

# Groveley Precision Engineering Limited – Terms & Conditions of Purchase

## 1 GENERAL

1.1 These conditions instructions and all documents issued by the Purchaser in connection with this Order or referred to therein whether printed, typed or hand written shall form part of this Order. No amendment, modification, instruction, variation, waiver or change shall have effect unless express and in writing signed on behalf of the Purchaser by an authorised signatory.

1.2 This Order as defined herein shall govern the Purchaser's contractual relationship with the Supplier and unless expressly accepted in writing signed on behalf of the Purchaser by an authorised signatory no terms inconsistent herewith shall have effect.

1.3 No obligation to pay on part of the Purchaser shall arise until the Supplier has returned a copy of this Order to the Purchaser duly countersigned on its face by an authorised signatory of the Supplier and in the event that the Supplier commences performance whether by manufacture, ordering goods, entry onto site or setting aside goods or materials for the purposes of this Order before countersigning or otherwise expressly and unconditionally accepting this Order then such act of commencement shall be deemed to be an unqualified acceptance of this Order upon these conditions.

1.4 The Supplier's terms and conditions are expressly excluded and no term or condition of the Supplier shall have any legal effect unless expressly accepted in writing by the Purchaser and signed by an authorised signatory.

1.5 Groveley shall have the right of access to any supplier involved with Groveley product. This shall include access to any applicable documentation. The supplier shall provide Groveley customers (or the customers' authorised representatives) and/or Regulatory Authorities rights of access to premises where Groveley work is being performed. Such access shall be used to verify that the quality activities being undertaken meet the requirements of the Groveley contract.

1.6 In order to supply Groveley with products or services all suppliers shall be able to demonstrate compliance to industry-wide acknowledged policies. A list of common industry-wide policies is demonstrated below; this is not a limited list:

- Anti-Bribery Act / Code of Ethics
- Anti-Fraud
- Conflict Minerals
- Counterfeit Avoidance
- Cyber Security
- Modern Slavery
- Substance Abuse
- Whistle-blower Policy

## 2. DEFINITIONS

'Purchaser' shall mean Groveley Precision Engineering Limited.

'Supplier' shall mean the person, firm or company with whom this Order is placed.

'Employer' shall mean the Purchaser's client as advised by it to the Supplier - Supplier is deemed to be fully aware of the Purchaser's obligations to the client under its contract with the client and is entitled to attend the Purchaser's offices for purposes of examining a copy of the relevant documentation (but not information as to pricing).

'Order' shall mean the Purchaser's Order together with all documents referred to therein or attached thereto by Purchaser and these conditions and any additional conditions imposed by Purchaser whether as referred to at Clause 26 herein below or otherwise.

'Order Amendment' shall mean a variation or order issued pursuant to Clause 11.

'Price' shall mean all sums payable to Supplier for performance of the Work.

'Completion Date' shall mean the date specified on the Order.

'Work' shall mean all goods and/or services to be supplied pursuant to the Order.

## 3. DRAWINGS

3.1 No drawings, designs or specifications provided in connection with this Order by the Purchaser or its servants or agents (including all features whether patented or patentable or not and whether separately or collectively shown) nor any other intellectual copyright matter so provided may be reproduced in whole or in part nor used for any purpose other than the execution of this Order. All such drawings, designs and other matter are provided on loan only to the Supplier and are subject to immediate return upon demand.

3.2 The Supplier at its own expense shall prepare and submit for approval such drawings as may be required by the Purchaser but approval by the Purchaser its Servants or Agents or Employer shall in no sense relieve the Supplier from any of its obligations under the Order. No drawings after such approval shall be varied or modified in any respect without prior written approval from Purchaser which shall be promptly applied for in good time with full supporting explanation and particulars.

3.3 The Purchaser is hereby granted an irrevocable royalty free licence to use and reproduce all copyright matter produced by Supplier or its servants or agents pursuant to this Order.

## 4. TECHNICAL DATA

The Supplier at its own expense shall supply all required as built drawings, operating instructions, maintenance manuals, mill certificates, fabrication reports and the like as and when required by the Purchaser. If any details shown on drawings issued by the Purchaser are omitted from the specification or other documents issued by the Purchaser or vice versa it is agreed that not

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withstanding such omissions or discrepancy the Supplier will be deemed to have included for such details together with any research work and any other work which may be necessary to complete the Work in its price and in the event that the Supplier discovers any ambiguity or discrepancy in the drawings, specification and documents issued in connection with this Order or subsequently whether by way of Order Amendment or otherwise the Supplier shall immediately submit the ambiguity or discrepancy to the Purchaser for its determination.

### **5. QUALITY AND MATERIALS**

The Work shall be supplied strictly in accordance with this Order and any Order Amendments. No deviation is therefore permitted without the Purchaser's agreement in writing signed by an authorised signatory. Quality of materials and workmanship shall be the best of their respective kinds. The Work shall only be accepted after it has in the opinion of the Purchaser and/or the Employer satisfied the requirements of this Order. Insofar as the Work involves any design on the part of the Supplier, the design shall be warranted to be fit for its purpose.

Suppliers shall notify Groveley within two (2) working days of any changes in its organisation affecting key management personnel and approvals.

Suppliers shall notify Groveley of any changes, prior to implementation, in its organisation affecting manufacturing site location, manufacturing processes, approved sub-tier sources, or other such changes that affect the production materials or supply of services to Groveley.

### **6. REGULATIONS**

The Work shall comply fully and in all respects with all relevant legal obligations (without limitation). The supplier shall be committed to providing a safe and healthy work environment to minimise accidents and injuries.

The supplier should respect the environment and work to minimise waste, prevent pollution and conserve energy. The supplier is required to comply with all applicable permits and authorisations, including material and waste handling. The supplier is required to meet the requirements of international, national and regional legislation that are applicable to the Health and Safety of the product, processing and waste from such activities. This legislation includes, but is not limited to, COSHH, RoHS, REACH and WEEE compliance where applicable. Registration to ISO14001, and OHSAS18001 or ISO45001 is strongly encouraged with other appropriate British Standards, Codes of Practice, Statutory Instruments, bylaws etc.

