

General Terms and Conditions of Purchase

0. General

Except only where expressly agreed otherwise by us in writing, every purchase shall be subject to these general terms and conditions (hereinafter called "Conditions") and by commencing work on this Order, you will be deemed to have accepted these Conditions which shall be deemed to supersede all prior representations, understandings, arrangements and agreements between the parties and shall also be deemed to set forth the entire agreement between the parties in relation to the subject matter hereof.

1. Definitions

"Drawing" or "Drawings" means engineering drawings uniquely identified by a combination of Drawing and issue numbers marked on the Drawing supplied by us and referenced on the Order.

"Goods" mean any goods or services to be provided under this Order.

"Warranty Period" means the period after the Goods have been received or the Services have been performed under this Order.

"Purchase Order" means our purchase order in respect of any Goods or Services or any part of them.

"Services" mean any services to be provided under this Order.

"We" "our", "ourselves" means Acro Aircraft Seating Limited.

"You" "your" and "yourself" mean any person or corporate entity which commences work pursuant to a valid Order.

"Concession" approval for deviation from the released drawing but restricted to a production lot or batch quantity only

"Production Permit" approval for the supplier to effect changes to a manufactured product, by using an approved deviation from the latest released drawing. This remains in force until the revised drawing is released, the Production Permit will then cease to be in effect.

2. Purchase Order & Authorisations

- a. We will not accept any liability for any Goods delivered or services provided without an appropriately signed printed Purchase Order, quoting a valid Purchase Order number and placed by one of our duly authorised representatives.
- b. No Order will be recognised by the company unless it is on its official order form and that is signed by the company's authorised signatory. (a list of authorised signatories on request)
- c. Failure by the Supplier to respond and acknowledge the Purchase Order within two (2) Working Days from the issuance, shall be deemed to constitute acceptance by the Supplier of the Purchase Order.
- d. You will flow down all requirements defined and included within the Purchase order to your sub-tier suppliers.

3. Warranty

- a. If within the Warranty Period any defect in the provision of Goods or Services shall be discovered or arise under normal use attributable to faulty design (save where the Goods are manufactured to our Drawings), materials or workmanship, you shall remedy the defect either by replacement or repair of the Goods and/or re-provision of the Services at your own expense. You shall not reject any claim made in respect of any defect arising within the Warranty Period on the basis that we failed to make the complaint during such period.
- b. The provisions of this Clause shall apply to both Goods and/or Services so replaced, repaired or re-provided and shall be effective from the date of such re-provision, replacement or repair.
- c. Notwithstanding the above, the replacement, repair or re-provision of Goods or Services in the Warranty Period shall not prejudice any of our rights against you resulting from such defects, faulty design, materials or workmanship in the Goods or Services.

4. Inspection and Testing

Prior to delivery of any Goods to be provided under the Order, you shall inspect and test the Goods for compliance with the Order and in assessing their fitness for use, we shall be deemed to rely on your skill and judgement, save where the Goods are manufactured to our Drawings.

You shall, supply certified copies of records of such inspection and tests free of charge. You will grant to us or our nominated representatives a right of access at all reasonable times for the purpose of auditing, approvals, checking progress and carrying out or witnessing tests and/or inspection procedures. Such tests and inspection as we may carry out shall not in any way diminish, affect or impair your obligations.

5. Packaging

- a. All parts shall be correctly packaged to prevent damage, deterioration, corrosion and other risks during transportation and storage.
- b. You are responsible for the packaging of the Goods in a manner that is deemed suitable for damage free transit at no additional cost to us unless otherwise specified in the Purchase Order.
- c. You are encouraged to consider the use of environmentally, economically viable and re-usable packaging that is in no way detrimental to the integrity of the products supplied.
- d. It is the responsibility of the supplier to collect Returnable packaging.

6. Deterioration of Goods

If the Goods are perishable or have a life expectancy of a fixed duration or if there are any circumstances known to you which would adversely affect the life-span of the Goods, you are required to provide all such necessary technical data and appropriate information in writing prior to and at the point of delivery of the Goods.

