

# SGA TECHNOLOGIES LIMITED & SGA POOLE LIMITED

## CONDITIONS OF PURCHASE

### 1. DEFINITIONS & INTERPRETATION

1.1 The definitions and rules of interpretation in this clause 1 apply to the Purchase Order.

**"SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited"** means SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited and any of its wholly-owned subsidiaries.

**"Confidential Information"** means any and all confidential information, including without limitation any and all technical, financial, commercial or other information or trade secrets, (howsoever recorded, preserved or disclosed) disclosed by the Disclosing Party to the Receiving Party and either identified by a suitable legend or other marking as being confidential (or similar designation) in a prominent position or described as being confidential at the time of disclosure or which would reasonably be considered to be confidential having regard to all the circumstances of the disclosure; any information obtained by examination, testing or analysis in any way from such confidential information; and any derivative of any such confidential information provided that Confidential Information shall not include any information which the Receiving Party can show through documentary evidence

**"Supplier"** means the supplier on which the Purchase Order is placed.

**"Goods"** means all goods and services to be provided by the supplier to SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited under the Purchase Order.

**"Counterfeit Supplies"** means supplies which have been identified, marked and/or altered by a source other than the supplies' legally authorised source and which have been misrepresented to be an authorised item of the legally authorised source and/or previously used supplies provided as new.

**"Day"** means calendar day unless explicitly stated otherwise.

**"Disclosing Party"** means a Party which discloses any Confidential Information to the Receiving Party.

**"Force Majeure"** means any strikes, lock-outs or other industrial disputes (but only where it involves the workforce of a third party and does not involve a Party or a member of a Party's group of companies or those of the supplier's agents or sub-contractors), natural catastrophic event, war (declared or undeclared), riot, civil commotion, compliance with any law or governmental order, rule, regulation or direction, fire or flood.

**"Purchase Order"** means the purchase order placed by SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited on the supplier in respect of the goods.

**"Receiving Party"** means a Party which receives any Confidential Information from the Disclosing Party.

**"Written" or "in writing"** means a document signed by both parties or a letter, fax, electronic mail or other means of communications agreed by the parties.

**"Supplier Principles"** the principles outline a set of 'best practice' expectations to clarify what we expect from our suppliers and their supply chains.

### 2. ORDERING PROCEDURE

2.1 No order is valid unless given or confirmed on our special Purchase Order Form. An order acknowledgement must be completed and sent to SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited within 4 days.

2.2 Acceptance of this order implies complete acceptance of the terms and conditions set out herein and in our written order. No alteration or qualification thereof shall become part of the contract unless expressly confirmed by us in writing.

2.3 Where prices are not agreed at the time of the Purchase Order, they shall be agreed prior to commencement of work on the Purchase Order (or as soon as possible thereafter) and they shall then be incorporated in the Purchase Order by amendment before goods are invoiced.

### 3. SUPPLIER'S RESPONSIBILITIES

3.1 The supplier shall provide the goods to SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited in accordance with the Purchase Order.

3.2 The supplier shall:

i) at all times obtain and maintain all necessary licences and consents and comply with all legislation, standards and regulations, including but not limited to, those relating to health, safety and environment, import and export which are relevant to any of the goods;

ii) notify SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited as soon as it becomes aware of any health, safety and environmental hazards or issues which arise in relation to any goods;

iii) notify SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited of any restrictions that apply in respect of EU customs legislation preventing the export, re-export or transfer of the goods by SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited or, if requested by SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited, confirm in writing that no such restrictions apply.

3.3 For the purposes of checking the supplier's compliance with its obligations under the Purchase Order and upon reasonable notice, the Supplier shall provide SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited and/or its representatives with access at any time during normal working hours to the supplier's and its agents' and sub-supplier's premises and permit the inspection of any document, system and/or information



which is being used or made for the purposes of the Purchase Order

#### 4. QUALITY

**4.1** The supplier shall provide the goods subject to SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited quality standards and any additional approval requirements, as stipulated on the Purchase Order and/or drawings and specifications.

**4.2** Any goods or material supplied not conforming to stated quantity, Purchase Order or drawing specifications, will be rejected, and returned to the supplier for replacement at their cost. SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited may render a claim for subsequent losses incurred due to the faulty manufacture.