### **7. ASSIGNMENT AND SUB-CONTRACTING**

7.1 Supplier shall not assign the Order. The Purchaser may assign the Order at any time.

7.2 Without prejudice to the generality of clause 7.1, Supplier shall not assign and/or factor any debt arising out of the Order.

7.3 Supplier shall not subcontract nor place suborders for any major part of the Work without Purchaser's prior written consent.

7.4 No subcontract/suborder (even with Purchaser's consent) shall relieve Supplier of any of its obligations under the Order.

7.5 Supplier shall at Purchaser's request, supply it at no extra cost with unpriced copies of all subcontracts/suborders.

7.6 All applicable terms and conditions of the Order shall be imposed in all subcontracts/suborders entered into by the Supplier.

7.7 The Purchaser may as a condition precedent of consent to sub-contracting/subordering insist that the Supplier obtain from its proposed subcontractor a deed of warranty in favour of the Purchaser in such terms as the Purchaser may require.

### **8. FREE ISSUE MATERIALS**

The Supplier shall be responsible and account for all material issued free, whether directly or indirectly by the Purchaser or Employer. The Supplier must keep detailed records of all receipts and issues and provide a detailed reconciliation to the Purchaser when requested. Scrap and wastage of materials must also be accounted for. Free issue materials shall at all times be and remain the property of the Purchaser or Employer as the case may be but Supplier shall maintain an adequate policy of insurance in respect of the excess amount not covered by the insurances required under the contract for such material and shall produce evidence of cover as and when reasonably required to do so.

### **9. INSPECTION AND TESTING**

9.1 Purchaser, Employer and their representative shall at all reasonable times be granted access to any premises (including those of Supplier's subcontractors/subsuppliers) and be allowed to inspect and test the Work at any time prior to acceptance of delivery whichever shall be the later.

9.2 Purchaser or its representative shall have full power to reject any Work that is considered to be defective or inferior in quality of material, workmanship or design and/or not in accordance with Purchase Order in any respect. Any Work so rejected shall immediately be replaced or corrected as required by Purchaser or its representative at Supplier's expense. Supplier shall then re-submit that re-performed Work for re-inspection and re-testing.

9.3 Supplier shall make available at its own expense all tools, instruments, apparatus, facilities, services and materials necessary for carrying out tests on the Work (or on Purchaser's request, confirmatory re-

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tests) as may be required by Purchaser and when requested the Work shall be completely assembled for such tests and at Purchaser's option shall be dismantled for inspection before dispatch.

9.4 Where reasonably practical not less than 14 days notice shall be given to Purchaser that the Work or any part thereof is ready for inspection and/or testing.

9.5 Neither inspection, testing nor acceptance of any work nor any waiver of any rights in respect thereof by Purchaser nor its representative shall release Supplier in any respect from any of its obligations under the Order or otherwise including without limitation its responsibility for any defects subsequently found in materials and/or workmanship.

9.6 Supplier shall supply at its own expense certificates of analysis, tests, inspection or origin as may be required by Purchaser or by law which shall in any event be delivered to Purchaser not later than the Work to which they relate.

9.7 The supplier shall maintain, and have available on a timely basis, all records traceable to the conformance of Product/Parts/Services delivered to Groveley including delivery/post-delivery documentation, shall be kept for a minimum of 10 years from the date on which that document was published.

9.8 Groveley reserve the right to require documentation for some products to be retained for the "life of the aircraft".

9.9 Supplier records shall be made available to Regulatory Authorities and Groveley Authorised Representatives, and their customers, within one (1) business day of request.

9.10 Supplier shall notify Groveley of records to be disposed of prior to disposal. Groveley reserve the right to request delivery of such records, in the event Groveley chooses to exercise this right the supplier shall deliver such records to Groveley at no additional cost on media agreed by both sides.

### **10. MAKING GOOD DEFECTS**

10.1 Without prejudice to the operation to the other provisions of this Order where defects appear in the Work at any time resulting from a breach of this Order then the Purchaser may at its discretion require the Supplier at its own expense to make good by repair or replacement such defects or to pay the cost of replacement or repair by others including any reasonably foreseeable consequential costs arising from defect as the Purchaser shall think fit and in either event making good of defects shall not prejudice any other rights or remedies to which the Purchaser is or shall become entitled to pursuant to this Order.

10.2 For the avoidance of doubt the Purchaser is entitled to the full benefit of all terms ordinarily implied by law whether by statute, trade, custom or usage or

other course of dealings between the Purchaser and the Supplier and/or their related or associated companies including without prejudice to the generality of the foregoing any implied terms as to merchantability, fitness for purpose, quality, title, correspondence with description and/or sample.

### **11. CHANGES/ORDER AMENDMENTS**

11.1 Supplier shall carry out any changes to the Work required by the Purchaser which without limitation may include alterations in the quantity of the Work as well as additions or omissions to the scope and subject matter of the Work and no change shall vitiate the Order. No such changes shall be complied with unless expressed by way of written Order Amendment from Purchaser to Supplier signed by an authorised signatory of Purchaser.

11.2 All changes shall be valued at the rates and prices set out in the Order. If the rates and prices in the Order are not applicable to the changes then suitable rates based on those in the Order shall be agreed between Purchaser and Supplier. In the event of failure by the Purchaser with the Supplier to agree such suitable rates or prices then the Purchaser shall determine fair and reasonable rates or prices and utilise the same to adjust the Order Amendment accordingly. Any such increase or decrease ascertained by the Purchaser shall remain fixed and final and shall not be subject to further adjustment.

### **12. PATENTS & INTELLECTUAL PROPERTY**

The Supplier shall indemnify and save harmless the Purchaser and its Employer against and from all actions, liabilities, claims demands, proceedings, losses, damages, expenses, costs, fees, charges whatsoever or howsoever arising out of or in connection with the infringement of any patent or other intellectual property rights in respect of Work supplied hereunder or in relation thereto.

### **13. TRADE COMPLIANCE**

13.1 The supplier shall not release any materials, equipment, hardware/technical data or drawings supplied by Groveley to any other party (national or international, including sister companies or associated businesses) without the prior written approval.