7. Delivery

- a. Time for the delivery of the Goods and/or Services under the Order shall be of the essence On Time and In Full (OTIF) against the dates stipulated within the Purchase Order.
- b. The acceptable OTIF window will be Zero (0) Days late and no more than Five (5) Days early unless otherwise agreed. Suppliers OTIF performance will be measured monthly using this base as a method of calculation.
- c. Unless otherwise specified by us, delivery of the Goods shall be effected by you at your own risk and expense (including the risk of deterioration in the Goods necessarily incident to the course of transit) DAP Delivered at Place (Incoterms 2010) at the place specified on the Purchase Order.
- d. In the event of the Goods not being made available on the date(s) specified in the Order, you are required to notify us of any delay(s) to the previously agreed delivery date(s) including the reasons for the delay and mitigating actions to ensure prompt delivery, not less than Two (2) working days prior to the scheduled date.
- e. We retain the right of cancellation of the Purchase Order pursuant to Condition 13
- f. Our Standard business hours are Monday to Friday 8am to 4pm with the last acceptable delivery to our Goods Receiving of 3.45pm, unless otherwise agreed in writing. Acro retains the right to turn away deliveries that do not have prior approval to deviate from the core warehouse opening times.

8. Payment

- a. Unless otherwise agreed, payment for Goods or Services provided pursuant to the Purchase Order shall be made within 60 days of the date of the invoice, providing that the invoice(s) has been submitted to the accounts payable function at the address stated at the top of the Purchase Order or via email to accounts@acro.aero together with all supporting information required by us to support each respective invoice.
- b. Suppliers are required to provide unique invoices for each and every Purchase Order unless otherwise agreed in writing. Consolidated invoices linked to multiple Purchase Orders are not acceptable.
- c. Invoices submitted without a valid Purchase Order number, poorly constructed, vague, incomplete or for additional goods and services above the value of the original Purchase Order, will be rejected and not processed.
- d. Notwithstanding the above, if there is a disagreement in respect of invoice not matching the original purchase order, payment for that portion of the invoice will be delayed until resolved.

9. Passing of Title and Risk

Title in the Goods shall not pass to Acro Aircraft Seating until payment has been made. Risk in the goods shall pass upon the successful acceptance of the delivery or (in the case of delivery by instalments) on the accepted delivery of each instalment.

10. Insurance and Indemnity

- a. You will hold, maintain and on request provide evidence of insurance being in force to cover the full value of any Goods, tools, materials, or other property provided by or through us to you in connection with the Purchase Order, whilst they are in your possession and/or control.
- b. You will indemnify us against any and all liability, loss, damages, claims, costs and expenses howsoever arising in connection with the following;
 - i. Injury to any person or damage to any property arising from the provision of the Goods and/or Services other than in accordance with the Order or these Conditions or otherwise arising from your negligence;
 - ii. Any breach by you of any statutory duty;

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- iii. If you or any of your servants or agents cause or suffer any injury or damage whilst on our premises in performance of this Order; and
- iv. If you fail to comply with any statute, statutory rule, order, directive or regulation under Condition 14 hereof.
- c. You shall hold any insurance monies payable under this Clause in trust for us.

11. Rejection of Goods or Services

- a. If the Goods or Services do not comply with the Purchase Order or any of the Conditions of the Purchase Order are broken or not complied with by you or it is clear that you will be unable to perform your part of the Purchase Order, we shall be entitled to reject the Goods or Services and/or rescind the Purchase Order (notwithstanding that the property in the Goods may have passed) by giving written notice to you and the following provisions shall where appropriate apply:-
 - I. A Non-Conformance Report (NCR) will be provided by the Operational Buyer, you are required to arrange for the prompt collection of the rejected goods within Five (5) working days of notification.
 - II. Failure to abide by this requirement may result in the return of the rejected goods at your risk and expense. We will recharge delivery fees at Cost + 15% for handling and administration.
 - III. We may, at our discretion, require you either to replace or rectify the Goods or Services to our satisfaction and at your expense.
 - IV. You will issue us with a credit note promptly for any money paid by us in respect of rejected Goods or Services.

12. Statutory Rights

- a. It is a condition of this Order that the provision of Goods and/or Services under this Order comply and will continue to comply, with the provisions and requirements applicable to the design, manufacture, supply and use of the Goods and the provision of Services hereunder (whether expressly or by implication) of any statute, statutory rule, order, directive or regulation in force at the time of delivery.
- b. The Goods and all supporting literature and/or the provision of Services shall conform with all descriptions (within the meaning of the Trade Descriptions Acts 1968 and 1972 or any statutory modification or re-enactment thereof) applied thereto by you.
- c. You will supply where appropriate, save where the Goods have been manufactured to our Drawings and not later than the date of delivery or installation of the Goods, operator's manuals, instruction manuals, lists of recommended spares and other supporting literature in relation to the Goods, together with adequate information about the use for which the Goods have been designed and have been tested and about any conditions necessary to ensure that, when put to that use, the Goods will be safe and without risks to health.