**4.3** After receiving non-conforming goods, SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited will issue a SCAR (Supplier Corrective Action Request) to the supplier. Following receipt of a SCAR the Supplier shall:

**i)** take immediate containment action. The action shall include an appropriate level of inspection, of all supplier stock or work in progress, which guarantees further non-conforming items are not received;

**ii)** Provide, within 30 days, an investigation into the root cause of the problem and provide corrective action to prevent recurrence. The findings, corrective action and effective date shall be reported to SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited;

**iii)** Repair (if the repair is agreed with SGA), or replace non-conforming parts urgently and/or to an agreed timeframe unless otherwise instructed or agreed with SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited.

**4.4** All (Quality Management System) records held by Suppliers shall be legible and identifiable to the product involved. Records shall be stored and maintained in such a way that they are readily retrievable in facilities that provide a suitable environment to minimise deterioration or damage, and to prevent loss. Records shall be available to SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited for ten years.

**4.5** Documentation and records applicable to SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited shall not be amended with correction fluid.

**4.6** All parts and/or materials shall be clearly traceable back to the original manufacturer of the parts. Where the Supplier has purchased a component or assembly, they shall have a copy of the original producer's Certificate of Conformance.

**4.7** If the supplier has any reason to suspect non-conformance of any delivered product, then the supplier must immediately notify SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited. If a supplier has its accredited certification suspended or removed, the supplier must immediately inform SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited in

writing stating the reason for withdrawal.

**4.8** Upon SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited providing reasonable notice the supplier shall (and procure that its agents and sub-suppliers shall) at no additional cost to SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited or SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited customer:

**i)** allow SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited and persons authorised by SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited (which may include SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited customer) access to the supplier's premises that are being used to carry out work on the goods in order to inspect and audit the facilities, processes and procedures used in the manufacturing and providing the goods;

**ii)** provide adequate data to SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited relating to progress of work on the goods and their quality.

#### 5. DELIVERY

**5.1** All goods must be forwarded carriage paid. We accept no responsibility for damages, losses or delay in transit. The quantities on our order must not be exceeded without our written permission.

**5.2** No additional charges shall be payable by SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited for packaging, insurance or delivery unless otherwise agreed and any such charge shall be separately identified on the invoice.

**5.3** All goods must be properly and securely packed.

**5.4** Failure to deliver by the date specified will render this order liable to cancellation without prior notice.

**5.5.** All relevant information referring to an order must be quoted on delivery note, advice notes and invoices, including without limitation, customs export documents, Certificates of Conformity and, if the supplier is not the original manufacturer of the goods, copies of the original manufacturer's Certificate of Conformity, together with Raw Material Certificates and MSDS, where applicable. Failure to do this will delay payments and result in a supplier SCAR being raised if this causes delay to production.

**5.6** SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited may reject parts if Raw Material Certificates are not available.

#### 6. ACCEPTANCE

**6.1** Where acceptance tests are set out, acceptance of goods delivered shall be subject to completion of the acceptance tests to the satisfaction of SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited.

**6.2** If SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited is not satisfied that the goods are delivered in accordance with the Purchase Order, or not conforming to the stated quantity or drawing specifications, SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited may in its absolute discretion;

**i)** reject them and return to the supplier for replacement, at the supplier's expense and risk;

**ii)** render a claim for subsequent losses incurred due to the faulty manufacture.

**6.3** In exceptional circumstances SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited may consider accepting marginally non-conforming parts under concession. A concession request must be submitted to SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited on an official form not through verbal communication or email.

**i)** Parts which are subject to concession must not be delivered to SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited until the concession is approved by SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited;

**ii)** SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited will request a fully completed SCAR (Supplier Corrective Action Request) report detailing the issues and evidence of preventative action.

## **7. PRICE & PAYMENT**

**7.1** Any price increases after an order has been placed must be agreed in writing. Failure to do this will render the order liable to cancellation without notice.

**7.2** Invoices not received by the 8th day of the month following despatch of goods, will be post-dated one month.

**7.3** Each invoice must be clearly addressed to SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited and sent to us as specified on the Purchase Order, referencing the Purchase Order number with respect to the goods, together with the delivery advice note number and date.

**7.4** Invoices for any deliveries rejected, or partially rejected, due to quality issues, or other, will not be paid until:

**i)** parts are replaced;

**ii)** satisfactory corrective actions and effective dates are reported to SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited;

**iii)** and/or a credit is issued for parts unable to be replaced.

## **8. COMPLIANCE WITH ITAR, EAR AND EXPORT REGULATIONS**

**8.1** The supplier verifies that all parts, components and materials supplied to SGA Technologies Limited and/or SGA

Poole Limited and/or SGA Poole Limited are not subject to the International Traffic in Arms (ITAR) and do not fall under any other export control regulations, including but not limited to, the Export Administration Regulations (EAR) and any other country-specific export controls.