The supplier shall not purchase materials, components, parts or processes from countries/regions prohibited under applicable National/International export control regulations for use in Groveley product.

The supplier shall provide "Origin of Goods" statements during the RFP/RFQ processes to the procurement lead. The supplier shall not, without prior written approval from Groveley, change the source for a controlled product or service (national or international, including sister companies or associated businesses).

All technical documents provided to Groveley shall have the relevant export control classification information and destination control statements added to them before they are released from the supplier.

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Materials supplied from anywhere in the world may be subject to USA, UK or other local, regional and international trade regulations. When required, appropriate licenses, permits and permissions shall be obtained for the export from, and import. The supplier is responsible for obtaining required authorisations for the export from, and import to, the supplier's facilities; and shall liaise with Groveley to ensure all required authorisations are obtained. The Supplier shall provide any information required to obtain these authorisations upon request. The following classification information is required to assist in technology controls, license determinations and the import / export of products and technology. Each party will provide the following information for their products and technology as well as any tooling / test equipment, firmware and software that will transfer as a result of a Groveley purchase order and/or contract:

- Tariff/Commodity Code
- Export Control Number
- Country of Origin

### **14. COMPLETION AND DELIVERY**

14.1 The Work shall be completed by the date specified in the Order or as varied by any Order Amendments. Further the Supplier shall work to any programme the Purchaser may issue from time to time or to any revision thereof.

14.2 Time of performance and of completion and of delivery shall be of the essence.

14.3 The Supplier shall immediately report any delay or anticipated delay whatsoever and its cause and shall keep the Purchaser fully informed with dates of anticipated actual delivery and shall use its best endeavours (without reduction in any event in its contractual liability and damages or otherwise) to eliminate such cause or causes of delay.

14.4 The Supplier shall provide at its own expense such bar charts, suggested programmes and progress data as the Purchaser shall deem necessary from time to time.

14.5 If the Supplier shall fail to commence performance of the Work on the Starting date or if the Purchaser considers that the Supplier may not be able to complete the Work by any due date or if in fact the Supplier shall fail to do so then in either event the Purchaser may determine this Order or any part thereof and the provisions of clause 18 shall particularly apply.

14.6 Any part of the Work ready for delivery before the Purchaser requires delivery shall be stored by Supplier at its own risk and expense.

14.7 Delivery of the Work shall be effected in the manner and at the time or times specified by the Purchaser and if the Work is not delivered accordingly then the Supplier shall be fully responsible for any

additional expenses arising therefrom. In any event unless otherwise provided the Supplier shall be responsible for delivery (including packaging and loading) to the site designated by the Purchaser.

14.8 To the extent that they do not conflict with the terms and conditions of this Order, (Incoterms 1990 Edition) shall apply to this Order.

### **15. PACKING AND MARKING**

Where the Work consists of more than one item of goods then each separate item must be tagged and indelibly marked with the Purchaser's Order Number, and the contract number. Where appropriate individual pieces shall have erection marks clearly painted on either in a durable form or in such other way as the Purchaser shall indicate. All items shall be carefully packed and protected to protect against damage in transit in such a way as to facilitate rational off-loading and all costs of packing, tagging, marking etc. are at the expense of the Supplier and no packaging is returnable unless otherwise agreed by the Purchaser in writing signed by authorised signatory at or prior to the date of the Order. Without limitation, clause 6 specifically applies to packing, packaging and marking.

### **16. ADVERTISING**

No advertising, publicity matter or other literature in relation to the Works or to the associated project is to be published, released or utilised by the Supplier except with the prior written permission or the Purchaser signed by authorised signatory.

### **17. TERMINATION FOR DEFAULT OR INSOLVENCY**

17.1 In the event of any default by the Supplier in performance of any of his obligations which in the opinion of the Purchaser constitutes a material breach of such obligation or obligations then the Purchaser may forthwith determine the Order by notice in writing. No forbearance whether by allowing an opportunity to rectify such default or breach or otherwise shall constitute a waiver of the Purchaser's rights to determine and the exercise of the rights to determine shall be without prejudice to any of the Purchaser's other rights arising under the Order or otherwise.

17.2 In the event of the Supplier compounding or entering into any arrangement with its creditors whether a Voluntary Arrangement or otherwise or going into bankruptcy or into creditors voluntary liquidation or compulsory winding-up or having an administrator or administrative receiver appointed then the Purchaser shall be entitled forthwith or at any time thereafter to determine the Order by serving notice in writing to any substantial business address of the Supplier without effect on the Purchaser's other rights under the Order.

17.3 For the avoidance of doubt no determination, whether pursuant to Clause 17 or Clause 18 shall adversely affect the operation of any clause of the Order giving rights to the Purchaser.

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17.4 In the event of determination pursuant to Clause 17 or Clause 18 the Purchaser shall be entitled to enter the Supplier's premises or any place where the Work is situated in whole or in part and take possession of the whole or any part of the Work and remove the same and title thereto (insofar as the same shall not already be vested in Purchaser) shall forthwith vest in the Purchaser and conversely Purchaser shall be entitled to repudiate title in or otherwise reject any goods which it does not require.

### **18. TERMINATION GENERALLY**

18.1 The Purchaser shall be entitled at any time to determine the Order in whole or in part by serving notice in writing upon the Supplier to that effect and thereon the Supplier shall cease all performance unless to the extent otherwise provided to the Purchaser in the Notice of Termination. In the event of such termination the Purchaser shall fully discharge all liabilities to the Supplier by making payment pursuant to the terms hereof within a reasonable period of time for all Work satisfactorily performed up to the date of determination together with all goods and materials properly procured by the Supplier for incorporation in the Work which had not yet been incorporated at that time and a reasonable sum in respect of cancellation charges in respect of orders for supply pursuant to its obligations hereunder which the Supplier had properly placed. In the event of payment being made for such goods and materials then title therein shall pass forthwith to the Purchaser.

