



TERMS AND CONDITIONS OF PURCHASE

1. DEFINITIONS

"We", "Us", "Our", and "HUTTON" mean Hutton Engineering (Precision) Limited.

"You" and "Your" means the person, firm or company to whom the Purchase Order be addressed and any employees, sub-contractors or agents of said person, firm or company.

"Goods" means the materials, articles, works and services described in the Contract.

"Package" means any type of Package including bags, cases, boxes, pallets, cylinders, and any other containers.

"Purchase Order" means an offer to buy, communicated in the form of a printed Purchase Order, or a written or verbal instruction, or other means.

"Contract" has the meaning given in Condition 2 below.

"Authorised Associate" means any employee authorised by Us to either sign Our Purchase Order, or raise an order by telephone, email, fax or other means.

"Counterfeit" An unauthorized copy, imitation, substitute, or modified part (e.g., material, part, component), which is knowingly misrepresented as a specified genuine part of an original or authorised manufacturer.

"Shelf life" The length of time for which an item remains usable, fit for consumption.

2. THE CONTRACT

You agree to sell, and We agree to purchase the Goods in accordance with the Contract. The Contract shall comprise: any Order Amendments, the Purchase Order, these General Conditions of Purchase, any other document (or part document) referred to on the Purchase Order. The Contract shall not include any of Your conditions of sale. These General Conditions of Purchase shall always prevail over Your terms and conditions of sale. Delivery of Goods in response to a Purchase Order or Order Amendment shall be taken to imply that You have accepted the Terms and Conditions of this Contract.

3. PRICE

You will sell Us the Goods for the firm and fixed Price stated in the Contract. The Price shall include packaging, insurance, delivery, and full certification where required, unless specifically identified at point of order. The price shall not include Value Added Tax. HUTTON reserves the right to set off against the Price any sums owed by the Supplier to HUTTON in respect of Goods and/or Services or other materials and Services under the Contract or otherwise.

4. VARIATIONS

We reserve the right, before delivery, to send You an Order Amendment adding to, deleting from or modifying the content of the Order. Should the Order Amendment cause a change to the Price or delivery date then You must advise Us immediately offering a revised Price and delivery at the same level of cost and profitability as the original Price. The Order Amendment shall take effect when, but only if, Our Authorised Associate accepts the new Price and delivery date within the time You stipulate. If Our Authorised Associate fails to confirm the Order Amendment within the time You stipulate then performance of the Contract shall immediately resume as though the said Order Amendment had not been issued (except that We may still exercise Our right of cancellation in accordance with Condition 5).

5. OUR RIGHT OF CANCELLATION

In addition to Our other rights of cancellation under this Contract, we may cancel the Purchase Order and any Order Amendment thereto at any time by sending You a notice of termination. You will comply with any instructions that We may issue with regard to the Goods. If You submit a termination claim then We will pay to You the cost of any commitments, liabilities or expenditure, which in Our reasonable opinion were a consequence of this Contract at the time of termination. The total of all payments made or due to You under this Contract, including any termination payment, shall not exceed the Price. If You fail to submit a termination claim within 3 months of the date of Our notice of termination, then We shall have no further liability under the Contract.

6. QUALITY AND DESCRIPTION

The Goods shall:

- a) Conform in every respect with the provisions of the Contract;
- b) Be capable of all standards of performance specified in the Contract;
- c) Be fit for any purpose made known to You expressly or by implication and in this respect, we rely on Your skill and judgement;
- d) Be new (unless otherwise specified on the Purchase Order) and be of sound materials and skilled and careful workmanship;
- e) Correspond with their description or any samples, patterns, drawings, plans and the current revisions of specifications referred to in the Contract;
- f) Be of satisfactory quality;
- g) Of appropriate cleanliness to permit subsequent processing by Us with no deleterious effects
- h) Comply with any current legislation, including product safety.
- i) Not supply counterfeit materials or items. Any goods identified as counterfeit will be deemed as zero value for accounting purposes. The supplier will accept liability for any counterfeit materials or items plus their disposal by Hutton's to prevent re-entrance to the supply chain. Where any goods have had added value prior to counterfeit detection the supplier will in all cases be liable for the full value of the costs incurred by Hutton Engineering (precision) Ltd. All cases of counterfeit shall be reported to the associated industries regulatory bodies. Identified counterfeit materials & goods will not be returned to the supplier.

