to purchase, the Supplier must allow the Customer to inspect all Goods prior to dispatch

5.10 First Article Inspection Reports ("FAIR") are required:

5.10.1 on the first production batch; and

5.10.2 after any break in production of the Goods of over one year in duration.

5.11 A partial/delta FAIR, shall be carried out on the first production batch incorporating a change (being an inspection of the changed features only).

5.12 Where FAIR are required, they shall be carried out in accordance with the requirements of AS9102, or any customer specific requirements provided that those requirements are set out in the Order.

6 Delivery

- 6.1 The Supplier shall ensure that:
- 6.1.1 the Goods are properly packed and secured in such manner as to enable them to reach their destination in good condition.
 - 6.1.2 each delivery of the Goods is accompanied by a certificate confirming that the Goods conform with clauses 3.1.7 and 3.1.8 of this agreement and such certificate must show the date of the Order, the Order number (if any), the type and quantity of the Goods (including the code number of the Goods, where applicable), special storage instructions (if any) and, if the Goods are being delivered by instalments, the outstanding balance of Goods remaining to be delivered
 - 6.1.3 an 'Advice' copy of the certificate referred to at clause 6.1.2 must be posted by first class post the same day as despatch and must clearly state the Customer's Order number.
 - 6.1.4 if the Supplier requires the Customer to return any packaging material to the Supplier, that fact is clearly stated on the delivery note. Any such packaging material shall be returned to the Supplier at the cost of the Supplier.
 - 6.1.5 where Proprietary Articles are supplied the Supplier must provide a certificate of test and guarantee on Delivery
- 6.2 The Supplier shall deliver the Goods:
- 6.2.1 on the date specified in the Order, or, if no such date is specified, within 28 days of the date of the Order.
 - 6.2.2 to the Customer's premises as set out in the Order or such other location as is set out in the Order, or as instructed by the Customer prior to delivery (Delivery Location); and
 - 6.2.3 during the Customer's normal business hours, or as instructed by the Customer.
- 6.3 Delivery of the Goods shall be completed on the completion of unloading the Goods at the Delivery Location.
- 6.4 If the Supplier:
- 6.4.1 delivers less than 98% of the quantity of Goods ordered, the Customer may reject the Goods; or
 - 6.4.2 delivers more than 100% of the quantity of Goods ordered, the Customer may at its discretion reject the Goods or the excess Goods, unless previously agreed in writing and confirmed by an official amendment to the Order,
- 6.5 Any rejected Goods shall be returnable at the Supplier's risk and expense. If the Supplier delivers more or less than the quantity of Goods ordered, and the Customer accepts the delivery, a pro rata adjustment shall be made to the invoice for the Goods.
- 6.6 The Supplier shall not deliver the Goods in instalments without the Customer's prior written consent. Where it is agreed that the Goods are to be delivered by instalments, they may be invoiced and paid for separately. However, failure by the Supplier to deliver any one instalment on time or at all or any defect in an instalment shall entitle the Customer to the remedies set out in clause 8.

7 Supplier's Operation

- 7.1 The employees of the Supplier shall be appropriately trained and qualified.
- 7.2 The Supplier shall notify the Customer of any changes in the Goods or the process by which the Goods are manufactured, and if requested by the Customer approval for any such changes must be obtained from the Customer's Quality Assurance Department.
- 7.3 The Supplier may only supply Goods not manufactured by itself if those Goods have been approved by the Customer's Quality Assurance Department.
- 7.4 Where the Supplier supplies Goods that are not manufactured by itself then the Supplier shall ensure that the manufacturer has been provided with an exact replica of the Customer's Order
- 7.5 The Supplier must notify the Customer immediately of any change in the location of manufacturing facilities.

8 Remedies

8.1 If the Goods and/or Services are not delivered on the date they are due as referred to in clause 6.2.1, or do not comply with the undertakings set out in clauses 3 and 4 respectively, then, without limiting any of its other rights or remedies by virtue of statute or common law, the Customer shall have the right to any one or more of the following remedies, whether or not it has accepted the Goods:

8.1.1 to terminate the Contract immediately.

