

PENNY & GILES CONTROLS LIMITED STANDARD CONDITIONS OF PURCHASE

1. Definitions

In these Conditions the following expressions shall have the following meanings:

"Company" means Penny and Giles Controls Limited.

"Company's Group" means the Company, any holding company for the time being of the Company and any subsidiary for the time being of the Company or of any such holding company.

The words "subsidiary" and "holding company" shall have the same meanings in this Contract as their definitions in Section 736 of the Companies Act 1985 as amended by the Companies Act 1989.

"Conditions" means the standard terms and conditions making up the Contract and includes any special terms and conditions agreed in writing between the Company and the Seller.

"Contract" means any contract resulting from this Order between the Company and the Seller for the purchase of the Goods upon the terms and conditions set out in these Conditions.

"Current Specifications" includes all written statements by the Seller or its representatives including without limitation statements appearing in the Seller's marketing literature, packaging, operating instructions and technical specifications, and relating to the Goods including without limitation their storage, installation, suggested use, operation and maintenance. All such statements are accepted by the Company in good faith as to their accuracy at the date appearing on the Contract.

"Goods" means the goods (including without limitation (i) any instalment of the goods or (ii) some or all of the goods, and in the case of an instalment some or all of the goods in that instalment) to be supplied to the Company under the Contract as described on the face of the Company's Order and shall be deemed to include any service(s).

"Order" means an order for Goods placed by the Company on its official order form to which these Conditions are annexed.

"Price" means the price paid for the Goods under this Contract.

"Seller" means the person, firm or Company identified on the face of the Order.

"Seller's Group" means the Seller, any holding company for the time being of the Seller and any subsidiary for the time being of the Seller or of any such holding company.

2. Incorporation

2.1. Incorporation.

a) The Order contains the only terms on which the Company is willing to acquire Goods from the Seller and they alone shall govern the Contract and unless stated otherwise all other written, printed or standard terms are hereby excluded.

b) Any written acceptance of the Order (unless clearly stated on its face to be a counter offer) or delivery of the Goods shall constitute an unconditional acceptance of these Conditions notwithstanding any conflicting conditions that may be endorsed on the Seller's acceptance.

2.2. Variation.

No variation to these Conditions or the Company's Order however made (whether by representation, arrangements, understandings, agreements or otherwise) shall be binding on the Company unless such variation is in writing and signed on behalf of the Company by a duly authorised representative.

3. Confidentiality

The Order and the Contract and the subject matter thereof and any samples supplied by the Company and all specifications, plans, drawings, designs or other information supplied by the Company and relating in any way to the Company's business, processes, research or property shall be treated as and kept confidential by the Seller and the Seller shall not disclose any of them or any details concerning them for any purpose whatsoever (including advertisements, display or publication) without the prior consent in writing from an officer of the Company nor shall the Seller use any of them except for the purpose of performing the Contract.

4. Government Contract Conditions

Where it is indicated on the face of the Order that the Order is for the requirements of HM Government the Seller will be deemed to accept and shall give effect to all rights of the contracting Government Department and others conferred by or arising out of the contract with such Government Department for those requirements ("the Main Contract"), and in the performance of the Contract, the Seller will comply with all obligations and restrictions imposed by the Main Contract upon the person who is the contractor under the Main Contract except in so far as they are inconsistent with the Contract.

