

"Buyer" means R.E.THOMPSON & Co (Vacuum) LIMITED or its subsidiary or trading entity named on the Order;

"Goods" means the goods or materials which are the subject of the Order;

"Order" means the official purchase order placed by the Buyer and signed by an authorised employee of the Buyer; and

"Vendor" means the person, firm or company to whom the Order for Goods is placed.

- 1 The Buyer will only accept responsibility for orders issued on the Buyers official Order.
- 2 Any alterations to an Order may only be made if confirmed in writing by the Buyer.
- 3 Upon the issue of an Order a contract will come into effect in accordance with these terms and conditions.
- 4 These conditions shall take precedence over any terms or conditions of the Vendor. If there is a conflict between these conditions and the Order then the Order shall take precedence.
- 5 The Vendor shall comply with the Buyers delivery dates set out in the Order and information about 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.
- 6 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.
- 7 Delivery shall be completed when the Goods have been unloaded by the Vendor at the point of 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.
- 8 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.
- 9 The Vendor shall not assign or sub-contract the contract or any part without the prior written consent of the Buyer. If such consent is given the Vendor will remain fully bound by these conditions as if the contract had not been subcontracted.
- 10 The Vendor shall ensure that any sub-contractor is competent and adheres to these conditions. The Vendor will enforce at its cost these conditions against the proceedings if the Buyer so requests.
- 11 The Buyer reserves the right to inspect and/or test the Goods or any materials 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.
- 12 The Vendor shall comply with all relevant inspection requirements set out in Appendix 1 below.
- 13 The Vendor acknowledges that the Goods may be incorporated in safety critical machines or assemblies to be manufactured by the Buyer's customer. Accordingly the Vendor acknowledges that the Buyer may suffer loss or incur liabilities if the Vendor is in default and shall fully indemnify the Buyer against any such loss or liability.
- 14 The Vendor warrants that all Goods shall be of first class quality and to the Buyer's specification and Order and shall ensure that the Goods are: in accordance with any BSI Standard or equivalent standard where applicable unless otherwise agreed in writing by the

Buyer; conform to all relevant laws and standards, specifications and conditions and shall be of first class design and workmanship.

- 15 The Buyers representatives and/or its customers and/or regulatory authorities shall be allowed access to the Vendors premises or its subcontractors at any time to check the progress or quality of the work carried out.
- 16 If the Goods are not in accordance with the quality, design, specification or workmanship requirements or not being strictly in accordance with the contract the Buyer shall have the right, (without prejudice to any other rights of the Buyer), to reject the Goods and cancel the Order. The Vendor shall on demand pay any loss or damage incurred as a result of the breach of the Vendor to the Buyer and shall repay all monies paid against the Order.
- 17 The Vendor shall upon the Buyers request provide a certificate duly signed by or on behalf of the Vendor that the Goods are strictly in accordance with the contract.
- 18 If Goods are not strictly in accordance with the contract, the Buyer shall, (without prejudice to any other rights for the Buyer), have the right to carry out any re-work or modification which it shall deem necessary. Any expenses or loss attributed to or resulting from any such re-work or modification shall be borne by the Vendor. If rejected the Goods will be returned at the Vendors risk and expense.
- 19 All materials, patterns, tools or equipment supplied by the Buyer to the Vendor with or without charge for the purpose of executing the contract will remain the property of the Buyer or other third party as the case may be. The Vendor shall adequately insure and be fully responsible for and will indemnify the Buyer against any loss or damage to such property no matter how caused, until such time as it is returned to the Buyers premises.
- 20 The Vendor should clearly identify the Buyers property and shall be responsible for returning, carriage paid, to the Buyer all items of property within one month of the termination of the contract or at the Buyers request. If the Vendor fails to comply with this requirement, the Vendor shall become liable to the Buyer for the cost of the Buyers property.
- 21 For items issued to the Vendor by the Buyer, the Vendor undertakes to complete a regular stock check of items held on the Buyers behalf. The Vendor shall protect the items from loss or damage. The Vendor if appropriate will pay for any stock discrepancies less a reasonable scrap allowance.
- 22 The Vendor acknowledges that forecast requirements are non-binding and subject to change. The 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.
- 23 The Buyer shall be entitled to cancel or suspend deliveries of Goods by the Vendor under the contract and shall not be liable for such cancellation or suspension or any loss or damage resulting there from in the event of delay delivery or non- delivery by suppliers or contractors other than the Vendor of goods, which are to be used in connection with the Goods; strikes, labour stoppages or disputes of any kind and any other circumstances beyond the Buyers control.
- 24 The Vender must notify the buyer upon discovery of any non-conformance in the products ordered or the processes used. Upon such notification the Buyer will be allowed access to the vendors' premises and the products involved in order to assess the non-conformance and take appropriate action. This access will also be afforded to the Buyers customer and any other authorities involved.
- 25 When the product is a preparatory item of the Vendors own design or preparatory process then the Vendor will inform the buyer of any changes or improvements or obsolescence intended during the coarse of the order or any subsequent order the buyer places. If the contract is for a product and process which is subject to a licence or other legal instrument