8.1.2 to reject the Goods (in whole or in part) and return them to the Supplier at the Supplier's own risk and expense.

8.1.3

8.1.4 to require the Supplier to repair or replace the rejected Goods free of charge, or to provide a full refund of the price of the rejected Goods (if paid).

8.1.5 to refuse to accept any subsequent performance of the Services and/or delivery of the Goods which the Supplier attempts to make.

8.1.6 to recover from the Supplier any costs incurred by the Customer in obtaining substitute Goods or Services from a third party; and

8.1.7 to claim damages for any other costs, loss or expenses incurred by the Customer which are in any way attributable to the Supplier's failure to carry out its obligations under the Contract.

8.2 These Conditions shall apply to any repaired or replacement Goods supplied by the Supplier.

8.3 The Supplier shall keep the Customer 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 Customer as a result of or in connection with:

8.3.1 any claim made against the Customer 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 of omissions of the Supplier, its employees, agents, or subcontractors.

8.3.2 any claim made against the Customer by a third party arising out of, or in connection with, the supply of the Goods or Services, 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

8.3.3 any claim made against the Customer 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.

NOTE: This clause 8.3 shall survive termination of the Contract.

8.4 The Customer's rights and remedies under these Conditions are in addition to its rights and remedies implied by statute and common law.

9 Title and risk

9.1 Title and risk in the Goods shall pass to the Customer on completion of delivery.

9.2 Where any product of the Customer is delivered to the Supplier so that the Supplier can perform services in relation to the product, the Supplier shall use its best endeavours to ensure the product is stored safely and securely.

9.3 The Supplier accepts that some of the products which will be supplied to it by the Customer pursuant to clause 8.2 may be of high value and the Supplier hereby agrees to indemnify the Customer on a pound for pound basis in respect of any damage or loss caused to any products in the period from delivery to the Supplier or its agents or sub-contractors until the products are returned to the Customer's possession or control, whether such damage or loss occurs during the carrying out of services, storage, transit arranged by the Supplier, or otherwise.

9.4 The Supplier shall at all times while this agreement is in force maintain an insurance policy in respect of any damage to or loss of the Customer's products while on the Supplier's premises or in transit

arranged by the Supplier which covers individual claims up to a value per product of £100,000 and a total claim limit of at least £100,000. The Supplier shall supply the Customer with a copy of the cover note and the terms of the insurance policy which it has in place on request.

10 Price and payment

10.1 The price of the Goods shall be the price set out in the Order, or, if no price is quoted, the price set out in the Supplier's published price list in force as at the date the Contract came into existence.

10.2 The charges for the Services shall be set out in the Order and shall be the full and exclusive remuneration of the Supplier in respect of the performance of the Services. Unless otherwise agreed in writing by the Customer, the charges shall include every cost and expense of the Supplier directly or indirectly incurred in connection with the performance of the Services.

10.3 Unless otherwise stated on the purchase order issued by the Customer, the price of the Goods and/or Services is inclusive of amounts in respect of value added tax (**VAT**), and includes the costs of packaging, insurance, and carriage of the Goods. No extra charges shall be effective unless agreed in writing and signed by the Customer.

10.4 The Customer shall, on receipt of a valid VAT invoice from the Supplier, pay to the Supplier such additional amounts in respect of VAT as are chargeable on the supply of the Goods and/or Services.

10.5 The Supplier may invoice the Customer for the Goods on or at any time after the completion of delivery. In respect of Services, the Supplier shall invoice the Customer on completion of the Services. Each invoice shall include such supporting information required by the Customer to verify the accuracy of the invoice, including but not limited to the relevant purchase order number.

10.6 The Customer shall pay correctly rendered invoices within 60 days of the end of the month in which it receives the invoice.