5. Price and Payment

- 5.1. The price of the Goods shall be that stated on the face of the Order and shall not be subject to any variation (whether on account of increased material, labour or transport costs, fluctuations in the rates of exchange or otherwise) without the prior written consent of the Company.
- 5.2. Where the supply of the Goods is subject to the addition of Value Added Tax (or any other tax or duty now or hereafter imposed other than a tax on the income of the Seller) the amount required to be charged shall be identified as a separate item of account, failing which the price shall be deemed to include that amount. Upon request by the Company the Seller will produce to the Company satisfactory evidence of the amount due.
- 5.3. Unless otherwise agreed in writing by the Company the price shall include all charges for secure and proper packaging and packing acceptable to the Company and all transportation, insurance costs and delivery to the address specified on the face of the Order.
- 5.4. Unless otherwise agreed in writing by the Company, the Seller shall not invoice the Company until performance of the Contract has been completed.
- 5.5. Unless otherwise agreed in writing by the Company, payment will be made sixty (60) days from when a correctly rendered invoice is received PROVIDED THAT Company has accepted the Goods which are the subject of the invoice..
- 5.6. All payments shall be made without prejudice to the Company's right to reject the goods, claim reimbursement or damages if goods, material or service are not of satisfactory quality or are not in accordance with the Company's orders or instructions.
- 5.7. The Company reserves the right to set off any sums in respect of which the Seller may be indebted or in default to the Company, whether or not in connection with the supply of the Goods, against any amount now or hereafter owing by the Company to the Seller.
- 5.8. The Company reserves the right to withhold any amount now or hereafter owing by the Company to the Seller where any company being a Seller's Group company is indebted or in default to the Company or to any Company's Group company in respect of any sums and is in liquidation or is the subject of any insolvency proceedings. The Company will not exercise its right under this clause where it, at its sole discretion, acknowledges such sums to be the subject of a genuine dispute between the Company or the Company's Group company and the relevant Seller's Group company, other than a dispute relating solely to payment.

6. Specifications

- 6.1. Any specifications, plans, drawings, patterns, or designs supplied by the Company to the Seller shall remain the property of the Company, and any information derived therefrom or otherwise communicated to the Seller shall not, without the written consent of the Company, be published or disclosed to any third party, or made use of by the Seller except for the purposes of the Contract.
- 6.2. The Seller shall indemnify the Company against all damages, penalties, losses, costs and expenses and liabilities of whatever nature suffered by the Company arising out of or in connection with the supply by the Seller of any incorrect or insufficient specifications, information or other items whatsoever.
- 6.3. The Seller shall conform to any applicable statutory or EC requirements in the manufacture and supply of the Goods.

7. Delivery

- 7.1. The Company reserves the right both for itself and its nominees to inspect progress of work under the Contract during normal business hours and the Seller will grant and obtain access for these purposes.
- 7.2. Upon request the Seller will provide the Company with information relating to progress in completing the Order in a form and at a frequency acceptable to the Company.
- 7.3. The Goods shall be delivered to the place and on the date specified on the Order unless agreed otherwise in writing by the Company, time being of the essence.
- 7.4. Failure to deliver the Goods as specified in paragraph 6.1 above shall entitle the Company:
 - a) to return to the Seller at the Seller 's risk and expense any Goods already delivered and to recover from the Seller any money paid by the Company in respect of such Goods and in respect of any work or services already completed.
 - b) to terminate the Contract without compensation to the Seller. In the event of such termination, the Company shall be entitled to recover from the Seller any direct or consequential loss including (but not limited to) any additional expenditure incurred by the Company in obtaining other goods, work or services in replacement of those in respect of the Contract which has been incurred as a result of failure to deliver the Goods in accordance with paragraph 6.1 above.
- 7.5. The Company may at any time or times by notice in writing to the Seller postpone the date(s) for delivery of any Goods without thereby incurring any liability and the Seller will 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 Company.

- 7.6. If the Seller delivers quantities in excess of the quantity due the Company will have the right to accept at a reduced price or reject the quantity in excess of that due.
- 7.7. The Company shall not be obliged to accept delivery of any Goods prior to the delivery date and if the Company shall do so:
 - a) the Company shall be entitled to charge storage to the Seller; and
 - b) the date for payment shall be calculated according to the due delivery date.
- 7.8. Unless agreed in writing by the Company, all goods supplied are to be delivered by the Seller carriage paid to the address specified in the order.

8. Packing

- 8.1. All Goods shall be delivered suitably packaged to the destination specified on the face of the Order. All packages must be clearly identified with the Order number.
- 8.2. The Seller will not charge the Company additional costs for pallets, containers or packaging and the Company shall not be responsible for storage or return of such items.

9. Advice Notes

- 9.1. Where the point of delivery is other than the Company's factory a complete copy of all despatch documents will be sent by the Seller to the Company on the day of despatch. If UK import duty is chargeable on any Goods, the Seller will notify the Company in sufficient time for Customs arrangements to be made such that import of items required for re-export may be made duty free.
- 9.2. Packing lists, release notes and certificates of conformity will accompany delivery of the Goods where appropriate and except for packing lists separate documents must be included for each Order number with each consignment of Goods, stating clearly the description, quantity, weights, serial number, part number, specification and orders numbers together with the issue numbers applicable to the manufacturing standard of the Goods, (the specification referred to being the technical requirements as stated in the Order).

