

**STANDARD TERMS AND CONDITIONS**

**For**

**Holmes Circuit Design Limited**

**Company Number 03188436**

**V3.1**

**21<sup>st</sup> February 2024**

**P.2 SUPPLY OF GOODS AND SERVICES**

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## **STANDARD TERMS AND CONDITIONS**

### **SUPPLY OF GOODS AND SERVICES**

#### **OF Holmes Circuit Designs Limited "Supplier"**

##### **1 DEFINITIONS**

In this document the following words shall have the following meanings

- 1.1 "Contract" means the contract between the Supplier and the Customer for the sale and purchase of goods and services in accordance with these Terms & Conditions and the terms of any applicable Quotation
- 1.2 "Contract Materials" means the raw materials purchased by the Supplier specifically in connection with the fulfilment of the Contract
- 1.3 "Customer" means the organisation or person who purchases goods and services from the Supplier
- 1.4 "Delivery Date" means the date of delivery specified by the Supplier when the Supplier issues the written acceptance of the Order.
- 1.5 "Excess Contract Materials" means the unused Contract Materials remaining when:
  - (a) the Contract has expired or been terminated for any reason;
  - (b) the Customer notifies the Supplier in writing that there is no further requirement for the product which uses the Contract Materials;
  - (c) the Contract Materials become obsolete due to design changes; or
  - (d) two years have elapsed since the Customer last ordered the product that uses the Contract Materials.
- 1.6 "Intellectual Property Rights" means all patents, registered and unregistered designs, copyright, trademarks, knowhow and all other forms of intellectual property wherever in the world enforceable;
- 1.7 "Order" means the Customer's order for the goods and services, as set out in the Customer's written acceptance of the Supplier's Quotation
- 1.8 "Quotation" means a statement of work, quotation or other similar document describing the goods and services to be provided by the Supplier;
- 1.9 "Supplier" Holmes Circuit Designs Limited (Company No. 03188436) of Unit 6 Such Close, Letchworth, SG6 1JF.

##### **2 GENERAL**

- 2.1 These Terms and Conditions shall apply to the Contract to the exclusion of any other terms that the Customer seeks to impose or incorporate, or which are implied by law, trade custom, practice or course of dealing;
- 2.2 Before the commencement of the services the Supplier shall submit to the Customer a Quotation which shall specify the goods and services to be supplied and the price payable. The Customer shall notify the Supplier immediately if the Customer does not agree with the contents of the Quotation. All Quotations shall be subject to these Terms and Conditions.

2.3 The Order shall only be deemed to be accepted when the Supplier issues a written acceptance of the Order, at which point the Contract shall come into existence.

2.4 The Supplier shall use all reasonable endeavours to complete the services within estimated time frames but time shall not be of the essence in the performance of any services.

#### PRICE AND PAYMENT

3.1 The price for the supply of goods and services are as set out in the Quotation. The Supplier shall invoice the Customer Net 30 days unless otherwise agreed in writing by the Supplier. Invoiced amounts shall be due and payable within net 30 days of receipt of invoice unless alternative payment terms have been agreed in writing by the Supplier.

3.2 The Supplier shall be entitled to charge interest on overdue invoices from the date when payment becomes due from day to day until the date of payment at a rate of 3.00% per annum above the base rate of the Bank of England. In the event that the Customer's procedures require that an invoice be submitted against a purchase order, the Customer shall be responsible for issuing such purchase order before the goods and services are supplied.

3.3 Credit Terms offered will be subject to satisfactory customer credit rating, following standard commercial review of customer credit history and/or customer accounts.

#### 4 SPECIFICATION OF THE GOODS

4.1 All goods shall be required only to conform to the specification in the Quotation. For the avoidance of doubt no description, specification or illustration contained in any product pamphlet or other sales or marketing literature of the Supplier and no representation written or oral, correspondence or statement shall form part of the Contract.

4.2 The Supplier reserves the right to amend the specification of the goods and services in the Quotation if required by any applicable statutory or regulatory requirement, and the Supplier shall notify the Customer in any such event.

#### 5 DELIVERY

The Supplier shall use all reasonable endeavours to deliver the goods by the Delivery Date but time for delivery shall not be of the essence.

5.2 The Supplier shall have no liability for any failure to deliver the goods to the extent that such failure is caused by an event, circumstance or cause beyond the Supplier's reasonable control or due to the Customer's failure to provide the Supplier with adequate delivery instructions or any other instructions that are relevant to the supply of the goods.

5.3 All risk in the goods shall pass to the Customer upon delivery.

5.4 Delivery and packing costs will be charged to the Customer unless agreed to the contrary by the Supplier in writing.

5.5 The Customer must give notice in writing along with photographic evidence to the Supplier within 3 working days of delivery if some or all of the goods have been damaged in transit.

#### 6 TITLE

6.1 Title in the Goods shall not pass to the Customer until the Supplier has been paid in full for the Goods.

## 7 CUSTOMER'S OBLIGATIONS

7.1 To enable the Supplier to perform its obligations under the Contract the Customer shall:

7.1.1 co-operate with the Supplier;

7.1.2 provide the Supplier with any information reasonably required by the Supplier;

7.1.3 obtain all necessary permissions and consents which may be required before the commencement of the services; and

7.1.4 comply with such other requirements as may be set out in the Quotation or otherwise agreed between the parties.