**8.2** If any part, component, or material is subject to export controls under the ITAR, EAR or any other export control regulations, the supplier shall provide SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited with the appropriate export classification numbers (e.g. ECCN) and any relevant licensing requirements prior to shipment.

**8.3** The supplier agrees to promptly notify SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited in writing if any supplied part, component, or material becomes subject to ITAR, EAR, or any other export control regulation after the initial certification, or if there are any changes to the export classification status.

**8.4** SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited reserves the right to terminate any purchase order or agreement with the supplier immediately upon written notice if the supplier is found to be in violation of ITAR, EAR or any other applicable export control regulations.

## **9. FORCE MAJEURE**

**9.1** Neither Party shall be deemed in breach of the Purchase Order or liable to the other for delay in performing its obligations, or failure to perform any such obligations, under the Purchase Order, if the delay or failure results from Force Majeure provided that the affected Party;

**i)** promptly notifies the other Party, in writing, of the known or anticipated event which causes or may cause it;

**ii)** produces reasonable evidence of its occurrence;

**iii)** uses all reasonable endeavours to eliminate or minimise the delay and continues to fulfil its obligations to the extent that they are not affected by the Force Majeure;

**v)** recommences its full performance as soon as is reasonably possible following its cessation; and

**vi)** gives notice of the cessation of any event previously notified to the other Party as likely to result in prevention or delay in execution of the Purchase Order.

**9.2** If a Party is affected by Force Majeure, it will use its reasonable endeavours to mitigate its effect. Neither Party will be entitled to any payment from the other for any costs or expenses incurred as a result of it.

**9.3** If a Force Majeure occurs, SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited reserve the right to cancel or suspend the order in whole, or in part. A fair reasonable price shall be paid for all work in progress at the time of termination. The supplier shall afford SGA Technologies Limited and/or SGA Poole Limited and/or SGA

Poole Limited all necessary facilities for assessing the extent of such work in progress. SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited shall not be liable for any consequential loss or loss of anticipated profits. In the event of such termination all claims must be rendered with two months.

#### **10. FREE ISSUED MATERIAL OR COMPONENTS**

10.1 Material or components supplied by SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited for the execution of this order shall always remain the property of SGA Technologies Limited and/or SGA Poole Limited and/or SGA Poole Limited and any loss or damage, howsoever caused, must be made good by the supplier.

#### **11. CONFIDENTIALITY**

**11.1** The Receiving Parts undertakes

i) only to use or allow to be used, any Confidential Information to the extent reasonably necessary for the purpose of the Purchase Order and not to use any Confidential Information, or allow it to be used, for any requirements, give the Disclosing Party advance notice of the disclosure requirement and will co-operate with the Disclosing Party in seeking to oppose, minimise or obtain confidential treatment of the requested disclosure to the extent reasonably practicable.

#### **12. COUNTERFEIT SUPPLIES**

**12.1** The supplier shall ensure that Counterfeit Supplies are not delivered to SGA Technologies Limited and/or SGA Poole Limited.

**12.2** Counterfeit part prevention processes should consider:

i) training of appropriate persons in the awareness and prevention of counterfeit parts;

ii) application of a parts obsolescence monitoring program;

iii) controls for acquiring externally provided product from original or authorised manufacturers, authorised distributors, or other approved sources;

iv) requirements for assuring traceability of parts and components to their original or authorised manufacturers;

v) verification and test methodologies to detect counterfeit parts;

vi) quarantine and reporting of suspect or detected counterfeit parts.

**12.3** The supplier shall as soon as practicable notify SGA Technologies Limited and/or SGA Poole Limited if the supplier becomes aware or suspects that it has acquired Counterfeit Supplies.

**12.4** In the event that goods delivered under the Purchase Order constitute or include Counterfeit Supplies, the supplier shall, at its expense promptly replace such Counterfeit Supplies with genuine Goods conforming to the requirements of the Purchase Order. Notwithstanding any other provision in the Purchase Order, the supplier shall be liable for all costs relating to the removal and replacement of Counterfeit Supplies, including without limitation SGA Technologies Limited and/or SGA Poole Limited costs of removing Counterfeit Supplies, of reinserting replacement Goods and of any testing necessitated by the reinstallation of Goods after Counterfeit Supplies have been exchanged.

**13.** Except where otherwise specifically agreed in writing by the Company and the supplier, this contract in all respect is to be treated as an English Contract and in conformity with English Law.