from the Buyers customer or other notifiable authority, then the terms, specification and requirements of the licence shall remain in place and the supplier will notify the buyer accordingly of any changes or developments intended or planned as a result of the order or any supplementary instruction received to which the buyer may not have been party to prior knowledge.

- 26 The Buyer may terminate this contract if the Vendor is in breach of its obligations or upon the Vendor entering into an arrangement with its creditors or committing an act of bankruptcy, or if being a company, entering into liquidation, whether compulsory or voluntary or having a Receiver appointed for all or any of its assets, or the change of ownership of the Vendor.
- 27 The Buyer will have the right to cancel the contract at any time without incurring liability to the Vendor or sub-contractor and without prejudice to any other rights or rights of the Buyer.
- 28 Advice notes must accompany all deliveries and should state the Vendors Part Number, Order Number, full description of the Goods and quantity delivered.
- 29 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.
- 30 Payment by the Buyer, unless otherwise agreed in writing, will be made thirty days following the end of the month in which the Goods are delivered upon receipt of a valid and correct invoice.
- 31 The Buyer reserves the right to deduct from any monies due or to become due to the Vendor any monies due to the Buyer from the Vendor.
- 32 All drawings, specifications and data supplied by the Buyer in connection with the contract shall remain the property of the Buyer and be returned on request. The Vendor should only use such information for the purpose of the contract and shall not discuss with any other party unless expressly required or permitted to do so in writing by the Buyer.
- 33 If any of the Goods are to the Buyers own design/specification the Vendor will not at any time sell such Goods to another party without the written permission of the Buyer.
- 34 The Vendor will take out insurance cover for the Goods against all risks until the Goods are accepted by the Buyer.
- 35 Where the contract involves the employment of labour, the Vendor will pay all National Insurance or similar contributions. The Vendor will also insure against all liability arising in connection with the employment of such labour and will indemnify the Buyer against any such liability.
- 36 If any provision of these conditions is or shall become void in whole or in part the other provisions of these conditions shall remain fully valid and enforceable.
- 37 Any amendments to the Order shall be made by agreement evidenced in writing.
- 38 The Vendor shall advise the Buyer immediately if such amendments either prevent the specified delivery date(s) being met or have any other significant implication regarding the Vendor's obligations to the Buyer.
- 39 A person who is not a party to the contract shall have no rights pursuant to the Contracts (Rights of Third Parties) Act 1999 (the "Act") to enforce any term of this Agreement. Any right or remedy of a third party which exists apart from the Act is not affected.