7.2 The Customer shall be liable to compensate the Supplier for any expenses incurred by the Supplier as a result of the Customer's failure to comply with Clause 7.11

7.3 Without prejudice to any other rights to which the Supplier may be entitled, in the event that the Customer unlawfully terminates or cancels the goods and services agreed to in the Quotation, the Customer shall be required to pay to the Supplier as agreed damages and not as a penalty the full amount of any third party costs to which the Supplier has committed and in respect of cancellations on less than five working days' written notice the full amount of the goods and services contracted for as set out in the Quotation, and the Customer agrees this is a genuine pre-estimate of the Supplier's losses in such a case. For the avoidance of doubt, the Customer's failure to comply with any obligations under Clause 7.1 shall be deemed to be a cancellation of the goods and services and subject to the payment of the damages set out in this Clause.

7.4 In the event that the Customer or any third party, not being a sub-contractor of the Supplier, shall omit or commit anything which prevents or delays the Supplier from undertaking or complying with any of its obligations under the Contract, then the Supplier shall notify the Customer as soon as possible and:

7.4.1 the Supplier shall have no liability in respect of any delay to the completion of any project;

7.4.2 if applicable, the timetable for the project will be modified accordingly;

7.4.3 the Supplier shall notify the Customer at the same time if it intends to make any claim for additional costs.

7.5 The Customer shall not:

7.5.1 use, incorporate, re-export or otherwise re-sell or transfer any goods supplied by the Supplier for any purpose connected with chemical, biological or nuclear weapons, or missiles capable of delivering such weapons whether it is known or suspected that they are intended or likely to be used for such purposes;

7.5.2 re-export or otherwise re-sell or transfer any goods supplied by the Supplier to a destination subject to UN, EU, UK, OSCE embargo where that act would be in breach of the terms of that embargo; or

7.5.3 use, or allow to be used, any goods supplied by the Supplier or any replica of them in any nuclear explosive activity or unsafeguarded nuclear fuel cycle.

## 8 ALTERATIONS TO THE QUOTATION

8.1 The parties may at any time mutually agree upon and execute new Quotations. Any alterations in the scope of goods and/or services to be provided under the Contract shall be set out in the Quotation, which shall reflect the changed goods and/or services and price and any other terms agreed between the parties.

8.2 The Customer may at any time request alterations to the Quotation by notice in writing to the Supplier. On receipt of the request for alterations the Supplier shall, within 5 working days or such other period as may be agreed between the parties, advise the Customer by notice in writing of the effect of such alterations, if any, on the price and any other terms already agreed between the parties. Where the Supplier gives written notice to the Customer agreeing to perform any alterations on terms different to those already agreed between the parties, the Customer shall, within 5 working days of receipt of such notice or such other period as may be agreed between the parties, advise the Supplier by notice in writing whether or not it wishes the alterations to proceed.

8.3 Where the Supplier gives written notice to the Customer agreeing to perform alterations on terms different to those already agreed between the parties, and the Customer confirms in writing that it wishes the alterations to proceed on those terms, the Quotation shall be amended to reflect such alterations and thereafter the Supplier shall perform the Contract upon the basis of such amended terms.

## 9 WARRANTY

9.1 The Supplier warrants that as from the date of delivery for a period of 12 months the goods and all their component parts, where applicable, are free from any defects in design (if the design has been carried out by the Supplier), workmanship, construction or materials excluding free issue materials. Pre-Purchased materials: All pre-purchased materials are covered under a warranty for a period of six (6) months from the date of purchase. This warranty covers defects in materials and workmanship under normal use. Where materials are purchased from non-authorized suppliers or under concession, individual warranty periods will apply.

9.2 Where tested goods are supplied the Supplier warrants that the goods shall pass the agreed test procedures and that the specified materials have been used and assembled in accordance with the accepted industry standards and practices.

9.3 Where the goods are supplied untested the Supplier warrants that the specified materials have been used and assembled in accordance with the accepted industry standards and practices.

9.4 The Supplier warrants that the services performed under the Contract shall be performed using reasonable skill and care, and of a quality conforming to generally accepted industry standards and practices.

9.5 Subject to Clause 9.6, if:

9.5.1 the Customer gives notice in writing to the Supplier within a reasonable time of discovery that some or all of the goods do not comply with the warranty set out in Clause 9.1;

9.5.2 the Supplier is given a reasonable opportunity of examining such goods; and

9.5.3 the Customer (if asked to do so by the Supplier) returns such goods to the Supplier's place of business at the Customer's cost,

the Supplier shall, at its option, repair or replace the defective goods, or refund the price of the defective goods in full.

9.6 The Supplier shall not be liable for the goods' failure to comply with the warranty set out in Clause 9.1 if:

- (a) the Customer incorporates such goods into their own products after delivery;
- (b) the defect arises because the Customer failed to follow the Supplier's oral or written instructions as to the storage, commissioning, installation, use and maintenance of the Goods or (if there are none) good trade practice regarding the same;
- (c) the Customer alters or repairs such goods without the written consent of the Supplier;
- (d) the defect arises as a result of fair wear and tear, wilful damage, negligence, or abnormal storage or working conditions; or
- (e) the Goods differ from their description in the specification as a result of changes made to ensure they comply with applicable statutory or regulatory requirements.

9.7 Except as expressly stated in these Terms and Conditions, all warranties whether express or implied, by operation of law or otherwise, are hereby excluded in relation to the goods and services to be provided by the Supplier.