18.2 Despite the provisions of clause 17.1 hereinabove under no circumstances shall the payment thereunder exceed, when added to the sums previously paid or otherwise due, the amount which would have been payable to the Supplier had this Order not been determined and a Supplier had therefore received payment in full pursuant to Clause 19.

### **19. PRICES**

All prices are fixed for the duration of the Order and are not subject to fluctuations to or escalation or other Order by notice in writing. No forbearance whether by allowing an opportunity to rectify such default or breach or otherwise shall constitute a waiver of the Purchaser's rights to determine and the exercise of the rights to determine shall be without prejudice to any of the Purchaser's other rights arising under the Order or otherwise.

### **20. PAYMENT**

20.1 In consideration of the satisfactory performance of the Work the Purchaser shall pay the Supplier the Price in the manner hereinafter provided but it shall be a pre-condition to any entitlement to payment that the Supplier shall send the Purchaser a detailed priced invoice (or invoices as instructed on the Order), clearly stating in each case on its face the Order Number, any appropriate item numbers together with all other information which may reasonably be required by the Purchaser from time to time and such invoice shall be

presented as a V.A.T. invoice statement. In addition a monthly statement of account must be presented. Failure to follow this procedure may result in delays to payment.

20.2 Unless otherwise specified in the Order any payments for which the Purchaser is liable shall fall due to be paid after deduction of any retention monies at the end of the month following the month in which the Supplier's true and correct invoice was duly received at the Purchaser's invoicing address. For the avoidance of doubt, payment shall not operate as a waiver of any rights of the Purchaser under the Order or otherwise.

20.3 Unless otherwise stated in the Order all payments hereunder shall be made in Sterling.

20.4 Unless otherwise stated in the Order the rates and prices stated in the Order are deemed to be sufficient to cover all the Supplier's obligations whether express or implied and without prejudice to the generality of the foregoing where the Work or any part thereof is to be performed otherwise than at the Supplier's premises then it shall be deemed to have satisfied itself as to all local conditions requirements or difficulties or any other factors which may in any way affect the performance of the Work.

20.5 Purchaser on behalf of itself and its Employer reserves the right to audit Supplier's charges and both Purchaser and Employer shall for a period of two years from the date of completion or delivery of the Work or from the expiration of the Employer's audit rights if any under its contract with the Purchaser, if later, have free access to any detailed cost data necessary for the purpose of such audit and shall be entitled to confidential copies of such data and supporting documents and information.

20.6 The Purchaser shall have the right to set-off against any sum due to the Supplier howsoever arising at any time any claim, damage, loss, expense or other liability or cost which it may have or sustain under this or any other contract between the Purchaser and the Supplier or any associated company to the Supplier and shall likewise be entitled to deduct any such sum in respect of any claim, damage, loss, expense or other liability or cost sustained by any associated company of the Purchaser against the Supplier or any associated company of the Supplier.

20.7 In the event that the Work directly involves the Purchaser with an Employer then on the one hand the Purchaser undertakes to use its best endeavours to obtain payment from the Employer but on the other hand no liability shall arise upon the Purchaser to make any payment to the Supplier whatsoever unless and until such time as the Employer makes a corresponding payment to the Purchaser.

### **21. TITLE AND RISK**

Title in the Work shall pass from Supplier to Purchaser on the sooner of the creation or the relevant goods or allocation from stock of acquisition by Supplier.

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Notwithstanding the passing of title the risk in such goods shall remain with Supplier until delivery or until acceptance of the Work by Purchaser in accordance with the provisions of the Order whichever shall be later. All materials or equipment forming part of the Work in which title has passed shall be clearly marked by Supplier as Purchaser's property and shall be stored separately from Supplier's property.

### 22. INDEMNITIES

22.1 The Supplier shall indemnify and save harmless the Purchaser and its Employer severally against and from any actions, liabilities, claims, demands, proceedings, losses, damages, expenses, costs, fees, charges, whatsoever or howsoever arising out of or in connection with any and all of the following:-

22.1.1 The breach of any provision of this Order.

22.1.2 Any act or omission of the Supplier its servants or agents which involves the Purchaser in any liability to its Employer whether pursuant to or arising out of or in connection with the Purchaser's contractual relationship with its Employer or otherwise.

22.1.3 Injury, loss or damage to persons or property contributed to or caused by the negligence or breach of duty of the Supplier its servants or agents or otherwise arising out of or in the cause of or caused by the acts, omissions or defaults of the Supplier, its servants or agents pursuant to the Order, (save where the injury, loss or damage is caused solely by the negligent act or omission of the Purchaser).

22.1.4 All third party allegations, liens, claims, arrestments, garnishees, executions, judgments and awards (including expenses) whether groundless or not which may arise out of or in combination with this Order.

22.2 The Supplier shall maintain insurance cover against such liabilities as are referred to at clause 22.1.3 and shall provide to the Purchaser on demand valid certificates of insurance in respect thereof. Pursuant to

22.3 The Supplier shall at the Purchaser's request furnish proof satisfactory to the Purchaser that all such liens and claims, judgments and awards etc. have been satisfied or released and further agrees that the Purchaser shall have the right to make payment direct to such third party and recover such payments from the Supplier as a contract debt.

### 23. LIENS

The Supplier agrees to waive any right to exercise a lien upon the Work or upon any materials, component parts, work in progress, relevant drawings including as built drawings, operating instructions, maintenance manuals, mill certificates, fabrication reports, test certificates and the like and acknowledges that its sole remedy in the event of any breach by the Purchaser of its obligations under the Order is to seek financial relief through the courts. As and when required by Purchaser Supplier shall give a certificate of waiver of lien and of any other rights over the Work or to any injunctive or performance remedies to Purchaser or to any third party nominated by Purchaser.

### 24. ENGLISH LAW AND JURISDICTION

Save where otherwise specifically agreed in writing and signed by an authorised signatory of the Purchaser, the Order shall in all respects be construed in accordance with the laws of England and Wales and the courts of England and Wales shall have exclusive jurisdiction over any dispute or difference arising out of or in connection with this Order.

### 25. OTHER CONDITIONS/ADDENDUM

The Supplier further accepts any and all conditions of supply/purchase which may be attached by way of an addendum under this heading.