- 40 The Vendor shall fully indemnify the Buyer against any action, claim, demand costs, charges, and expenses whatsoever brought or made against the Buyer or sustained or incurred by the Buyer in respect of or as a result of:
- a. any infringement of any intellectual property rights resulting from the use or sale of the Goods, other than in respect of the parts of such articles, goods or materials which have been manufactured to the Buyers own specifications supplied to the Vendor;
 - b. any injury, loss or damage to persons or property resulting from or arising out of the execution by the Vendor of the contract; and
 - c. The Vendor failing to meet its obligations under the contract.
- 41 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.
- 42 The supplier has an obligation to notify the buyer of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain the buyers approval.
- 43 It is the responsibility of the supplier to ensure that they are working to the latest revision of any specifications, drawings, legislation or other requirements stated on our order.
- 44 **Where stated on our purchase order the revision status of any Referenced Specifications, Drawings, Process requirements, inspection / Verification Instructions or other relevant technical data specified should be stated on Certificates of Conformity.**
- 45 We require all our staff, suppliers and sub-contractors to ensure that they are aware of the consequences and possible legal actions of introducing counterfeit product into the Supply chain and, where applicable, have systems in place to ensure that this is maintained throughout the supply chain and operations.
- 46 The company has a zero tolerance policy regarding any and all forms of bribery, corruption, extortion and embezzlement (covering promising, offering, giving or accepting any bribes).
- 47 All suppliers are required to follow our Code of Conduct (Appendix B) and to maintain the highest standards of ethical behaviour.

APPENDIX 1

Inspection Clauses

- 1 Release in accordance with the requirements of your AUK/SA/001-1 approval stating your Airbus Approval number
- 2 Release in accordance with the requirements of your BAE/AG/QC/SC1 Approval stating BAE Approval number
- 3 Release in accordance with your BS EN ISO 9001 or AS9100 approval
- 4 Release in accordance with the requirements of your flight refuelling approval FRL/QAM/5 and stating your approval number
- 5 Release in accordance with your D.Q.A. Board M.O.D. (PE) approval to Defence standards 05-21, 05-24, and 05-29, as applicable
- 6 Release in accordance with your R.E.THOMPSON & Co (Vacuum) LIMITED Approval, a Certificate of Conformity is required
- 7 Chemical and Mechanical Analysis Certificates required
- 8 This order is in aid of M.O.D. Contract and may be subject to Q.A. activity at your works by M.O.D., Q.A.R. who will inform you accordingly
- 9 Purchases in aid of this order shall be in accordance with the requirements of M.O.D. (P.E. DEF, STAN 05 61 Para 3.9). Certificate of Conformity is required.
- 10 Commercial only - requirements as specified on order
- 11 Release in accordance with the requirements of your approval
- 12 Release in accordance with the requirements of your Bombardier and / or Short's approval.
- 13 Release in accordance with the requirements of your Bombardier Inc. (Canadair Aerospace) approval.
- 14 Release in accordance with the requirements of your GKN approval SQA01 and stating your approval number
- 15 Release in accordance with the requirements of your Boeing approval D6-82479 and/or D1-4426
- 16 Release in accordance with the requirements of your Boeing/McDonnell Douglas approval
- 17 Release in accordance with the requirements of your Agusta Westland, Westland Helicopters approval (QRS01)
- 18 Release in accordance with the requirements of your GKN assembly approval (MASQA)
- 19 Release in accordance with the requirements of your GKN Transmissions approval (QRS01)
- 20 This order may be subject to R.E.THOMPSON & Co (Vacuum) LIMITED QA activity by our customer or Aviation Authority at your works, you will be informed accordingly
- 21 Release in accordance with your Northrop Grumman (ASCO) approval First Article
- 22 Inspection Report (F.A.I.R) required
- 23 Ultrasonically tested
- 24 Non Destructive Testing required
- 25 Smiths Aerospace (Hamble) QAS 2000 sect 2
- 26 Ontic Supplier Quality Assurance Requirements (SQAR) PU-101
- 27