9.8 Except as provided in this Clause 9, the Supplier shall have no liability to the Customer in respect of the goods' failure to comply with the warranty set out in Clause 9.1.

9.9 These Terms and Conditions shall apply to any repaired or replacement goods and any Excess Contract Materials supplied by the Supplier.

## 10 INDEMNIFICATION

The Customer shall indemnify the Supplier against all claims, costs and expenses which the Rev 5 Standard Terms and conditions Supplier may incur and which arise, directly or indirectly, from the Customer's breach of any of its obligations under the Contract, including any claims brought against the Supplier alleging that any goods and/or services provided by the Supplier in accordance with the Quotation infringes a patent, copyright or trade secret or other similar right of a third party.

## 11 LIMITATION OF LIABILITY

11.1 Except in respect of death or personal injury due to negligence for which no limit applies, the entire liability of the Supplier to the Customer in respect of any claim whatsoever or breach of the Contract, whether or not arising out of negligence, shall be limited to the price paid by the Customer to which the claim relates.

11.2 In no event shall the Supplier be liable to the Customer for any loss of business, loss of opportunity or loss of profits or for any other indirect or consequential loss or damage whatsoever. This shall apply even where such a loss was reasonably foreseeable or the Supplier had been made aware of the possibility of the Customer incurring such a loss.

11.3 Nothing in these Terms and Conditions shall exclude or limit the Supplier's liability for death or personal injury resulting from the Supplier's negligence or that of its employees, agents or subcontractors.

## 12 TERMINATION

Either party may terminate the Contract forthwith by notice in writing to the other if:

12.1 the other party commits a material breach of the Contract and in the case of a breach capable of being remedied, fails to remedy it within 30 calendar days of being given written notice from the other party to do so

12.2 the other party commits a material breach of the Contract which cannot be remedied under any circumstances

12.3 the other party passes a resolution for winding up (other than for the purpose of solvent amalgamation or reconstruction), or a court of competent jurisdiction makes an order to that effect

12.4 the other party ceases to carry on its business or substantially the whole of its business; or

12.5 the other party is declared insolvent, or convenes a meeting of or makes or proposes to make any arrangement or composition with its creditors; or a liquidator, receiver, administrative receiver, manager, trustee or similar officer is appointed over any of its assets.

### 13 INTELLECTUAL PROPERTY RIGHTS

All Intellectual Property Rights produced from or arising as a result of the performance of the Contract shall, so far as not already vested, become the absolute property of the Supplier, and the Customer shall do all that is reasonably necessary to ensure that such rights vest in the Supplier by the execution of appropriate instruments or the making of agreements with third parties.

14 FORCE MAJEURE Neither party shall be liable for any delay or failure to perform any of its obligations if the delay or failure results from events or circumstances outside its reasonable control, including but not limited to acts of God, strikes, lock outs, accidents, war, fire, the act or omission of government, highway authorities or any telecommunications carrier, operator or administration or other competent authority, or the delay or failure in manufacture, production, or supply by third parties of equipment or services, and the party shall be entitled to a reasonable extension of its obligations after notifying the other party of the nature and extent of such events.

### 15 INDEPENDENT CONTRACTORS

The Supplier and the Customer are contractors independent of each other, and neither has the authority to bind the other to any third party or act in any way as the representative of the other, unless otherwise expressly agreed to in writing by both parties. The Supplier may, in addition to its own employees, engage sub-contractors to provide all or part of the services being provided to the Customer and such engagement shall not relieve the Supplier of its obligations under the Contract or any applicable Quotation.

### 16 SPECIALS AND FREE ISSUE MATERIALS

16.1 The Supplier does not guarantee the suitability of materials or the design of goods made specially to the Customer's requirements and differing from the Supplier's standard specifications even if the purpose for which the goods are required is known to the Supplier.

16.2 Where an allowance for material lost as process scrap has been set out in the quotation (or otherwise agreed in writing between the Customer and the Supplier), such losses are included in the contract price. No such losses shall be the subject of any claim by the Customer.

16.3 Where materials are supplied by, or on behalf of, the Customer to the Supplier (referred to in this Condition 16.3 as "free issue material")

16.3.1. the Customer shall be responsible for ensuring that the free issue material is of satisfactory quality and shall indemnify the Supplier against any loss, damage, injury or expense arising directly or indirectly from any actual or alleged fault in or incorrect specification of such free issue material; and

16.3.2. the Customer shall supply with each delivery of the free issue material a corresponding safety data sheet in accordance with the Chemicals (Hazard Information and Packaging) Regulations 1994 (as amended, modified or re-enacted from time to time); and

16.3.3. the Supplier shall only check such free issue material for type and quantity. If the Customer requires more detailed inspections, and the Supplier agrees in writing to carry out such inspections, the Supplier shall only carry them out if the Customer provides the Supplier with all documentation required by the Supplier to carry them out. The Supplier shall be entitled to charge the Customer for such inspections at such rate as the Customer and the Supplier may agree from time to time in writing.

16.3.4. Where material is supplied free by the customer an allowance must be made for in-process attrition at the rates given in our Schedule of Attrition

## 17 EXCESS MATERIALS

17.1 The Supplier shall be entitled to submit an invoice to the Customer in respect of its reasonably and properly incurred costs of any Excess Contract Materials.