10. Documentation Requirements

Such of the following conditions as are specified on the face of the Order will apply to the Contract:

- 10.1. The Order is subject to compliance with the requirements of Manual QC1, Quality Control Procedural Requirements for Suppliers.

A Certificate of Conformity maybe required if:

- 10.2. This order is in aid of an MOD Contract and may be subject to Quality Assurance activity at your works by the MOD QAR who will advise accordingly.
- 10.3. Purchases in aid of the order/items shall be in accordance with the requirements of MOD (P.E.) DEF STAN 05-61 Part 3.
- 10.4. This Order is subject to compliance with the requirements of Manual QC1, Quality Control Procedural Requirements for Suppliers.

A CAA approved certificate from your organisation maybe required if:

- 10.5. This Order is subject to compliance with the requirements of Manual QC1, Quality Control Procedural Requirements for Suppliers.

11. Risk

- 11.1. The risk of any loss or damage to the Goods or otherwise associated with ownership of the Goods shall pass to the Company upon completion of delivery thereof in accordance with the provisions of this Contract.
- 11.2. Where the Company is responsible for arranging insurance of the Goods during transit, the Seller shall give the Company adequate and timely notice of all matters which the Company requires in order to effect such insurance and shall indemnify the Company against any loss suffered by the Company by reason of any failure to do so.
- 11.3. Title to the Goods shall pass to the Company upon delivery of the Goods provided that such delivery is in accordance with paragraph 6 unless payment for the Goods is made prior to delivery, when title will pass to the Company once payment has been made and the Goods have been appropriated to the Contract.

12. Title

Title to the Goods shall pass to the Company upon delivery of the Goods provided that such delivery is in accordance with paragraph 6, unless payment for the Goods is made prior to delivery, when title shall pass to the Company once payment has been made and the Goods have been appropriated to the contract.

13. Acceptance and Rejection

- 13.1. Without prejudice to any other remedy, if any Goods are not supplied in accordance with the Contract or are supplied in breach of paragraphs 16, 20 or 29, the Company will regardless of the nature and extent of the Seller's breach, at its option, be entitled, notwithstanding any acceptance of the Goods by the Company:

- a) to reject the Goods, to require the Seller to repair the Goods or to supply replacement Goods in accordance with the Contract within 7 days; or
 - b) at the Company's sole option, and whether or not the Company has previously required the Seller to repair the Goods or to supply any replacement Goods, to treat the contract as discharged by the Seller's breach and require the repayment of any part of the price which has been paid.
- 13.2. The Seller shall indemnify the Company in full against all liability, loss, damages, costs and expenses (including legal expenses) awarded against or incurred or paid by the Company as a result of or in connection with any liability under the Consumer Protection 1987 ("the Act") in respect of the goods including where that liability results from a defect (as defined in the Act) in one or more of the Goods which form a component part of the products of the Company.
- 13.3. The Seller shall indemnify the Company in full against all liability, loss, damages, costs and expenses (including legal expenses) awarded against or incurred or paid by the Company as a result of or in connection with any breach of warranty given by the Seller in relation to the Goods.
- 13.4. The Seller shall at all times during the continuance of the Contract and thereafter maintain product liability insurance in an amount of not less than £1,000,000 (One Million pounds Sterling) or its equivalent in terms satisfactory to the Company and shall from time to time at the request of the Company furnish to the Company a copy of the policy and evidence of payment of the premium therefore. A lesser sum may be agreed in writing between the Seller and Company.
14. Invoices
- 14.1. Unless otherwise agreed in writing by the Company, the Seller will not invoice the Company until performance of the Contract has been completed.
- 14.2. Invoices must state clearly the Order number and Order line item number, applicable serial, part, drawing, release and advice note numbers, descriptions, quantities and weights, VAT and Seller's VAT registration number.
- 14.3. Invoices which do not agree with this Order in terms of price, quantity or weights or where no proof of delivery can be found, will be returned to the Seller. Re-submitted invoices will be treated as new invoices in regard to payment.
- 14.4. A monthly statement of account is to be sent to the Company embodying all invoices.
- 14.5. All payments will be made without prejudice to the Company's right to reject the goods, claim reimbursement or damages if Goods prove unsatisfactory or are not in accordance with the Company's orders or instructions.
- 14.6. The Company reserves the right to set off any sums in respect of which the Seller may be indebted or in default to the Company, whether or not in connection with the supply of the goods, against any amount now or hereafter owing by the Company to the Seller.
15. Cancellation
- 15.1. The Company shall be entitled to cancel the Order in respect of all or part only of the Goods by giving notice to the Seller at any time prior to delivery or performance, in which event the Company's sole liability shall be to pay the Seller the price for the Goods in respect of which the Company has exercised his right of cancellation, less the Seller's net saving of cost arising from cancellation.
- 15.2. Upon receipt of a cancellation Notice the Seller will forthwith except as may otherwise be directed by the Company:
- a) stop work on the undelivered Goods and ensure that no further steps are taken to produce the undelivered Goods; and
 - b) use its best endeavours to mitigate any loss it may have incurred as a result of cancellation.
- 15.3. No such termination will affect or alter the Contract with respect to any Goods or materials which are not the subject of the termination.
16. Free Issue Material, Articles on Loan
- 16.1. Where Goods are manufactured from material supplied by the Company, unless agreed otherwise, replacements for any spoiled or lost material will be ordered from the Company at the Seller's liability and expense. If the Seller for whatever reason scraps material or components supplied free issue by the Company the Seller shall be responsible for all costs incurred by the Company including but not limited to material cost and added value.
- 16.2. Any specifications, plans, drawings, patterns, or designs supplied by the Company to the Seller will remain the property of the Company and will be returned to the Company on demand.
- 16.3. Where the Contract price includes the cost of making or purchasing tooling and/or inspection equipment, these become the property of the Company on completion of the Contract or earlier termination and will be held in safe custody properly identified and maintained until disposal instructions are issued by the Company and will only be used by the Seller in connection with the Contract and other contracts from the Company. The Seller will provide copies of drawings of such articles to the Company on request and at no extra charge.

17. Contractors Working on Site

Regulations for Contractors Working on Site, Issue 1, and Contract Personnel Working on Site, Issue 1, each as amended from time-to-time apply to this Order, copies of which are available on request.

18. Force Majeure

18.1. The Seller shall not be in breach of this Contract by reason of any delay in the performance of its obligations provided that:

- a) Such non-performance results from events or circumstances outside the Seller's control (including, but without limitation, Acts of God, war, riot, industrial action, whether involving employees of the Company or a third party, measures of any kind of a governmental or inter-governmental authority, and defaults by other Sellers or sub-contractors);
- b) The Seller promptly notifies the Company in writing of the reasons for the delay and the likely duration of the delay;
- c) Any costs arising from any delay shall be borne by the Seller.

18.2. Notwithstanding paragraph 14.1 above the Seller shall use its best endeavours to perform its obligations as soon as possible.

18.3. Where more than one delivery is to be made against the Order, deliveries not cancelled will be resumed as soon as the circumstances causing the delay cease, but, except where both parties otherwise agree, the period during which deliveries are to be made will not be extended.

18.4. Either party may, if such delay continues for more than 4 weeks, terminate this Contract insofar as it concerns any goods that have not been delivered to the Company by serving written notice to that effect upon the other party without any liability to the other party in respect of that termination. If the Contract is terminated, the Company shall be entitled to retain such part of the price as is attributable to the performance of the contract prior to such termination.

19. Limitation of Liability

19.1. The Seller shall indemnify the Company in full against all liability, loss, damages, costs and expenses (including legal expenses) incurred or paid by the Company as a result of or in connection with any breach by Seller of any term or provision of this Contract, including but not limited to late delivery or the delivery of defective Goods or Goods that otherwise do not conform to the requirements or specifications of the Contract.