10.7 If a party fails to make any payment due to the other under the Contract by the due date for payment (**due date**), then the defaulting party shall pay interest on the overdue amount at the rate of 4% per annum above the Bank of England's base rate from time to time. Such interest shall accrue on a daily basis from the due date until the date of actual payment of the overdue amount, whether before or after judgment. The defaulting party shall pay the interest together with the overdue amount. This clause shall not apply to payments the defaulting party disputes in good faith.

10.8 The Customer may, without limiting any other rights or remedies it may have, set off any amount owed to it by the Supplier against any amounts payable by it to the Supplier under the Contract.

11 Customer property

11.1 The Supplier acknowledges that all materials, equipment and tools, drawings, patterns, Specifications, and data supplied by the Customer to the Supplier (**Customer Materials**) and all rights in the Customer material are and shall remain the exclusive property of the Customer. The Supplier shall keep the Customer Materials in safe custody at its own risk, maintain them in good condition until returned to the Customer, and not dispose or use the same other than in accordance with the Customer's written instructions or authorisation.

11.2 All Customer Materials supplied for the execution of the Order must be returned carriage paid in good condition upon the Customer's instruction.

12 Insurance

During the term of the Contract, 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 Customer'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.

13 Confidential information

A party (**receiving party**) shall keep in strict confidence all technical or commercial know-how, Specifications, inventions, processes, or initiatives which are disclosed to the receiving party by the other party (**disclosing party**), its employees, agents or subcontractors, and any other confidential information concerning the

disclosing party's business, its products or its services which the receiving party may obtain. The receiving party shall only disclose such confidential information to those of its employees, agents or subcontractors who need to know the same for the purpose of discharging the receiving party's obligations under the Contract, and shall ensure that such employees, agents, or subcontractors shall keep such information confidential.

14 Termination

14.1 The Customer may terminate the Contract in whole or in part at any time before delivery of the Goods or Services or any part of them with immediate effect by giving the Supplier written notice, whereupon the Supplier shall discontinue all work on the Contract. The Customer shall pay the Supplier fair and reasonable compensation for work-in-progress at the time of termination, but such compensation shall not include loss of anticipated profits or any consequential loss.

14.2 The Customer may terminate the Contract with immediate effect by giving written notice to the Supplier if the Supplier becomes subject to any of the following events:

14.2.1 the Supplier suspends, or threatens to suspend, payment of its debts, or is unable to pay its debts as they fall due or admits inability to pay its debts, or (being a company) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986, or (being an individual) is deemed either unable to pay its debts or as having no reasonable prospect of so doing, in either case, within the meaning of section 268 of the Insolvency Act 1986, or (being a partnership) has any partner to whom any of the foregoing apply;

14.2.2 the Supplier commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with its creditors other than (where the Supplier is a company) these events take place for the sole purpose of a scheme for a solvent amalgamation of the Supplier with one or more other companies or the solvent reconstruction of the Supplier.

14.2.3 (being a company) a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of the Supplier, other than for the sole purpose of a scheme for a solvent amalgamation of the Supplier with one or more other companies or the solvent reconstruction of the Supplier.

14.2.4 (being an individual) the Supplier is the subject of a bankruptcy petition or order.

14.2.5 a creditor or encumbrancer of the Supplier attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of its assets and such attachment or process is not discharged within 14 days.

14.2.6 (being a company) an application is made to court, or an order is made, for the appointment of an administrator or if a notice of intention to appoint an administrator is given or if an administrator is appointed over the Supplier;

14.2.7 (being a company) a floating charge holder over the Supplier's assets has become entitled to appoint or has appointed an administrative receiver.

14.2.8 a person becomes entitled to appoint a receiver over the Supplier's assets or a receiver is appointed over the Supplier's assets.

14.2.9 any event occurs, or proceeding is taken, with respect to the Supplier in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in clause 14.2.1 to clause 14.2.8 inclusive.

14.2.10

14.2.11 the Supplier suspends, or threatens to suspend, or ceases or threatens to cease to carry on, all or substantially the whole of its business.