17.2 The price for the Excess Contract Materials:

17.2.1 shall be the price set out in the Order or, if no price is quoted, the price which is 10% above the Supplier's cost price for the Excess Contract Materials

17.2.2 shall be exclusive of all costs and charges of packaging, insurance, transport of the Excess Contract Materials

17.2.3 shall be exclusive of amounts in respect of value added tax chargeable from time to time; and

17.2.4 shall be paid in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

17.3 Subject to clause 17.5, on exercising its rights under clause 17.1, the Supplier shall deliver the Excess Contract Materials to the Customer's premises or such other location as may be advised by the Customer prior to delivery.

17.4 Time of delivery is not of the essence. The Supplier shall not be liable for any failure or delay in delivering the Excess Contract Materials to the extent that such failure or delay is caused by an event, circumstance or cause beyond the Supplier's reasonable control or due to the Customer's failure to provide the Supplier with adequate delivery instructions.

17.5 The Customer may notify the Supplier in writing at any time prior to delivery that the Supplier may retain, resell or otherwise dispose of the Excess Contract Materials.

17.6 The Supplier reserves the right to charge the Customer for its reasonable costs incurred in connection with any services provided by third parties for the storage, selling or disposal of the Excess Contract Materials in accordance with these terms.

17.7 The Supplier shall, at the request of the Customer (such request not to be made more frequently than once every three months), supply the customer with details of all Contract Materials.

#### 18 ASSIGNMENT

The Customer shall not be entitled to assign its rights or obligations or delegate its duties under this Contract without the prior written consent of the Supplier.

#### 19 SEVERABILITY

If any provision of these Terms and Conditions is held invalid, illegal or unenforceable for any reason by any Court of competent jurisdiction such provision shall be severed and the remainder of the provisions herein shall continue in full force and effect as if the Contract had been agreed with the invalid illegal or unenforceable provision eliminated.

#### 20 QUALITY STANDARDS

Work undertaken will be released to the following IPC Quality standards unless specifically requested by the Customer, in which case this will be detailed in our Quotation: SMT and Conventional Assembly - IPC-A-610 (Acceptability of Electronic Assemblies) Class 2 as standard, with the capability for Class 3 release, if required. Cables and Wire Harness Assemblies - IPC/WHMA-A-620 (Requirements and Acceptance for Cable and Wire Harness Assemblies) Class 2 as standard, with the capability for Class 3 release, if required.

#### 21 WAIVER

The failure by either party to enforce at any time or for any period any one or more of the Terms and Conditions herein shall not be a waiver of them or of the right at any time subsequently to enforce all Terms and Conditions of this the Contract.

#### 22 NOTICES

Any notice to be given by either party to the other may be served by email, personal service or by post to the address of the other party given in the Quotation or such other address as such party may from time to time have communicated to the other in writing, and if sent by email shall unless the contrary is proved be deemed to be received on the day it was sent, if sent by fax shall be deemed to be served on receipt of an error free transmission report, if given by letter shall be deemed to have been served at the time at which the letter was delivered personally or if sent by post shall be deemed to have been delivered in the ordinary course of post.

#### 23 ENTIRE AGREEMENT

These Terms and Conditions and the Contract contain the entire agreement between the parties relating to the subject matter and supersedes any previous agreements, arrangements, undertakings or proposals, oral or written. Unless expressly provided elsewhere in these Standard Terms and conditions and Conditions, the Contract may be varied only by a document signed by both parties.

#### 24 NO THIRD PARTIES

Nothing in these Terms and Conditions is intended to, nor shall it confer any rights on a third party.

#### 25 GOVERNING LAW AND JURISDICTION

The Contract and these Terms and Conditions shall be governed by and construed in accordance with the law of England and the parties hereby submit to the exclusive jurisdiction of the English courts.

## **STANDARD TERMS & CONDITIONS OF PURCHASE**

### **Holmes Circuit Designs Limited ("the Company" "HCD")**

We, the Company, only purchase goods, rights and services ("Deliverables") on these terms and conditions ("the Terms"). If you accept our order, it will be on these Terms and no other standard terms. If you act in a manner calculated to appear as an acceptance of our order, that will act as an acceptance and you will be bound by our Terms, regardless of any inconsistency in your own small print. If you wish to reject our order and make a counter-offer you MUST therefore reply to our order in words explicitly and clearly indicating rejection. Equally, if you make a counter-offer which is not clearly labelled as such (or as a rejection of our order) no subsequent behaviour of ours, in accepting Performance, can be taken to imply any acceptance by us of that counter-offer. These Terms can only be changed, or other terms agreed, in written correspondence signed by a director or other senior officer of the Company. These Terms are important and should be studied carefully.

#### **1 The Contract**

1.1 Our contract with you, our supplier, will comprise our express written order, these Terms, anything else we expressly agree under section 1.2, any content imposed by law, but nothing else.

1.2 If you want us to accept a term of yours, or accept a particular responsibility, or if you wish to rely on a representation we have made, you must therefore obtain our express agreement to that. That means express written agreement, signed by a director or other senior officer of the Company and referring expressly to these Terms. We will deal with you in reliance on these Terms, so be aware that our acceptance of contractual performance by you does not imply acceptance of any terms that are different to our Terms. You must indemnify us against any consequence of your seeking to rely on any contractual terms, or any statement, understanding or representation which is not contractually agreed as set out in this section 1. For purposes of this section, written agreement can be communicated by pre-paid post or e-mail.

1.3 If any of the terms of the contract conflict with or contradict each other those terms will override each other in the following order of priority: (1) any express written agreement from us; (2) our order; (3) these Terms.