### 26. ADDENDUM TERMS OF PURCHASE - FAR/DFARS CLAUSES

Goods furnished under this purchase order are for use under a United States (US) Government prime contract or subcontract. Seller shall comply with all applicable US Government provisions and clauses identified by Buyer as flow-down provisions for any order, including Federal Acquisition Regulation (FAR), Department of Defense FAR Supplement (DFARS), or other agency supplement contract provisions (together "FAR Clauses").

The clauses set out below are each incorporated by reference and made part of this Order in addition to Buyer's Global Standard Purchasing Conditions clauses. These FAR and DFARS clauses are available at [www.acquisition.gov](http://www.acquisition.gov) and by acceptance of this Order, Seller acknowledges and agrees to such incorporation by reference.

26.1 The terms and conditions of this Order include all applicable US Government provisions and certifications listed below and all such other US Government provisions expressly mandated by operation of law or regulation ("Flowdown Clauses"). Such provisions include FAR, DFARS or other agency supplement contract provisions (together "FAR Clauses"). Seller shall incorporate applicable Flow-Down Clauses into each lower-tier subcontract placed in support of this Order, as required by the individual clause. The applicable version date of such provisions is as specified below; if no version date is specified, then the version date as of the date the Order is executed shall apply, unless otherwise specified in the Order. To the extent there is a conflict or overlap between the Flow-down Clauses and the Global Standard Purchasing Conditions terms, the language shall be read to the maximum extent possible to render the clauses compatible, including by using the interpretation most restrictive of the requirements in Buyer's favor.

26.2 Seller shall indemnify and hold Buyer harmless from and against any cost, price reduction, withholding, offset, penalty, interest, claim, demand, determination of unallowability or prohibition of allocation or any other civil, criminal or administrative liability, whether arising

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under statute, regulation, contract or common law and shall reimburse Buyer for all of its damages and associated costs, including reasonable attorney fees and other expenses arising from Seller's failure to comply with applicable Flow-down Clauses. Seller shall reimburse Buyer for any loss by or damage to Buyer in the event that Buyer or Buyer's customer makes a determination that, where applicable, Seller failed to furnish Buyer with any certified cost or pricing data or failed to provide the current, accurate and complete version of such data; failed to provide or comply with certifications as required by the Flow-down Clause; or failed to take any such other action required by the Flow-down Clauses.

26.3 Any reference to a "Disputes" clause shall mean the disputes provision of this Order. Pending resolution of any dispute arising under this Order, which incorporates FAR or DFARS clauses, Seller will proceed diligently as directed by Buyer with the performance of this Order. Notwithstanding any choice of law provision, any provision in this Order that is: (i) incorporated in full text or by reference below to FAR or DFARS, or (ii) that is substantially based on any FAR or DFARS provision below or on any agency regulation interpreting such FAR or DFARS provisions, shall be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, boards of contracts appeals, and quasi-judicial agencies of the United States Government. No FAR or DFARS provision herein shall establish privity between Seller and Buyer's customer. Notwithstanding any FAR or DFARS provisions below, the Contract Disputes Act shall not apply to this Order, except as permitted by Buyer for disputes with Buyer's customer.

26.4 Seller agrees that its books, records and facilities or such parts of its facilities as may be engaged in the performance of this Order, shall at all reasonable times be subject to inspection and audit by Buyer and, to the extent provided by the Flow-down Clauses, any authorized representatives of the US Government or Buyer's Customer. Seller hereby grants to Buyer the right to examine at reasonable times its relevant books, records and data that permit the adequate evaluation of (1) cost and pricing data and of any claims/proposals submitted by Seller pursuant to the Flow-down Clauses, (2) its security and data protection procedures as required below and (3) its quality, testing and inspection procedures as required below. Seller shall allow Buyer and Buyer's customer to reasonably review Seller's compliance with applicable FAR and DFARS provisions below, upon request.

26.5 Flow-down Clauses are incorporated by reference, with the same force and effect as if they were given full text. These FAR/DFARS provisions are accessible at <https://www.acquisition.gov>. The clauses apply to this Order in accordance with the regulatory language of prescription in the controlling FAR Part or clause, such as limiting the applicability to particular types of contracts, contracts exceeding certain thresholds in monetary value, the location of performance or the size status of the Seller.

Notwithstanding the foregoing, Flow-down Clauses listed below apply to this Order, regardless of whether they are expressly mandated for flow-down, since Buyer may in its discretion incorporate clauses which it deems appropriate.

26.6 The clauses listed below may require the submission of certifications and representations. Seller shall furnish any certification or representation required under these Flow-down Clauses. Failure to provide a certification or representation by Seller shall be interpreted to mean that Seller complies with the Flow-down Clause in the most restrictive sense of performance, in favor of Buyer.

26.7 Intellectual Property Rights. All FAR 52.27/DFARS 252.227 terms on intellectual property are as defined in FAR 27 or DFARS 227 or applicable agency regulations. Seller acknowledges and agrees that any rights in Technical Data and Computer Software to be granted to the US Government will be determined in accordance with the regulations set forth in FAR Part 27 and DFARS Part 227 based upon the specific Technical Data, Computer Software and Goods to be performed under this Order and the assertions of restrictions on use, release or disclosure of Seller's Intellectual Property that are provided to Buyer for delivery to the US Government, in order to fulfill Buyer's obligations under Buyer's customer's contract. Under any referenced FAR 52.227 or DFARS 252.227 provision below, the rights granted are vested in the US Government, except that Seller grants Buyer an irrevocable, nonexclusive royalty-free worldwide license to sell and use Seller's technical data and computer software delivered in the performance of this Order, to the extent needed to fulfill Buyer's obligations under its customer's US Government contract or subcontract pursuant to which this order is issued. Seller shall identify and assert prior to Order award any Seller's rights in technical data and software delivered with other than unlimited rights as required by the applicable FAR or DFARS provision, and all technical data and software submissions shall be to Buyer.