Unless specifically required under the Contract, there shall be no asbestos content in the Goods.

7. PROGRESS AND INSPECTION

- a) You shall at Your expense provide any schedules of manufacture and delivery that We may reasonably require. You shall notify Us without delay if Your progress falls behind or may fall behind any of these schedules.
- b) We shall have the right to check progress at Your works or the works of Your sub-contractors at all reasonable times, to inspect and to reject Goods that does not comply with the Contract. Your sub-contracts shall reserve such right for Us.
- c) If You decide to sub-contract to a third party, you must ensure that the requirements of Our purchase order are conveyed within Your purchase order to those supplying You.
- d) You and your suppliers shall afford Us and or our customers together with regulatory enforcement representatives' full access to processes; records of goods or services supplied.
- e) All Records of goods & services supplied including manufacturing; purchasing; inspection shall be adequately retained and readily retrievable by You for a minimum period of ten years. Prior to subsequent destruction the records shall be offered to Us.
- f) No sub-contractor shall be used without prior HUTTON authority conveyed in writing
- g) You will advise us in writing of any nonconforming product, which will allow us to in turn to advise you in writing of approval or otherwise, prior to submission of any such product.
- h) You will advise us in writing of any changes in product and/or process definition including any changes to the supply chain and manufacturing location and where required obtain written approval from Us.

8. DELIVERY

- a) The Goods shall be properly packed, secured and despatched at Your expense to arrive in good condition at the time or times and the place or places specified in the Contract.
- b) If You or Your carrier delivers any Goods at the wrong time or to the wrong place, then We may deduct from the Price any resulting costs of storage or transport.
- c) The Goods shall be delivered to and/or the Services shall be performed at the addressed stated by Us in the Contract on the date or within the period

stated in the Contract, in either case during Our usual business hours unless otherwise specified by Us.

- d) The Goods shall only be deemed to have been received when they have been delivered to the delivery location, unloaded, and signed for by an Authorised Associate.
- e) The Goods shall be delivered with a minimum of 80% residual shelf life. Time is of the essence under the Contract.

9. LATE DELIVERY

If the Goods or any part of them are not delivered by the time or times specified in the Contract, then We may cancel any undelivered balance of the Goods. We may also return for full credit and at Your expense any Goods that in Our opinion cannot be utilised owing to this cancellation. In the case of services, we may have the work performed by alternative means and any additional costs reasonably so incurred shall be at Your expense. This shall not affect any other rights that We have.

10. PROPERTY AND RISK

- a) You shall bear all risks of loss or damage to the Goods until they have been delivered and shall insure accordingly.
- b) Ownership of the Goods shall pass to Us on the following: (i) when the Goods have been delivered but without prejudice to Our right of rejection under this Contract; and/or (ii) if We make any advance or stage payment, at the time such payment is made You must as soon as possible mark the Goods as Our property.

11. ACCEPTANCE

We shall have the right to reject the Goods in whole or in part whether or not paid for in full or in part within a reasonable time of delivery if they do not conform to the requirements of this Contract. We shall give You a reasonable opportunity to replace the Goods with new Goods that conform with this Contract, after which time We shall be entitled to cancel the Contract. In the event of cancellation under this condition You shall promptly repay any monies paid under the Contract without any retention or offset whatsoever. Cancellation of the Contract under this condition shall not affect any other rights We may have. You must collect all rejected Goods within a reasonable time of rejection, or We shall return them to You at Your risk and expense.

12. PAYMENT

Unless stated otherwise in the Contract We shall pay You, on receipt of a correctly rendered invoice, at the end of the month following the month of supply. Your invoice must be sent to Us at the address stated on the Purchase Order and must quote the full Purchase Order number. We shall not be held responsible for delays in payment caused by Your failure to comply with Our invoicing instructions.