13. Termination of Order

- a. Without prejudice to any other rights, we shall have the right to terminate the Purchase Order
 - I. In the event of breach or non-observance of these conditions by the supplier.
 - II. The Purchase Order in whole or part at any time by giving the supplier notice in writing where upon all work on the Purchase Order relevant to the termination instruction given shall be discontinued.
 - III. In the event of termination, the company shall pay a fair and reasonable price for all work in progress at the time of termination and the supplier shall afford the company every assistance to ascertain the extent of such work in progress and the supplier shall submit a claim within 1 month (30 days) of such termination after which time claims will only be met at the company's sole discretion.
 - IV. In the event of termination for any reason the company shall not be liable for loss of anticipated loss of profits or any indirect or consequential loss whatsoever.

14. Confidentiality

- a. This Order and the subject matter thereof shall be treated as confidential between the parties and shall not be disclosed or publicised to any third party for any reason without our prior written consent.
- b. You will not use our name or other identity for advertising or publicity purposes without our prior written consent.
- c. You will not copy, publicise or make available to any third party any Drawings, patterns, tooling of any kind, written instructions, specifications and other technical papers, supplied by us or produced by you at our cost for the purposes of this Order, and the same shall remain our property and must be returned to us on demand free of charge.

15. Force Majeure

- a. We shall not be liable to you for failure to accept delivery of the Goods or provision of Services resulting from any breakdown of plant or apparatus, fire, explosion, accident, strike, lock-out or any other event or cause beyond our control.

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- b. If you fail to perform any part of this Order by reason of any event or cause specified in the preceding sub-clause, we may temporarily suspend the delivery of the Goods and/or the provision of Services under this Order, without any liability to you for payment.

16. Patents

You will indemnify us against any and all liability, loss, damages, claims, costs and expenses arising out of any claim in respect of any infringement or alleged infringement of any patent, trademark, registered design or copyright or other proprietary rights whether in the United Kingdom or elsewhere resulting from the design, manufacture, use, supply or re-supply of the Goods and/or the provision of Services under this Order, save where such claim arises from Goods supplied made or produced to designs wholly defined by our engineering Drawings as specified in the Order.

17. Bankruptcy or Liquidation

If you shall become bankrupt or have a receiving order or administration order made against you or shall make any composition or arrangement with or any conveyance or assignment for the benefit of your creditors or shall purport so to do or shall have any application made against you under any Bankruptcy Act, or (being a company) if any resolution shall be passed, or an order of the Court be made that you be wound-up (save for the purposes of solvent reconstruction or amalgamation) or a receiver or manager be appointed by any creditor or any act shall be done which would cause any of the foregoing to be done, we shall be entitled to terminate the Order by written notice to you but without prejudice to any other right or action which we may have at the date of such notice.

18. Tooling

- a. All tools, jigs, dies, fixtures, moulds, patterns, plant or other equipment (hereinafter called "Tooling") supplied or paid for in full by the terms of a Purchase Order, will remain the property of the company.
- b. All tooling shall be maintained and kept in good repair and replaced when necessary by the supplier and shall not be used by the supplier other than for our benefit, without our prior written consent.
- c. The supplier undertakes not to sell or dispose of or agree to dispose of any of the company's tooling or create or allow to be created by lien charge or other encumbrances over such tooling.
- d. The supplier is obligated to maintain a list of all Acro owned assets under its control. From time to time, we will request a confirmation of assets under the control of the supplier including serviceability and general condition.

19. Waiver

No omission or delay by us in exercising any of our rights will be treated as a waiver thereof, nor will any single or partial exercise of a right preclude any other or future exercise thereof or any exercise of any other right and a waiver of a right on one occasion will not constitute a waiver of such right in the future.

20. Amendments

No variation or amendments to these general terms shall be binding unless made in writing and signed by a Director of Acro Aircraft Seating Ltd

21. Third Party Rights

A person who is not a party to the Order shall have no rights under the Contracts (Rights of Third Party) Act 1999 to enforce any term of this Agreement.

22. Law and Jurisdiction

The Order shall be under the exclusive jurisdiction of the English courts and will be governed by and interpreted in accordance with the Laws of England.

Clauses 24 to 29 inclusive apply only to Goods intended by us for use in the production of approved products under the scope of our European Aerospace Safety Agency ("EASA") Part 21 Production Organisation Approval ("POA"). Such items are identified on our Purchase Orders either by the inclusion of our part numbers (which follow the format XXXXX-XX-XX or XXXXX-X or similar where the character "X" is a number) or by the words "for POA use".