1.4 We are not contractually bound until we place a formal order and then only to the extent of the issues specifically covered by that order or in writing signed by a director. We will only be contractually bound to you when you accept our order with a formal order acknowledgement in writing or (if later) when we accept Performance by you (see below).

#### **2 Price**

2.1 The price of the Deliverables will be as stated in our order and, unless otherwise stated, will be:  
2.1.1 exclusive of any applicable VAT (which will be payable by us subject to receipt of a valid VAT invoice)

2.1.2 inclusive of all charges for packaging, packing, shipping, carriage, insurance and delivery, commissioning or performance of Deliverables to or at the delivery address, and of any duties or levies other than VAT

2.1.3 payable in pounds sterling

2.1.4 fixed for the duration of the Contract.

2.2 We will be entitled to any discount for prompt payment, bulk purchase or the like normally granted by you in comparable circumstances.

2.3 If we will be reliant on you for any supplies of maintenance, training, spare parts, consumables or other goods, rights or services to benefit fully from the Deliverables ("Follow-on Deliverables") then you will provide those Follow-on Deliverables or procure them to be provided, for at least 36 months following full Performance, at fair and reasonable prices which take no advantage of our dependence on you for their supply.

### 3 Payment

3.1 Invoices for the Deliverables may be sent to us on, or after, completion of Performance (as defined in section 4.1). Each invoice must quote the number of our order. No sum may be invoiced more than six months late.

3.2 Unless otherwise stated in the order, we will pay the contract price within 30 days of the end of month in which we receive the invoice.

3.3 We will be entitled to set off against the price any money owed to us by you.

### 4 Specifications

4.1 If we order goods, then unless otherwise stated the order is deemed to include the supply of all relevant documentation and certification, and of any commissioning of those goods, necessary to enable the Company to use them for their intended purposes. If we order services then, unless otherwise stated, our order includes the complete performance of those services including any employee instruction, manuals, explanations or certifications necessary to enable the Company to benefit from them for their intended purposes. If we order goods or services then, unless otherwise stated, our order includes any legal rights necessary to use those goods or services for their intended purposes. As for those intended purposes, see section 6.3. References in these Terms to "Performance" are to complete performance of all your contract obligations as described in these Terms.

4.2 The quantity, quality and description of Deliverables will be as specified in our order and these Terms or as agreed by us in writing, subject to which then in full accordance with your representations (see section 6.1).

4.3 You have sole responsibility for complying with all applicable regulations and other legal and regulatory requirements concerning performance of the contract, and for ensuring that we can, in compliance likewise, fully utilise the Deliverables for their intended purposes

4.4 We will be allowed to inspect any contract goods during (and your premises for) manufacture and storage so long as we request an inspection by reasonable notice. If, as a result of the inspection, we are not satisfied that the quality of the goods or the standards of their manufacture, storage or handling conforms with the contract, you will take such steps as are necessary to ensure compliance. If, after that, we are still not satisfied we can cancel the contract without penalty.

4.5 If, before Performance has occurred in the relevant respect, we notify you in writing of any change in desired specification (including as to quality and time frame) you will respond as follows. We appreciate that a change may affect the contract price, or may even be unachievable. If the change would reduce your costs, the contract price will reduce to fairly reflect that saving. If the change would increase your costs, you may notify us promptly, in writing, of a proposed revision of the contract price fairly and proportionately reflecting any unavoidable such increased cost: you and we will then use our reasonable efforts to agree the revised terms in full, including as to price, pending which the contract variation will not take effect. If the change would for any reason be unachievable you may notify us of that promptly and in writing, with reasons: again, both parties will then use reasonable efforts to reach a mutually acceptable contract variation. Failing notice under one of the two preceding sentences our proposed change will be deemed to have been accepted, and the contract will be deemed to have been varied with immediate effect to reflect the requested specification change with no price increase. What amounts to "prompt" notice for this purpose will depend on feasibility for you and urgency for us, but not in any case later than 48 hours (excluding hours of days which are Saturdays, Sundays or are recognised bank holidays in England) from our notice of proposed change. In no event, agreed or not, will we be liable to you in respect of any contract variation for more than a reasonable and proportionate reflection of such increased costs as you could not reasonably have been expected to avoid. The contract price will not in any circumstance increase except with our express written agreement under, or referring explicitly to, this sub-section.

4.6 To protect our business we may need, sometimes urgently, information as to precisely how Deliverables were performed, and as to all relevant activities of any suppliers or sub-contractors of yours. You will meet any reasonable such request as soon as reasonably possible, and will keep records adequate for that purpose for at least two years after completion of Performance. Without limitation, these records must provide full traceability for all goods comprised in, or used in making, any contract goods which are in any respect safety-critical. They must also demonstrate compliance of the contract work with all legal or regulatory requirements and with all contractually binding quality and Performance standards.

4.7 You will comply with any reasonable requirements we may have as regards the packaging and packing of any contract goods, and as to information to be displayed on packaging or included on dispatch documentation and bills of lading. Subject to that, you will ensure that all packaging, packing, labelling and documentation is such as to ensure full compliance with legal requirements throughout the scheduled delivery process.

## 5 Delivery and risk

5.1 Any goods will be delivered to, and any services performed at, the address and on the date stated in the order, or else under section 5.2, during usual business hours. If no address is specified, then delivery will be at our usual or main UK premises.

5.2 If we specify the date or delivery address after ordering, we will give you reasonable notice of the details. Failing a date, supply will be as soon as reasonably possible.