26.8 Except as otherwise provided in this provision, whenever necessary to make the context of the clauses applicable to this Order, the term "Contractor" shall mean Seller, the term "Contract" shall mean this Order, the term "Government," "Contracting Officer," and equivalent phrases shall mean Buyer, except that the terms "Government" and "Contracting Officer" shall not change in the Government Property, patent, intellectual property or data rights clauses incorporated herein, or when a right, act, authorization or obligation can be granted or performed only by the US Government or the Contracting Officer or a duly authorized representative, in which case Seller grants Buyer such additional rights as are needed to perform such clause under Buyer's contract with its customer. These FAR and DFARS clauses apply to Seller in a manner which reflects the position of Seller as a subcontractor to Buyer, to ensure Seller's obligations to Buyer and to the US Government and to enable Buyer to meet its obligations under its contract or subcontract with Buyer's customer.

## Groveley Precision Engineering Limited – Terms & Conditions of Purchase

26.9 For all Seller performance in the United States: Equal Employment Opportunity and Non-Discrimination: Buyer is a US government contractor and is subject to the requirements of Executive Order 11246, Section 503 of the Rehabilitation Assistance Act and VEVRAA. Pursuant to these requirements, the Equal Opportunity Clauses found at 41 Code of Federal Regulations are as follows: Seller shall abide by the requirements of all applicable Equal Opportunity Clauses including 41 CFR 60-1.4(a), 60-20, 60-250.5, 60-300.5(a) and 60-741.5(a) and all applicable executive orders, including Executive Order 11246. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, sexual stereotypes, gender identification or transgender status, pregnancy, childbirth or related conditions, or national origin. Moreover, these regulations and clauses require that covered US Government contractors or subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, sexual stereotypes, gender identification or transgender status, pregnancy, childbirth or related conditions, national origin, protected veteran status or disability. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay; fringe benefits or other forms of compensation; and selection for training, including apprenticeship. Seller agrees to post in conspicuous places, available to employees and applicants for employment, required notices setting forth the provisions of this nondiscrimination clause. By accepting this order, Seller certifies the representations and certifications submitted to Buyer previously or with Seller's quote/proposal for this order (as applicable) remain valid from the date of submission until the conclusion of this Order. Seller agrees to provide immediate written notice to Buyer if any of the Seller's certifications and representations change at any time from the date of Seller's acceptance of this order through Seller's performance and closeout of this order; such notice shall not constitute a waiver of Seller's obligations to perform as previously certified. If this is a DPAS-rated order, Seller is required to follow all the provisions of the Defense Priorities and Allocation System Regulation 15 CFR 700 unless an exemption applies.

NO WORK PERFORMED UNDER THIS ORDER WILL BE PERFORMED IN A US FACILITY WHICH IS IN VIOLATION OF THE STANDARDS, ORDERS OR REGULATIONS ISSUED PURSUANT TO THE CLEAN AIR ACT (42 U.S.C. 7401 ET SEQ) OR THE FEDERAL WATER POLLUTION CONTROL ACT AS AMENDED (33 U.S.C. 1251 ET SEQ). BY ACCEPTANCE OF THIS PURCHASE ORDER, THE SELLER CERTIFIES THAT NEITHER THE SELLER NOR ITS PRINCIPALS ARE DEBARRED, SUSPENDED OR PROPOSED FOR DEBARMENT BY THE US FEDERAL GOVERNMENT.

The following Flow-down Clauses apply to this Purchase Order. The definitions of FAR 2-101 shall

apply to these clauses, including to determinations of commercial items. All currency referenced is in US dollars.

### **FAR and DFARS for all firm fixed price Orders to Seller FAR**

- 52.203-3 Gratuities (Apr. 1984) (Applicable if Order exceeds \$150,000)
- 52.203-6 Restrictions on Subcontractor Sales to the Government (Sep 2006) (No substitution for "Government") (Applicable if Order exceeds \$150,000)
- 52.203-7 Anti-Kickback Procedures (May 2014) (Applicable if Order exceeds \$150,000) (Excluding (c)(1) and "Prime Contractor" shall mean Buyer; no substitutions for Contracting Officer; "Subcontractor" shall mean Seller and Seller's Sellers)
- 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity (May 2014)
- 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (Sep 2007)
- 52.203-12 Limitation on Payments to Influence Certain Federal Transactions (Oct 2010) (Applicable if Order exceeds \$150,000)
- 52.203-17 Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights (Apr 2014) (Applicable if Order exceeds \$150,000)
- 52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards (October 2016) (Applicable only to the extent Seller shall cooperate with Buyer in reporting required information on first tier subcontract awards.)
- 52.204-21 Basic Safeguarding of Covered Contractor Information Systems (June 2016) (Applicable only if Seller may have Federal contract information residing in or transiting through its information system.) (Not applicable to commercial off the shelf products.)
- 52.209-6 Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (October 2015) (Applicable if Order exceeds \$35,000) (Not applicable to commercial or commercial off the shelf products and no substitution for "Government")
- 52.215-14 Integrity of Unit Prices (Oct 2010) (Applicable if Order exceeds \$150,000) (Not applicable to commercial items)
- 52.222-50 Combating Trafficking in Persons (March 2015)
- 52.223-3 Hazardous Material Identification and Material Safety Data (Jan 1997)
- 52.223-7 Notice of Radioactive Materials (Jan 1997) (The blank in paragraph (a) shall be "60") (Applicable only to Orders for radioactive materials)
- 52.223-11 Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons (June 2016)
- 52.223-18 Encouraging Contractor Policies to Ban Text Messaging While Driving (Aug 2011) (Applicable if Order exceeds \$3,500)
- 52.225-8 Duty-Free Entry (Oct 2010) (Applicable to Orders with supplies identified as duty-free entry that will be imported into the United States or foreign supplies in excess of \$20,000)
- 52.225-13 Restrictions on Certain Foreign Purchases (Jun 2008)