20. Warranties

20.1. The Seller warrants to the Company that the Goods:

- a) will be of satisfactory quality and fit for any purpose held out by the Seller or made known to the Seller in writing at the time the Order is placed;
- b) will comply in all respects with the description contained in the Order, any specification supplied by the Company to the Seller, any sample supplied by the Seller to the Company and/or any description or specification agreed in writing by the Company;
- c) will be free from all defects (including minor defects however slight) in design, material and workmanship;
- d) will comply with all statutory requirements and regulations relating to the sale of the Goods; and

20.2. Without prejudice to any other remedy, if any Goods are not supplied in accordance with the contract, the Company shall, regardless of the nature and extent of the Seller's breach, at its option, be entitled, notwithstanding any acceptance of the Goods by the Company:

- a) to reject the Goods, to require the Seller to repair the Goods or to supply replacement Goods in accordance with the Contract within 7 days; or
- b) at the Company's sole option, and whether or not the Company has previously required the Seller to repair the Goods or to supply any replacement Goods, to treat the Contract as discharged by the Seller's breach and require the repayment of any part of the price which has been paid.

21. Intellectual Property

21.1. Any copyright, trademark, trade secret, software, data, idea, concept, process, formula, invention, system, report or other intellectual property resulting from any Seller work performed for the Order, will be the sole property of Buyer. Seller agrees to assign and hereby assigns to Buyer any interest Seller may have in such intellectual property right or invention(s) conceived by Seller or reduced to practice by Seller.

21.2. The Seller shall indemnify the Company in full against all liability, loss, damages, costs, and expenses (including legal expenses) awarded against or incurred or paid by the Company as a result of or in connection with any claim that the Goods infringe, or their importation, use or resale, infringes, the patent, copyright, design right, trade mark or other intellectual property rights of any other person, except to the extent that the claim arises from compliance with any specifications supplied by the Company.

22. Assignment

- 22.1. The Company may perform any of its obligations or exercise any of its rights hereunder by itself or through any other company, provided that any act or omission of any such other company shall be deemed to be an act or omission of the Company.
- 22.2. This Contract is personal to the Seller and the Seller shall not assign or transfer or purport to assign or transfer to any other person any of its rights or sub-contract or delegate any of its obligations under the Contract without the prior written consent of the Company.

23. Variations

- 23.1. The Company shall have the right to vary the Contract at any time or times by notice in writing to the Seller (including any variation(s) in design and/or specification). If such variation involves an increase or decrease in the total quantity of Goods ordered or in the work to be performed by the Seller or in cost or performance, a fair and reasonable adjustment shall be made to the price and/or the time(s) for delivery or performance and the Seller shall provide all necessary facilities and information to assist the Company in agreeing such adjustment(s). No price adjustment shall be made however, in the event of a rescheduled Order, where the total number of Goods ordered remains the same. If the Seller wishes to make any claim for adjustment under this Condition he shall deliver the same in writing to the Company within 14 days after the date on which the notice is received.
- 23.2. No variations or amendments proposed by the Seller shall be binding upon the Company unless agreed by the Company and confirmed by the Company in writing by an officially authorised amendment to the original Contract.

24. Conflict

- 24.1. In the event of any conflict between the Order and these Conditions the Order shall prevail.
- 24.2. In the event of any conflict between the provisions of these Conditions and any special terms or conditions, the latter shall prevail.

25. Other Rights and Obligations

The rights and remedies and the obligation of the Company and the Seller expressed herein are additional to, and are not in substitution for or derogation from, any other rights or remedies available to the Company or any other obligations of the supplier under statute or common or other law or custom.

26. Termination

Without prejudice to any other right or remedy available to the Company, the Company will be entitled to terminate the Contract without liability to the Seller by giving written notice to the Seller if:

- 26.1. the Seller fails to observe or perform any of the provisions of the Contract;
- 26.2. the Seller (being an individual) commits an act of bankruptcy or a receiving order is made against him or (being a company) makes any voluntary arrangements with its creditors (within the meaning of the Insolvency Act 1986), becomes subject to an administration order has a receiver or manager appointed or goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction);
- 26.3. an encumbrancer takes possession, or a receiver is appointed, of any of the property or assets of the Seller;
- 26.4. the Seller ceases, or threatens to cease, to carry on business; or
- 26.5. the Company reasonably believes that any of the events mentioned above is about to occur in relation to the Seller.