5.3 The date of delivery of any goods or rights, and the performance of any services, will be of the essence of this contract.

5.4 A packing note quoting the number of the order must accompany each delivery or consignment of goods and must be displayed prominently.

5.5 Where Deliverables are to be supplied in instalments, the contract is still to be treated as a single contract. If you fail to deliver or perform any instalment, we may treat the whole contract as repudiated.

5.6 We may reject any Deliverables which are not fully in accordance with the contract. Acceptance does not occur until we have had a reasonable time to inspect or consider the relevant Deliverables following supply and, in the case of latent defect, a reasonable time after the defect becomes apparent.

5.7 We will not be bound to return to you any packaging or packing material, but if any relevant requirement for packaging recycling applies, you will take materials back free of charge on request.

5.8 If any Deliverables are not supplied on or by the agreed date then, in addition to any other remedies available to us, we will be entitled to deduct 1% of the overall contract price for those Deliverables, for every week's delay.

5.9 Risk of damage to or loss of any goods passes to us on delivery.

5.10 Property and ownership of any goods will pass to us on delivery unless we have paid in whole or in part for the goods in advance. In that case it will pass to us as soon as the goods have (or, if goods are being assembled for us, each successive component of the goods has) been appropriated to the contract.

5.11 If we supply any articles to you, e.g. for modification or copying, they stay our property at all times. Those articles must be kept confidential and secure and we can enter your premises at any time on reasonable notice to ensure that this is so. While those articles are in your custody you must not use them, copy them or disseminate them, electronically or otherwise, except in the performance of our contract. We retain copyright and any other available intellectual property rights in any plans, design drawings, computer programs, compilations of data, specifications or the like which we supply to you. You must indemnify us against any loss caused to us, and account to us for any profit which you make, through breach of this provision.

5.12 If any Performance occurs on our premises this sub-section will apply. You will ensure that best industry standards are adopted for the health and safety both of your personnel and of any other individuals affected by your actions. We may refuse or terminate access to any individual whom we reasonably consider undesirable to have on our premises. Your personnel must, while on our premises, comply with our reasonable requirements as to security, health and safety routines, times and areas of access, and otherwise. You will be responsible to us on a full indemnity basis for all damage and injury caused by your staff.

5.13 If the contract terms refer to terms such as F.O.B and C. & F. which bear defined meanings in the current edition of Incoterms, those defined meanings will apply unless expressly stated otherwise.

5.14 Any goods provided by us to you on a free issue basis will remain our absolute property throughout, and will be at your risk while the goods are, or are supposed to be, in your possession. You are not to part with possession (save to us) unless with our express prior consent.

## 6 Warranties and liability

6.1 You promise that:

6.1.1 the quantity, quality, description and specification for the Deliverables will be those set out in our order, apart from which then of the best standards reasonably to be expected in the market for that kind of Deliverable

6.1.2 any goods will be free from defects in materials and workmanship

6.1.3 any Deliverables will comply with all statutory requirements and regulations, and with all normally applicable quality standards, relating to their sale or supply

6.1.4 all claims made by you about any Deliverables, and all apparently serious claims in your advertising and promotional material, are correct and can be relied upon

6.1.5 any services will be performed by appropriately qualified and trained personnel

6.1.6 neither the sale and supply of any Deliverable, nor its proper use by us for an intended purpose, will breach any property rights in or about that Deliverable, including intellectual property rights, of any other person.

6.2 All warranties, conditions and other terms implied by statute or common law in our favour will apply to any Deliverables bought from you.

6.3 It is your responsibility to find out from us the purposes that we intend the Deliverables to be put to (including any applicable deadline affecting us). You promise that they will be suitable for those intended purposes, save only for any unsuitability which you have, as soon as might reasonably have been expected of you (and in any case before starting Performance) expressly notified to us.

6.4 You will indemnify us and keep us indemnified immediately upon our written demand against any cost, claim, expense or liability arising from any risk for which you are responsible under this contract.

6.5 If you fail to comply with any obligation under the contract we will be entitled, at our discretion, to reject any Deliverable and you will not be entitled to receive payment for that Deliverable.

6.6 If any contract goods do not comply with all contract requirements, we can demand that you repair them or supply replacement goods within seven days or, at our sole discretion, we can reject the goods and demand the repayment of any sum already paid for them.

6.7 We will not be liable to you for any delay or failure to perform any of our obligations under this contract if the delay or failure was due to a cause beyond our reasonable control.

6.8 If any contract goods or rights were bought or obtained by you from a third party then any benefits or indemnities that you hold from that other party, in respect of those items, will be held on trust for us.

6.9 You will insure yourselves, and keep insured until Performance is complete, against all normal insurance risks relevant to your work for or with us, on terms and for amounts consistent with normal business prudence. You will demonstrate to us the terms and currency of any such insurance on request.

## 7 Rights

7.1 Any rights which you are contracted to supply must be provided to us in accordance with sections 7.2 or 7.3 as applicable.

7.2 This sub-section will apply to the following types of contract right: where the contract expressly identifies particular rights as covered by it; where the rights in question are evidently not unique to our Deliverable (for instance you evidently supply the same thing, in the relevant respect, to others); or if those rights evidently derive from a third party of whom the same would be true (for instance you supply software on what you have told us is a proprietary third party platform). In those cases, we are not to expect full ownership of those rights. You will however validly licence those rights to us, or procure them to be validly licensed to us, on the following terms: assignable; royalty-free; covering usage for any likely intended purpose; and free of any obligation on us save such as we expressly agree in the contract or as are the minimum reasonably necessary for the maintenance of the right in question.