## Groveley Precision Engineering Limited – Terms & Conditions of Purchase

52.225-20 Prohibition on Conducting Restricted Business Operations in Sudan – Certification (Aug 2009)  
52.225-25 Prohibition on Contracting with Entities Engaging in Certain Activities or Transactions Relating to Iran—Representation and Certifications (Dec 2012)  
52.227-1 Authorization and Consent (Dec 2007) (Applicable if Order exceeds \$150,000) (Not applicable if both complete performance and delivery are outside of the US)  
52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (Dec 2007) (Applicable if Order exceeds \$150,000) (Not applicable if both complete performance and delivery are outside the US)  
52.227-9 Refund of Royalties (Apr 1984) (Applicable if royalties paid by Seller exceed \$250)  
52.227-11 Patent Rights—Ownership by the Contractor (May 2014) (Applicable if Order is for experimental, developmental, or research work)  
52.232-40 Providing Accelerated Payments to Small Business Subcontractors (Dec 2013)  
52.234-1 Industrial Resources Developed Under Title III, Defense Production Act (Sep 2016)  
52.242-15 Stop-Work Order (Aug 1989)  
52.243-1 Changes – Fixed Price (Aug 1987) (For changes directed for the US Government)  
52.244-6 Subcontracts for Commercial Items (Oct 2016)  
52.245-1 Government Property (Apr 2012) (Applicable to Orders where Seller is furnished US Government property for performance)  
52.247-63 Preference for U.S.-Flag Air Carriers (June 2003)  
52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006)  
52.248-1 Value Engineering (Oct 2010) (Applicable if Order exceeds \$150,000)

### DFARS

252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies (Dec 2008) (Applicable if Order exceeds \$150,000) (Not applicable if Order is for commercial items)  
252.203-7002 Requirement to Inform Employees of Whistleblower Rights (Sep 2013)  
252.204-7000 Disclosure of Information (Oct 2016)  
252.204-7009 Limitations on the Use or Disclosure of Third-party Contractor Reported Cyber Incident Information (Oct 2016) (Applicable if Order involves services that include support for the Government's activities related to safeguarding covered defense information and cyber incident reporting.)  
252.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting (Oct 2016) (Applicable where unclassified controlled defense information is collected, developed, received, used, transmitted or stored; incident reports and notifications under (m)(2) shall be reported by Seller to Buyer (as "prime contractor" under this provision) utilizing Buyer designated process)  
252.204-7015 Notice of Authorized Disclosure of Information for Litigation Support (May 2016)  
252.208-7000 Intent to Furnish Precious Metals as Government-Furnished Material (Dec 1991)  
252.209-7004 Subcontracting With Firms That are Owned or Controlled by the Government of a Terrorist Country (Mar 2014)

252.211-7003 Item Unique Identification and Valuation (Mar 2016) (Applicable if item price exceeds \$5,000 per unit)  
252.223-7001 Hazard Warning Labels (Dec 1991)  
252.223-7008 Prohibition of Hexavalent Chromium (Jun 2013)  
252.225-7001 Buy American and Balance of Payments Program (Aug 2016) (Applies only to Sellers outside the US)  
252.225-7007 Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies (Sep 2006)  
252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals. (Oct 2014)  
252.225-7012 Preference for Certain Domestic Commodities (Aug 2016)  
252.225-7013 Duty-Free Entry (May 2016)  
252.225-7015 Restriction on Acquisition of Hand or Measuring Tools (June 2005)  
252.225-7016 Restriction on Acquisition of Ball and Roller Bearings (June 2011) (Not applicable if Order is for commercial items or for supplies not containing ball or roller bearings)  
252.225-7048 Export-Controlled Items (Jun 2013)  
252.227-7013 Rights in Technical Data—Noncommercial Items (Feb 2014) (Applicable if Order requires delivery of Seller technical data pertaining to non-commercial items or commercial items for which the US Government will have paid for any portion of the development costs)  
252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (Feb 2014) (Applicable if Order requires delivery of computer software or computer software documentation)  
252.227-7015 Technical Data—Commercial Items (Feb 2014) (Applicable if Order requires delivery of technical data pertaining to commercial items)  
252.227-7016 Rights in Bid or Proposal Information (Jan 2011)  
252.227-7017 Identification and Assertion of Use, Release, or Disclosure Restrictions (Jan 2011)  
252.227-7019 Validation of Asserted Restrictions—Computer Software (Sep 2016) (Applicable if Order requires delivery of computer software)  
252.227-7026 Deferred Delivery of Technical Data or Computer Software (Apr 1988)  
252.227-7027 Deferred Ordering of Technical Data or Computer Software (Apr 1988)  
252.227-7028 Technical Data or Computer Software Previously Delivered to the Government (June 1995)  
252.227-7030 Technical Data—Withholding of Payment (Mar 2000)  
252.227-7037 Validation of Restrictive Markings on Technical Data (Sep 2016) (Applicable if Order requires delivery of technical data)  
225.228-7001 Ground and Flight Risk (June 2010)  
252.228-7005 Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles (Dec 1991) (Applicable if Order involves the manufacture, modification, overhaul, or repair of aircrafts, missiles, and space launch vehicles or components thereof)

## Groveley Precision Engineering Limited – Terms & Conditions of Purchase

252.235-7003 Frequency Authorization (Mar 2014)  
(Applicable only to Orders for developing, producing, constructing, testing, or operating a device requiring a frequency authorization)

252.243-7001 Pricing of Contract Modifications (Dec 1991)

252.244-7000 Subcontracts for Commercial Items (Jun 2013)

252.246-7000 Material Inspection and Receiving Report (Mar 2008) (Seller shall cooperate with Buyer to ensure that necessary reports are provided to the Government)

252.246-7003 Notification of Potential Safety Issues (Jun 2013) (Applicable if Order is for parts identified as critical safety items; systems and subsystems, assemblies, and subassemblies integral to a system; or repair, maintenance, logistics support, or overhaul services for the foregoing items; Notice in (c) shall be to Buyer and notice shall be as provided in (f)(2) without modification of terms)

252.246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance System (Aug 2016)

252.246-7008 Sources of Electronic Parts (Aug 2016) (Not applicable if Seller is the original manufacturer)

252.247-7023 Transportation of Supplies by Sea—Basic (Apr 2014) (Applicable if Order exceeds \$150,000)