27. Governing Law

The construction, interpretation, validity and performance of the Order and the Contract and these Conditions shall be governed by and construed according to the laws of England, and any dispute arising between the parties shall be litigated in the English civil courts. The Seller submits to the exclusive jurisdiction of the English civil courts.

28. Jurisdiction and Arbitration

28.1. Jurisdiction

The parties irrevocably agree that the courts of England shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this contract.

28.2. Arbitration

Any dispute arising under or in connection with this Contract shall, following notice in writing as to the existence of such dispute being given by one party to this Contract to the other, be referred to arbitration in England by a single arbitrator appointed by agreement or (in default of agreement within 30 days of receipt of such notice) nominated on

the application of either party by the President for the time being of the Chartered Institute of Arbitrators, in accordance with the rules of that Institute.

29. Statutory Requirements

- 29.1. The Seller shall comply with the requirements of the Health and Safety at Work Act 1974 and any other relevant legislation (including without limitation those relating to the notification of precautions to be observed in relation to Goods and their handling operation and storage). The Seller will ensure that full details of all such precautions shall accompany each consignment of Goods and that the Company is notified of all restrictions and/or limitations as to the shelf life of Goods immediately after the Contract comes into effect.
- 29.2. Applicable to Plant, Machinery and Equipment, in accordance with current Health and Safety Legislation the following requirements are fulfilled:
- a) the machinery satisfies the essential health and safety requirements.
 - b) the appropriate conformity assessment has been conducted.
 - c) the responsible person has issued either a Declaration of Conformity or a Declaration of Incorporation.
 - d) the CE mark has been properly affixed.
 - e) the machinery is safe.
 - f) the manufacturer has carried out research and tests on the machinery and components to ensure that the design and construction is sound.
- 29.3. The Seller shall ensure that hazardous or sensitive substances are clearly marked as such in accordance with Control of Substances Hazardous to Health Regulations 1988 (COSHH) and any subsequent amendment thereof and that any safety precaution data sheets required for their handling are also clearly indicated on packaging and delivered therewith.
- 29.4. The Seller shall ensure that all substances, preparations and articles supplied conform to the EU Regulation (EC N° 1907/2006) on the Registration, Evaluation and Authorisation of Chemicals (REACH) which came into force in June 2007. Ensuring that any substances, preparations or articles that contain any of the substances detailed on the “Candidate List” published by the European Chemical Agency (ECHA), are detailed on the Health and Safety data sheet supplied with the goods, and that the Company is fully informed and agrees to accept these goods.

30. Conflict Minerals Compliance

- 30.1. Seller agrees that it will (1) provide the Company with the information the Company in its sole discretion deems necessary to comply with the requirements of Section 1502 (“the Provision”) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Act”) (Pub. L. 111-203, 124 Stat. 1376 (July 21, 2010)) relating to disclosure and reporting obligations concerning the use of “conflict minerals” during each calendar year on or before February 1st of the next year and (2) undertake due diligence on its supply chain and any other measures as necessary to obtain the information necessary for the Company to comply with such requirements.

31. Ethics and compliance

- 31.1. In connection with its supply of the Goods, Seller has and will comply with all anti-bribery laws, including but not limited to the U.S. Foreign Corrupt Practices Act (the “FCPA”) or any similar law applicable to the location of the supply of the Goods (e.g. the UK Bribery Act), and shall conduct its business operations around the world in a lawful and ethical manner. Seller shall not (a) give, offer, promise, receive, request, agree to receive or approve any payment or thing of value directly or indirectly to or from any private or government-affiliated person in order to obtain or retain business improperly, or gain an improper advantage in the conduct of business in connection with the supply of Goods, or for any other improper business purpose, or (b) fail to maintain its books and records accurately or fail to follow its internal accounting controls.
- 31.2. Seller acknowledges that:
- 31.2.1. Curtiss-Wright Corporation has posted a copy of Curtiss-Wright Corporate Policy No. 1, “Code of Conduct” on the world wide web at: <http://www.curtisswright.com/investors/corporate-governance/code-of-conduct/default.aspx> ;
 - 31.2.2. Seller has reviewed a copy of the policy; and
 - 31.2.3. Seller agrees to comply with the provisions of the policy.