7.3 This sub-section will apply to all contract rights to which section 7.2 does not. In that case you will transfer to us, or procure to be transferred to us, with full title guarantee the ownership of those rights to the full extent (including as to territory) that we reasonably need them for our intended purposes, and to the full extent of any wider rights available to you. You will execute any documents and make any declarations reasonably required by us, now or in future, to transfer those rights, you will not exploit those rights save for us or with our written consent, and you will (to the extent not yet legally transferred) hold all such rights on trust for us absolutely for the maximum permitted period of eighty years. We have your irrevocable power of attorney to execute any such documents and make any such declarations on your behalf if you fail to do so promptly on request.

7.4 If you carry out any development work at our request and wholly or primarily at our expense, we will own all intellectual property rights generated by that work, and section 7.3 will apply to those rights.

7.5 You will do anything reasonably required by us, during or after Performance, to perfect any transfer or licence of rights to us under this section or to assist us in registering or authenticating (but not at your cost enforcing or defending) those rights.

## 8 Termination

8.1 If goods have been offered by you as, or if they are, standard or stock items we can, by notice to you, at any time up to delivery cancel our commitment to buy them. Any other commitment of ours to receive and pay for Deliverables may be cancelled by us as follows. We will be bound to reimburse you for all irrecoverable costs incurred, or unavoidably committed, by you up to the point of cancellation. By "costs" is meant for this purpose the direct costs to you of Performance, to an aggregate amount not exceeding 80% of the purchase price for the cancelled commitment. We will be entitled, if we wish it, to the benefit of the part-finished Deliverables in question.

8.2 We may suspend performance of, or cancel, or suspend and then at any subsequent time cancel, the contract without any liability to you if you breach its terms, or if your business fails.

8.3 Your business will be treated for this purpose as having failed if:

8.3.1 you make any voluntary arrangement with your creditors

8.3.2 (being an individual or firm) you become bankrupt

8.3.3 (being a company) you become subject to an administration order or go into liquidation

8.3.4 any third party takes possession of, or enforces rights over, any of your property or assets under any form of security

8.3.5 you stop or threaten to stop carrying on business

8.3.6 you suffer any process equivalent to any of these, in any jurisdiction; or

8.3.7 we reasonably believe that any of the events mentioned above is about to occur and we notify you accordingly.

8.4 Any right of cancellation or suspension under this section is additional to any rights available to us under the law of any relevant jurisdiction.

## 9 Enforcement

9.1 You will keep strictly confidential all information which you learn about us or our customers, and use that information only for the performance, in good faith, of your contractual obligations to us. By way of illustration only, you may not use such information to help our competitors, poach our staff or disparage our reputation. This restriction will apply until the fifth anniversary of the contract date, and does not apply to information which was demonstrably public knowledge at the time of usage by you.

9.2 Our relationship is as independent contractors only, not as partners or as principal and agent. The contract is non-assignable by you. It is assignable by us only to a group company, that is a company in the same ultimate beneficial ownership. You may sub-contract or delegate Performance in particular respects but not generally and not as regards your responsibility to us, nor your direct contact with us, in any respect.

9.3 You will procure that none of your associates behaves in a way which, had the behaviour been yours, would have breached the contract. We hold the contract on trust for ourselves and all associates of ours, and the contract is made for the benefit of all of them so that you will be liable for damage caused to our associates as well as ourselves. Our respective associates for this purpose are any parent company or ultimate controlling shareholder and any company owned by either.

9.4 No waiver by us of any breach of contract by you will be considered as a waiver of any subsequent breach of the same or any other provision, or as a release of the provision which you breached. No delay by us in enforcement, and no toleration shown by us, is to imply any waiver or compromise of our rights.9.5 If any provision of these Terms is held by competent authority to be invalid or unenforceable in whole or in part the validity of the other Terms and of the remainder of the provision in question will not be affected. Every provision is severable from every other.

9.6 Any written notice under these Terms will be deemed to have been sufficiently served if posted by pre-paid official postal service, or if sent by fax then on receipt of successful answerback, or if sent by e-mail (but in this case only on evidence of successful transmission and only if the parties have regularly communicated on contract matters by that e-mail route).

9.7 The contract will be governed by the law of [England], and you submit to the non-exclusive jurisdiction of the [English] courts.

10 Implement a quality management system

11 Use Customer designated or approved external providers including special process sources

12 Rights of Access

12.1 The Supplier and its supply chain shall permit the Purchaser and as applicable the Purchaser's Customers, Regulatory Authorities and/or Authorised Representatives to make any inspections and/or tests they may reasonably require including access to all applicable records. The Supplier shall afford all reasonable facilities and assistance free of charge at its premises. No failure to make complaint at the time of or following such inspection shall mean that the Purchaser has accepted the conformity, quality or fitness for purpose of the Goods, not constitute a waiver by the Purchaser of any rights or remedies in respect of the Goods.

### 13 Notify of Non-Conforming Product

13.1 The Supplier shall promptly notify the Purchaser of any nonconforming product so that arrangements can be made by the Purchaser for its disposition or use.