The vendor will retain all documentation that pertains to the product supplied indefinitely. Disposition of the documentation is with the written agreement of the appropriate site Quality Manager

R.E.THOMPSON & Co (Vacuum) LIMITED TERMS AND CONDITIONS OF PURCHASE

Appendix B

R E Thompson (Vacuum) & Co Ltd

Company Code of Social Responsibility, Conduct and Ethics Policy

Issue: 1 – 2015 – Revision: -

(Code of Conduct)

(Table of Contents)

- 1 (Purpose)
- 2 (Scope)
- 3 (Authority and Responsibility)
- 4 (Labor standards and Employment)
- 5 (Health and Safety)
- 6 (Environmental)
- 7 (Management System)
- 8 (Ethics)

1.0 (Purpose)

As a company working we feel it is important to define our beliefs and policies with regards our ethical, moral and social principles as they relate to our business, staff, customers and suppliers.

2.0 (Scope)

This policy document is for the use of R E Thompson Limited but is applicable to all our practices and are flowed down to our suppliers.

3.0 (Authority and Responsibility)

It is the responsibility of the Management and Senior representatives of R E Thompson to ensure this document reflects the beliefs and requirements of the company, and that it is maintained throughout our business practices.

4.0 (Labor standards)

Forced bonded or indentured labor, or involuntary prison labor, slavery or labor trafficking is not to be used. All work will be voluntary, and workers should be free to leave upon reasonable notice. Workers shall not be required to hand over government-issued identification, passports or work permits as a condition of employment.

4.1 (Child Labor Avoidance)

No person below the age of 16 is employed by R E Thompson in any area of our operations.

4.2 (Working hours)

All working hours are in line with the Working Hours Legislation and all Employees are allowed to rest for at least one day per week minimum.

4.3 (Wages and Benefits)

All employees shall receive the minimum wage and benefits as a minimum requirement; however we pride ourselves on developing and rewarding our employees to a much higher level.

A written account (pay slip) is given to the employee during each pay period clearly indicating the employee's payments and indicating any deductions from the employee's pay.

4.4 (Humane Treatment)

There is to be no harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers: nor is there to be the threat of any such treatment.

4.5 (Non-discrimination)

We do not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status in hiring and employment practices such as promotions, rewards, and access to training.

4.6 (Freedom of Association)

Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. The Company respects the rights of workers to join or not join labor unions. As provided by law, employees who become worker representatives shall not be the subject of discrimination and shall have access to management and co-workers in order to carry out their representative functions. Workers shall be able to communicate openly with management without fear of reprisal, intimidation or harassment.

5.0 (Health and Safety)

All members of R E Thompson take the safety of our employees, visitors and the Public very seriously. We also believe that this should be flowed down to our supply chain and will regularly assess the performance of our suppliers to ensure that they are also maintaining the required levels of safety to meet today's social and ethical requirements.

5.1 (Occupational Safety)

Worker exposure to potential safety hazards (e.g., electrical and other energy sources, fire, vehicle, and fall hazards) are controlled through proper design engineering and administrative controls, preventative maintenance and safe work procedures.

Where hazards cannot be adequately controlled by these means, workers are provided with appropriate personal protective equipment. Workers shall not be disciplined for raising safety concerns.

5.2 (Emergency preparedness)

Emergency situations and events are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures, including: emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans.

5.3 (Industrial Hygiene)

Any possible exposure to chemical, biological and physical agents is to be identified, evaluated, and controlled. When hazards cannot be adequately controlled by engineering and administrative means, workers are to be provided with appropriate personal protective equipment.

5.4 (Machine Safeguarding)

Physical guards, interlocks and barriers are to be provided and properly maintained for machinery used by workers.

5.5 (Sanitary and Welfare Facilities)

Workers are to be provided with clean toilet facilities, access to potable water and sanitary food preparation and storage facilities.