14.2.12 the Supplier's financial position deteriorates to such an extent that in the Customer's opinion the Supplier's capability to adequately fulfil its obligations under the Contract has been placed in jeopardy; or

14.2.13 (being an individual) the Supplier dies or, by reason of illness or incapacity (whether mental or physical), is incapable of managing his or her own affairs or becomes a patient under any mental health legislation.

14.3 In any of the circumstances in these Conditions in which the Customer may terminate the Contract,

where both Goods and Services are supplied, the Customer may instead terminate part of the Contract in respect of the Goods, or in respect of the Services, and the Contract shall continue in respect of the remaining supply.

14.4 Termination of the Contract, however arising, shall not affect any of the parties' rights and remedies that have accrued as at termination. Clauses which expressly or by implication survive termination of the Contract shall continue in full force and effect.

15 Consequences of termination

15.1 On termination of the Contract or any part of it for any reason:

15.1.1 where the Services are terminated, the Supplier shall immediately deliver to the Customer all Deliverables, whether or not then complete, and return all Customer Materials. If the Supplier fails to do so, then the Customer may without limiting its other rights or remedies enter the Supplier's premises and take possession of them. Until they have been returned or delivered, the Supplier shall be solely responsible for their safe keeping and will not use them for any purpose not connected with this Contract.

15.1.2 the accrued rights and remedies of the parties as at termination shall not be affected, including the right to claim damages in respect of any breach of the Contract which existed at or before the date of termination; and

15.1.3 clauses which expressly or by implication have effect after termination shall continue in full force and effect.

15.2 Force majeure

Neither party shall be liable to the other as a result of any delay or failure to perform its obligations under the Contract if and to the extent such delay or failure is caused by an event or circumstance which is beyond the reasonable control of that party which by its nature could not have been foreseen by such a party or if it could have been foreseen was unavoidable. If such event or circumstances prevent the Supplier from supplying the Goods and/or Services for more than six weeks, the Customer shall have the right, without limiting its other rights or remedies, to terminate this Contract with immediate effect by giving written notice to the Supplier.

16 Environmental

The Purchaser encourages the Supplier to pay due consideration to environmental issues in the manufacture and distribution of Goods. The Supplier is encouraged to have an environmental policy and follow the requirements of ISO 14001, or similar environmental model.

17 Health and Safety

The Purchaser encourages the Supplier to pay due consideration to occupational health and safety issues in the manufacture and distribution of Goods. The Supplier is encouraged to have a health and safety policy and follow the requirements of OHSAS 18001, or similar occupational health and safety model.

18 Other Obligations of the Seller

18.1 The Supplier shall notify the Purchaser of all changes in product or process definition in relation to any Goods ordered by the Purchaser from time to time and obtain approval of any such changes from the Purchaser's quality assurance department before an Order for those changed Goods is made by the Purchaser

18.2 The Supplier may only use a sub-tier supplier to supply Goods to the Purchaser with the agreement in writing of the Purchaser's Quality Assurance department

19 Assignment and subcontracting

19.1 The Customer 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.

19.2 The Supplier may not assign, transfer, charge, subcontract, or deal in any other manner with any or all of its rights or obligations under the Contract without the Customer's prior written consent.

20 Notices

20.1 Any notice given to a party under or in connection with the Contract shall be in writing, addressed to

that party at its registered office (if it is a company) or its principal place of business (in any other case) or such other address as that party may have specified to the other party in writing in accordance with this clause, and shall be delivered personally, or sent by pre-paid first class post, recorded delivery, commercial courier or fax.

20.2 A notice shall be deemed to have been received: if delivered personally, when left at the address referred to in clause 20.1; if sent by pre-paid first class post or recorded delivery, at 9.00 am on the second Business Day after posting; if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed; or, if sent by fax, one Business Day after transmission.

20.3 The provisions of this clause shall not apply to the service of any proceedings or other documents in any legal action.

21 Severance.

21.1 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.

21.2 If any invalid, unenforceable or illegal provision of the Contract would be valid, enforceable, and legal if some part of it were deleted, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable.