13.2 The Purchaser may by written notice to the Supplier reject any Goods and/or Services which fail to meet the requirements specified herein or in any Purchase Order or which are defective in any way. Such notice shall be given within a reasonable time after delivery to the Purchaser of the Goods and/or Services concerned. If the Purchaser shall reject any of the Goods and/or Services pursuant to this Condition the Purchaser shall be entitled (without prejudice to its other rights and remedies) either:

a) to have the Goods concerned as quickly as possible and at the Supplier's expense either repaired by the Supplier or (as the Purchaser shall elect) replaced by the Supplier with Goods which comply in all respects with the requirements specified: or

b) to obtain a refund from the Supplier in respect of the Goods or Services concerned.

14 Prevent the use of counterfeit parts Counterfeit Part Prevention means an unauthorised copy, imitation, substitute, or modified part (such as but not limited to material, part or component), which is misrepresented as a specified genuine part of an original or authorised manufacture. HCD requires that the Supplier have policies and procedures to identify potential Counterfeit Parts from suppliers. SAE AS5553 and AS9100D clause 8.1.4 provide guidance for establishing and maintaining a counterfeit prevention plan. Seller shall immediately notify HCD with the pertinent facts if Supplier becomes aware of or suspects that Counterfeit Parts may have been used in a product delivered to HCD. In the event that products delivered under this order constitutes or includes Counterfeit Parts, Supplier shall, at its expense, promptly replace such Counterfeit Parts with genuine parts conforming to the requirements of the order. Notwithstanding any other provision of the order, Seller shall be liable for all costs relating to the removal and replacement of Counterfeit Parts.

15 Provide test specimens for design approval, inspection/verification, investigation or auditing.

### 16 Obtain Approval for Non-Conforming Product Disposal

16.1 The Supplier and its supply chain must obtain Purchaser's approval for disposal of non-conforming product prior to disposition.

### 17 Notify of changes to Processes / Supplier / Manufacturing Location

17.1 The Supplier and its supply chain must notify the Purchaser of any change in product, process, supply and manufacturing location, and where required written approval obtained prior to implementing any changes.

18 Following records retention period & disposal requirements for 'BR' suffixed part numbers shall be a minimum of 35 years –

- o Route cards
- o Despatch notes
- o Inspection & Test Records
- o Product change records o Concessions
- o Goods Receiving Notes

Records of hard copies can be transferred to electronic format for indefinite retention, however backup routines shall be determined and implemented. Physical and remaining quality records shall be retained in accordance with your ISO certification.

## 19 Flow-down the Supply Chain Applicable Requirements

19.1 The Supplier shall ensure that all of the relevant Purchaser requirements are flowed down to approved sub tier Suppliers and/or approved Sub-Contractors including key characteristics where required.

20 Ensure that persons are aware of their contribution to product/service conformity, contribution to product safety and the importance of ethical behaviour.

## 21 Electrostatic Discharge (ESD)

Electrostatic Discharge (ESD) Control Program: The Supplier shall document and implement an ESD Control Program in accordance with ANSI/ESD S20.20, {ESD Association Standard for the Development of an Electrostatic Discharge Control Program for Protection of Electrical and Electronic Parts, Assemblies and Equipment (Excluding Electrically Initiated Explosive Devices)}. Parts must be properly packaged and identified as required in ANSI/ESD-S20.20. All goods will be placed in conductive or static-dissipative packages, tubes, carriers, conductive bags, etc., for shipment. The packaging must be clearly labelled to indicate that it contains electrostatic sensitive goods. Electrical parts that may be used or shipped in conjunction with ESD sensitive parts shall be treated as ESD sensitive.

22 First Article Inspection Report (FAIR) FAIR means the act of comparing the first made physical sample part, component, product or alike, with the corresponding specifications, during which each specified dimension or attribute is measured on the first made physical sample part, component, part or alike and compared against the inspection documents, drawings or specifications. When requested to do so on our Purchase Order(s), the Supplier shall provide First Article Inspection documentation to AS9102 Standard (latest revision). The Supplier must identify the object of the First Article Inspection as such. The Supplier must carry out a First Article Inspection before supplying a Product to HCD.

## 23 Foreign Object Debris / Damage (FOD)

FOD means a substance, debris or article alien to the product which would potentially cause damage ("Foreign Object Debris / Damage"), being any damage attributed to a foreign object that can be expressed in physical or economic terms that may or may not degrade the product's required safety and/or performance characteristics.

Supplier shall maintain Foreign Object Debris / Damage ("FOD") prevention program including:

23.1 A review of manufacturing processes to identify and eliminate foreign object entrapment

23.2 HCD's right to perform FOD prevention program audits

23.3 Periodic self-audits of the Supplier's internal FOD prevention practices

23.4 Provision of periodic FOD training to the Supplier's employees.

#### 24 Moisture Sensitivity Level (MSL)

Moisture Sensitivity Level (MSL) indicates the floor life of the component, its storage conditions, and handling precautions after the original package / container has been opened. The permissible time (from opening the moisture barrier bag until the final soldering process) that a component can remain outside the moisture barrier bag is a measure of the sensitivity of the component to ambient humidity. Supplier shall ensure moisture sensitive components / devices are supplied dry and in appropriate vacuum sealed moisture barrier antistatic bags with desiccant pack(s) and moisture indicator card(s). All MSL packaging must be labelled accordingly. Please Note: We do not open sealed MSL packaging upon receipt, therefore we reserve the right to check and count the parts at the point of use rather than at Goods-in and claim for any discrepancy, such as wrong part or under-delivery as it becomes known to us.