252.247-7024 Notification of Transportation of Supplies by Sea (Mar 2000)

252.249-7002 Notification of Anticipated Contract Termination or Reduction (Oct 2010) (Applicable if Order exceeds \$150,000)

**Additional FAR/DFARS for firm fixed price Orders to Sellers performing in the US FAR**

52.211-15 Defense Priority and Allocation Requirements (Apr 2008)

52.219-08 Utilization of Small Business Concerns (Oct 2014)

52.219-09 Small Business Subcontracting Plan (Oct 2016) (Applicable if Order exceeds \$700,000)

52.219-16 Liquidated Damages—Subcontracting Plan (Jan 1999) (Applicable if Order exceeds \$700,000)

52.222-04 Contract Work Hours and Safety Standards—Overtime Compensation (May 2014) (Applicable if Order involves employment of laborers and mechanics)

52.222-20 Contracts for Materials, Supplies, Articles and Equipment Exceeding \$15,000 (May 2014)

52.222-21 Prohibition of Segregated Facilities (Apr 2015)

52.222-26 Equal Opportunity (Sep 2016)

52.222-35 Equal Opportunity for Veterans (Oct 2015) (Applicable if Order exceeds \$150,000)

52.222-36 Equal Opportunity for Workers with Disabilities (July 2014) (Applicable if Order exceeds \$15,000)

52.222-37 Employment Reports on Veterans (Feb 2016) (Applicable if Orders exceeds \$150,000)

52.222-40 Notification of Employee Rights Under the National Labor Relations Act (Dec 2010) (Applicable if Order exceeds \$10,000)

52.222-41 Service Contract Labor Standards (May 2014) (Applicable if Order is subject to the Service Contract Labor Standards)

52.222-51 Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment Requirements (May 2014)

52.222-53 Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services – Requirements (May 2014)

52.222-54 Employment Eligibility Verification (Oct 2015) (Not applicable if Order is under \$3,500)

52.222-55 Minimum Wages Under Executive Order 13658 (Dec 2015) (Applicable if Order is subject to the Service Contract Labor Standards statute)

52.223-18 Encouraging Contractor Policies to Ban Text Messaging While Driving (Aug 2011) (Applicable if Order exceeds \$3,500)

52.225-1 Buy American – Supplies (May 2014) (Applies only to Sellers in the US)

### **DFARS**

252.222-7006 Restrictions on the Use of Mandatory Arbitration Agreements (Dec 2010) (Applicable if Order exceeds \$1,000,000 and is for a non-commercial product)

252.226-7001 Utilization of Indian Organizations and Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns (Sep 2004) (Applicable if Order exceeds \$500,000)

**Additional FAR/DFARS for firm fixed price orders to seller over \$750,000 FAR**

52.203-13 Contractor Code of Business Ethics and Conduct (Oct 2015) (Applicable if Order exceeds \$5,500,000)

52.203-14 Display of Hotline Poster(s) (Oct 2015) (Applicable if Order exceeds \$5,500,000) (Not applicable if Order is for commercial items or for performance entirely outside the United States)

52.215-02 Audit and Records – Negotiation (Oct 2010) (Applicable if Order requires certified cost or pricing data under FAR 15.403-1)

52.215-10 Price Reduction for Defective Certified Cost or Pricing Data (Aug 2011)

52.215-11 Price Reduction for Defective Certified Cost or Pricing Data—Modifications (Aug 2011)

52.215-12 Subcontractor Certified Cost or Pricing Data (Oct 2010) (Applicable if Order exceeds \$750,000 unless otherwise exempt from certified cost/pricing data under FAR 15.403-1)

52.215-13 Subcontractor Certified Cost or Pricing Data—Modifications (Oct 2010) (Applicable if Order exceeds \$750,000 unless otherwise exempt from certified cost or pricing data under FAR 15.403-1)

52.215-15 Pension Adjustments and Asset Reversions (Oct 2010) (Applicable if Order exceeds \$750,000 unless otherwise exempt from certified cost or pricing data under FAR 15.403-1)

52.215-18 Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions (Jul 2005) (Applicable if Order exceeds \$750,000 unless otherwise exempt from certified cost or pricing data under FAR 15.403-1)

52.215-19 Notification of Ownership Changes (Oct 1997) (Applicable if Order exceeds \$750,000 unless otherwise exempt from certified cost or pricing data under FAR 15.403-1)

52.215-23 Limitations on Pass-Through Charges (Oct 2009) (Applicable if Order exceeds \$750,000 unless otherwise exempt from certified cost or pricing data under FAR 15.403-1)

## **Groveley Precision Engineering Limited – Terms & Conditions of Purchase**

52.230-02 Cost Accounting Standards (October 2015)

(Applicable if Order exceeds \$750,000 and not otherwise exempt under FAR 15.403-1)

52.230-03 Disclosure and Consistency of Cost Accounting Practices (Oct 2015) (Applicable if Order exceeds \$750,000 and not otherwise exempt under FAR 15.403-1)

52.230-04 Disclosure and Consistency of Cost Accounting Practices—Foreign Concerns (Oct 2015) (Applicable if Order exceeds \$750,000 unless otherwise exempt from certified cost or pricing data under FAR 15.403-1)

52.230-06 Administration of Cost Accounting Standards (Jun 2010) (Applicable if Order exceeds \$750,000)

### **DFARS**

252.203-7004 Display of Hotline Posters (Oct 2016) (Applicable if Order exceeds \$5,500,000) (Not applicable if Order is for commercial items or will be performed entirely outside of the US)

252.211-7000 Acquisition Streamlining (Oct 2010) (Applicable if Order exceeds \$1,500,000)

252.215-7000 Pricing Adjustments (Dec 2012)

252.225-7033 Waiver of United Kingdom Levies (Apr 2003) (Applicable if Seller expects to issue lower-tier orders to a UK firm exceeding \$1,000,000)

### **Groveley Precision Engineering Limited**

**Registered in England No.465322.**

**Registered Office: Anchor Works, Groveley Road,  
Christchurch, Dorset, BH23 3HB**