22 Waiver

A waiver of any right or remedy under the Contract is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default. No failure or delay by a party to exercise any right or remedy provided under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

23 Third party rights

A person who is not a party to the Contract shall not have any rights under or in connection with it.

24 Variation

Except as set out in these Conditions, any variation to the Contract, including the introduction of any additional terms and conditions, shall only be binding when agreed in writing and signed by the Customer.

25 Governing law and jurisdiction

The Contract, 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

Section 2 - Terms and Conditions of Purchase – Product Related Orders

All products released shall be verified as conforming prior to release. Any identified deviation shall prevent the product from being shipped, until such time a formal concession has been secured. Any such concession, shall be quoted on the applicable release certificate. The associated concession, must be included with the CoC.

Where a Concession request has been denied, the supplier shall be liable for the material cost. In some cases, concessions that require End Customer assessment, may be subject to additional concession fees, invoked by the End Customer.

Unless otherwise authorised, products shall be certified against a nationally recognised Management System Standard (i.e., ISO 9001, AS/EN 9100 etc.), and shall comply with the associated scope of certification granted. In the event that

the supplier's scope does not adequately cover the services provided, the supplier shall notify Beagle Aircraft. In such an event, a supplier Audit may be conducted and /of Quality Plan invoked to bridge any differences.

Supplier shall ensure that personnel involved with Product Related Orders, are competent on the basis of training, education and/or experience.

The supplier shall monitor and measure On Time Delivery and Product Conformity and shall ensure they have the ability to provide the service, prior to accepting the contract/PO.

In the event that the supplier fails below the expected performance levels, a formal Supplier Corrective Action Request (SCAR) may be issued. It should be noted, that failed levels of performance can result in the cancelation of orders and removal of approved supplier status.

The supplier shall notify the customer, in the event that they identify any possibility (or certainty) that either a delay and/or nonconformity *exists*.

ANY product that has special requirements, critical items, key characteristics or similar, shall invoke the need for a control plan to be created and submitted for approval, prior to manufacture. Where statistical techniques are used, capability shall exceed 1.33 Cpk. Failure to achieve a minimum of 1.33 Cpk, shall invoke the need to complete 200% inspection (on each associated feature). Such inspection shall be stated on the CoC and form part of the release.

The supplier shall not subcontract any part of the contract without notifying and gaining customer approval.

Where applicable, the supplier shall only use customer-designated or approved external providers, including process sources (e.g., special processes);

The supplier shall only use OEM Approved Manufacturers and/or OEM Approved Distributors.

The supplier shall verify the materials used and where critical items have been identified, conduct additional verification testing to confirm the accuracy of incoming certification.

In addition, the supplier shall ensure that relevant personnel, involved with the service, are appropriately trained in counterfeit part avoidance.

In the event that a Counterfeit item (Part, Material, etc.) has been identified, the supplier shall contain and control the counterfeit part, until physically rendered unusable (Preventing re-entry into the supply chain). The supplier shall also notify the customer of the event and include full details of the items(s) and associated supplier(s).

The supplier shall notify the customer of any changes to processes, products, or services, including changes of the external providers or location of manufacture, and obtain the organization's approval prior to continuation. The supplier shall also notify the customer of any changes in Key Personnel (i.e., Owners, Management Team, Quality Lead etc.).

Any permitted supplier subcontract activities, shall invoke the need to flow down to all requirements contained within section 2 of this document and those requirements captured on the associated contract/PO.

Documented information, shall be controlled and safeguarded to prevent changes and/or degradation, and shall be retained for a minimum of 10 Years, unless otherwise specified in the Contract/PO. NOTE: Documented information, shall not be disposed of, without first offering the data to the Customer.

The customer reserves the right of access by the organization, their customer, and regulatory authorities to all applicable areas of the suppliers facilities and to applicable documented information, at any level of the supply chain for the purposes of investigation and/or audit.

In addition, the supplier shall ensuring that personnel, associated with the provision of products, processes and services are aware of their contribution to product or service conformity and their contribution to product safety.