6.0 (Environmental)

As a an ISO14001 Certified organization we take our environmental consideration very seriously, to this end we monitor, develop procedures and implement processes to minimize the possible adverse effects on the community, environment and natural resources while safeguarding the health and safety of the public.

6.1 (Environmental Permits and Reporting)

All required environmental permits (e.g. discharge monitoring) and registrations are to be obtained, maintained and kept current and their operational and reporting requirements are to be followed.

6.2 (Pollution Prevention and Resource Reduction)

Waste of all types, including water and energy, are to be reduced or eliminated at the source by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.

6.3 (Hazardous Substances)

Chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, recycling or reuse and disposal.

6.4 (Wastewater and Solid Waste)

Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be monitored, controlled and treated as required prior to discharge or disposal.

6.5 (Air Emissions)

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, monitored, controlled and treated as required prior to discharge.

6.6 (Product Content Restrictions)

The Company adheres to all applicable laws and regulations regarding prohibition or restriction of specific substances including labeling laws and regulations for recycling and disposal.

7.0 (Management System)

The Company maintains a certified management system in line with AS9001. The management system has been designed to ensure compliance with applicable laws, regulations and customer requirements related to the company's operations and products. It also facilitates continual improvement. The management system contains the following elements:

7.1 (Management Accountability and Responsibility)

Clearly identified company representatives are responsible for ensuring implementation and periodic review of the status of the management systems.

7.2 (Legal and Customer Requirements)

Identification, monitoring and understanding of applicable laws, regulations and customer's requirements as necessary to each department.

7.3 (Training)

Training programs for managers and workers in order to implement company policies, procedures and improvement objectives, as well as developing the overall skills of the company, are implemented.

7.4 (Communication)

Processes for communicating clear and accurate information about company performance, practices and expectations to workers, suppliers and customers.

7.5 (Corrective Action Process)

Processes for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.

7.6 (Documentation and Records)

Creation of documents and records ensure compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

8.0 (Ethics)

To meet social responsibilities and to achieve success in the marketplace, We aim to uphold the highest standards of ethics including:

8.1 (Business Integrity)

The company has a zero tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement (covering promising, offering, giving or accepting any bribes).

All company dealings should be transparently performed and accurately reflected on business books and records. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

Gifts and Entertaining, of or by customers, is acceptable where there is no promise of, or inference of, business being offered or accepted on the basis of these activities alone.

8.2 (No Improper Advantage)

Bribes or other means of obtaining undue or improper advantage are not to be offered or accepted.

8.3 (Disclosure of Information)

Information regarding company activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices, or disclosing on company's internet for reference.

8.4 (Intellectual Property)

Intellectual property rights are to be respected; transfer of technology and know-how is to be done in a manner that protects intellectual property rights.

8.5 (Fair Business, Advertising and Competition)

Standards of fair business, advertising and competition are to be upheld. Means to safeguard customer information should be available.

8.6 (Protection of Identity)

Programs that ensure the protection of supplier and employee whistleblower confidentiality are to be maintained.

8.7 (Community Engagement)

The company participates in community activities in order to help the development of society and economy.

8.8 (Responsible Sourcing of Materials)

We exercise due diligence on the source and chain of our materials and make sure due diligence measures available to customers upon customer request. We are committed to ensuring all our Products, and the materials used, are compliant with the Conflict Free Mineral requirements and are not sourced from the Democratic Republic of Congo and adjoining countries.

8.9 (Privacy)

The company is committed to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers and employees. The Company complies with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

8.10 (Counterfeit Products)

R E Thompson ensure that controls are in place to ensure that all delivered parts or material are not counterfeit or suspected counterfeit product.

We require all our staff, suppliers and sub-contractors to ensure that they are aware of the consequences and possible legal actions of introducing counterfeit product into the Supply chain and, where applicable, have systems in place to ensure that this is maintained throughout the supply chain and operations.

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