13. YOUR WARRANTY

It is expressly agreed between Us that:

- a) You shall promptly make good at Your expense any defect in the Goods that We discover under proper usage during the first 12 months of actual use or 18 months from the date of acceptance by Us, whichever period shall expire first. Such defects may arise from Your faulty design, your erroneous instructions as to use or inadequate or faulty materials, or poor workmanship or any other breach of Your obligations whether in this Contract or at law.
- b) Repairs or replacements will themselves be covered by the above warranty but for a period of 12 months from acceptance by Us

14. INDEMNITY AND INSURANCE

- a) You shall indemnify Us against all loss, actions, costs, claims, demands, expenses and liabilities whatsoever (if any) which We may incur either at common law or by statute in respect of personal injury to or death of any person or in respect of any loss or destruction of or damage to property (other than as a result of any default or neglect of Ourselves or of any person for whom We are responsible) which shall have occurred in connection with any work executed by You under this Contract or shall be alleged to be attributable to some defect in the Goods.
- b) This Contract is given on the condition that (without prejudice to the generality of Condition 14(a)) You will indemnify Us against all loss, costs, claims, demands, expenses and liabilities whatsoever (if any) which We may incur either at common law or by statute (other than as a result of any default or neglect of Ourselves or of any person for whom We are responsible) in respect of personal injury to or death of any of Your or Our employees, agents, sub-contractors or other representatives whilst on Our premises whether or not such persons are (at the time such personal injury or deaths are caused) acting in the course of their employment.
- c) You will indemnify Us against any such and all loss, costs, expenses and liabilities caused to Us whether directly or as a result of the action, claim or demand of any third party by reason of any breach by You of these conditions or of any terms or obligations on Your part implied by the Sale of Goods Act 1979, by the Supply of Goods and Services Act 1982 or by any other statute or statutory provision relevant to the Contract or to Goods or work covered thereby. This indemnity shall not be prejudiced or waived by any exercise of Our rights under Condition 11.
- d) You shall hold satisfactory insurance cover with a reputable insurer to fulfil Your insurance obligations for the duration of this Contract including public liability insurance cover of at least £2m. You shall affect insurance against all those risks arising from Your indemnity in Condition 14(c). Satisfactory evidence of such insurance and payment of current premiums shall be shown to Us upon request.

15. ARTICLES ON LOAN AND USE OF INFORMATION

- a) All tools, materials, drawings, specifications and other equipment and data ("the Articles") loaned by Us to You in connection with the Contract shall remain always Our property and be surrendered to Us upon demand in good and serviceable condition (fair wear and tear allowed) and are to be used by You solely for the purpose of completing the Contract. You agree that no copy of any of the Articles will be made without the consent in writing of Our Authorised Associate. Until You return all the Articles to Us, they shall be at Your risk and insured by You at Your own expense against the risk of loss, theft or damage. Any loss of or damage to such articles shall be made good by You at Your expense.
- b) Any information derived from Our property or otherwise communicated to You in connection with the Contract shall be kept confidential and shall not, without the consent in writing of Our Authorised Associate, be published or disclosed to any third party, or made use of by You except for the purpose of implementing the Contract.

16. INTELLECTUAL PROPERTY

If the Contract involves design and/or development work:

- a) All rights in the results of work arising out of or deriving from this Contract, including inventions, designs, copyright and knowledge shall be Our property and We shall have the sole right to determine whether any letters patent, registered design, trademark and other protection shall be sought.
- b) You shall promptly communicate to Us all such results and shall, if requested and at Our expense, do all acts and things necessary to enable Us or Our nominee to obtain letters patent, registered designs and other protection for such results in all territories and to assign the same to Us or Our nominee.
- c) You shall ensure that all technical information (including computer programs and programming information) arising out of or deriving from this Contract is held in strict confidence except for such information which becomes public knowledge other than by breach of this Contract.

17. YOUR INSOLVENCY

If You become insolvent or bankrupt or (being a company) make an arrangement with Your creditors or have an administrative receiver or administrator appointed or commence to be wound up (other than for the purposes of amalgamation or reconstruction) We may without replacing or reducing any other of Our rights terminate the Contract with immediate effect by written notice to You or any person in whom the Contract may be become vested.

18.LAW

This Contract shall be subject to English Law and the sole jurisdiction of the English courts.