

SHANICK ENGINEERING LTD PURCHASE TERMS & CONDITIONS

1. DEFINITIONS

1.1 The “BUYER”, means SHANICK ENGINEERING LTD or any other company which is a subsidiary.

1.2 The “VENDOR”, means the person, firm, company to whom the Order for Goods is placed.

1.3 The “GOODS” means the articles or things (including work to be done or services to be supplied} or any of them described in the order.

1.4 The “ORDER” means the order placed by the buyer for the supply of goods or services.

2. PURCHASE ORDERS

2.1 Any contract under which we have agreed to purchase goods shall be on the conditions contained herein unless other conditions are expressly requested by us by means of a written amendment to these conditions and signed by a Director of the Company.

2.2 The vendor shall comply with the Buyers delivery dates set out in the Order and information about the progress against delivery schedule shall be provided by the vendor without delay. Time for delivery shall be of the essence. The Vendor shall be liable for all loss and additional costs (including without limitation machining and labour costs) incurred by the Buyer as a result of late or non- delivery.

2.3 If Goods are delivered before the date specified in the Order, the Buyer shall be entitled at its discretion to refuse to take delivery or to charge for insurance and storage of the Goods until the contractual delivery date.

2.4 Delivery shall be completed when the Goods have been unloaded by the vendor at the point of the delivery specified in the Order and the delivery has been signed for by a duly authorised agent or employee of the Buyer. The Buyer shall not be treated as having accepted the Goods until it has had a reasonable time to inspect them following delivery or until any latent defect has become apparent.

2.5 Risk in the Goods shall pass to the Buyer upon acceptance of the Goods by the Buyer and title shall pass upon the earlier of delivery or any payment being made for them by the Buyer.

2.6 The Buyer reserves the right to inspect and/or test the Goods or any material at the Vendors or Sub-Contractors premises and the Vendor shall grant or procure access to relevant premises for this purpose. Any such inspection and/or test shall not relieve the Vendor from any responsibility, liability or warranty nor shall it imply acceptance or approval of the Goods. The vendor shall comply with all the relevant inspection requirements set out in the Order.

2.7. The Buyer will reserve the right to conduct surveillance visits to any of the Vendors at any level of the supply chain to confirm that the Vendors quality systems meet that of The Buyer's requirements as well as any quality standards requirements applicable to (ISO/AS/Customer standards) latest revisions. Entry shall provide access to quality systems documentation and quality records as well as the ability to conduct audits and verify product and processes.

Note: Attendees of such surveillance visits may include the SHANICK, Regulatory bodies, or a representative of SHANIC, or Customer representative.

2.8 The Vendor is to retain all records associated with the purchase for the life of the aircraft plus 40 years.

2.9 The Vendor acknowledges that forecast requirements are non-binding and subject to change. Buyer may request additional Order cover outside the normal lead times. The Vendor shall use best endeavours to meet these requirements without additional cost to the buyer.

2.10 Advice notes must accompany all deliveries and should state the Vendors Part Number, Order Number, full description of the Goods and quantity delivered.

2.11 Unless agreed by the Buyer in writing all prices are fixed inclusive of delivery, VAT and any other applicable duties and are not subject to escalation.

2.12 Payment by the Buyer, unless otherwise agreed in writing, will be made 60 days following the end of the month in which the Goods are delivered upon receipt of a valid and correct invoice.

2.13 The vendor will take out insurance cover for the Goods against all risks until Goods are accepted by the Buyer.

2.14 Any amendments to the Order shall be made by agreement evidenced in writing. The Vendor shall advise the Buyer immediately is such amendments either prevent the specified delivery date(s) being met or have any other significant implication regarding the Vendors obligations to the Buyer.

2.15 The parties agree that these conditions and any contract shall be construed under English law and the parties agree to submit to the exclusive jurisdiction of the English Courts in relation to any matter or dispute.

2.16 Product Safety and Conformity

The Vendor is expected to develop, Implement, and maintain effective policies and training programs to ensure their employees are aware of their relevant contribution to the quality, safety and conformity of their products and or services the Vendor will ensure that the material will be free of foreign object debris.

2.17 Counterfeit Parts.

The vendor is expected to develop, implement and maintain effective methods and processes appropriate to their products to minimise the risk of introducing counterfeit product. In addition, the vendor shall provide notification to recipients of counterfeit product when warranted. If suspect or counterfeit product are furnished under this purchase order or are found in any of the product delivered here under, such items will be quarantined and then ultimately destroyed by SHANICK. The vendor shall promptly replace such counterfeit product with product acceptable to SHANICK. The vendor shall be fully liable for all associated costs.

2.18 The vendor is to certify that all materials incorporated into the final product were sourced, processed and manufactured in compliance with the human trafficking and slavery laws of the country or countries in which they operate.

2.19 Flow down of customer requirement Shanick reserves the right to flow down additional requirements to satisfy specific customer and or business requirements that apply

2.20 Inducement & Anti Bribery.

The vendor shall not:

- Induce any employee of the buyer to make any concessions to the supplier in return for any gift, money or other inducement.
- Pay money or give any other benefit to any third party (either directly or indirectly) in connection with the issue of the order.
- Encourage an employee of the buyer to commit any act of dishonesty against the buyer.

2.20 Force Majeure – neither party shall be liable to the other for any delay or failure in performing its obligations under the Contract to the extent that such delay or failure is caused by an event or circumstance that is beyond the reasonable control of that party, and by which its nature could not have been foreseen by such party or, if it could have been foreseen was unavoidable provided that the Supplier shall use all reasonable endeavours to cure any such events or circumstances and resume performance under the Contract.

2.21 Conflict of Materials

SHANICK Engineering require that all applicable suppliers are reminded of their legal obligation to comply with the requirements of the Dodd-Frank "Wall Street Reform and Consumer Protection Act of 2012" ("Dodd-Frank Act 2010") Section 1502 "Conflict materials" rule finalized on August 22nd, 2012. If at any time any breach or potential breach is identified the supplier is to notify SHANICK ENGINEERING immediately.

20.2 Behaviour Policy

SHANICK ENGINEERING request that all suppliers operate and conduct their business activities in an appropriate manner ensuring that all their employees and supply chain act in an ethical and morally acceptable manner, which includes adherence to national & international laws and regulations such as The Modern Slavery Act 2015, which can include child/adult slavery and human trafficking. The Bribery Act 2010, which states it is illegal to offer, promise, give, request, agree, receive or accept bribes and requires your approach to reducing and controlling the risks of bribery plus rules about accepting gifts, hospitality or donations. We also require your staff and supply chain to conduct their roles and responsibilities in an ethical manner, which eliminates any form of bullying, misinterpretation, falsifying and behaviour deemed as detrimental to our business activity

20.3 Notification of change

The Supplier must notify Shanick if the Supplier are (i) found to be non-compliant to Shanick's or Customer's specifications, (ii) Supplier is disapproved by a regulatory body or O.E.M. The Supplier must notify Shanick in writing any non-conforming product before shipment. Shanick reserves the right to (a) Accept the order (b) accept a portion of the order (c) reject the order in its entirety. The Supplier must notify Shanick of any changes to their processes, materials or services including their external providers, locations.