23. Warranties and Undertakings

- a. You will warrant, represent and undertake that the Goods:
 - I. Are free from defect in materials and workmanship and be of the best quality, material and workmanship;
 - II. Conform in all respects with the applicable Purchase Order;

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- III. Conform in all respects with the Drawing, Concession or Production Permit as advised by us to you from time to time and otherwise meets our requirements and be fit for the purpose;
- IV. You will not make any changes to Drawings or specifications, unless such changes are formally requested in writing by us and the issue of a Concession or Production Permit, accompanied by a Purchase Order amendment or revision.
 - b. You shall not substitute materials, parts or assemblies of any kind (including use of "equivalent" materials) unless requested in writing by us and accompanied by a purchase order amendment, revision or change order.
 - c. You shall maintain a quality programme that allows for detection and prevention of non-conformance and provides for the correction of same in a reasonable and timely manner.
 - d. You shall not ship or make any unauthorised repairs to product with the intent of delivering material that does not fully meet Purchase Order or product specification requirements. You shall notify us immediately if any aspect of the products or their constituent parts or materials render the products non-conformant to this order, including the warranty terms stated above. In such an event you shall promptly make arrangements with us to review any non-conforming products, parts or materials. Any such review shall take place entirely at our discretion and at a location to be agreed.
 - e. You shall ensure that we are provided with all required facilities and access to assess any non-conforming product, and that adequate processes and controls are in place at all times to establish and rectify the root cause of any non-conformance that occurs.
 - f. Shipping of nonconforming material, may void the Purchase Order and we shall have no obligation to you arising from the voided Purchase Order.
 - g. We reserve the right to disqualify you from Approved Vendors List.
 - h. You shall flow-down to your supply chain, all applicable requirements including customer requirements as stipulated in the Order.

24. Part Marking, Inspection and Delivery Documentation

- a. All Goods shall be indelibly marked or bagged and labelled as agreed with us in writing with the part number, batch number and issue number of the relevant Drawing (as set out on the Purchase Order) and your manufacturing batch number.
- b. You shall maintain a record of the appropriate inspection of the Goods, to verify adherence with the Purchase Order and associated drawings. A Certificate of Conformity is required to be issued with each delivery.
- c. You shall provide a printed delivery note clearly stating our Purchase Order number and special processes applied to the product, you will also include a Certificate of Conformity (see clause 29 below) with any Goods delivered.
- d. Where applicable, you will provide an EASA Form 1 or FAA 8130 release documentation as stipulated under your approval.
- e. In Accordance with AS9102, A FAIR First Article Inspection Report is required for each new part produced, change of process or machinery and location of production. Each First Article will be submitted with the supporting report and a Certificate of Conformity. A re-issue of the First Article will be required for all series production parts that have not been manufactured for two (2) years following the date of the last manufacture.

A copy of First Article Inspection Reports (FAIR) must accompany the physical product with a copy emailed to the gainspector@acro.aero address. Goods delivered to Acro missing the appropriate delivery documentation, C of C or FAIR, will be quarantined.

25. Record Keeping, Material Traceability and Reporting

You shall for a period of seven (7) years from the date of delivery to us:

- a. Keep and maintain (and back up in the case of computer records) adequate records so as to be reasonably protected from fire, smoke or water damage to facilitate the traceability of each delivery of Goods from its delivery note number, to its certificate of conformance, to the manufacturing batch and associated inspection records and to the raw material certificates, delivery notes and identities of your supplier(s) of such raw materials. Upon expiry of 7 year term you shall offer us the opportunity to collect such records from you prior to their destruction.
- b. Agree to provide full details of such records to us within 5 days of receipt of written notice or in exceptional cases relating to an airworthiness investigation within one working day.
- c. You agree to allow and to cooperate with our reasonable requests to audit your manufacturing and record keeping, up to and including site visits with proper airworthiness authorities and/or our customers for the conduct of quality audits to review the manufacturing and record keeping systems or to verify the methods of manufacture or process, inspection and final release, and to obtain similar rights of access to any sub-contractors or their sub-contractors approved pursuant to clause 25.b.

26. Changes to Process, Organisation, Assignment and Sub-contracting

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- a. You will not change the manufacturing process, manufacturing location, suppliers/sub-contractors, raw materials or proportions of raw materials used in products delivered to us under the Purchase Order.
- b. You are required to make your request in writing with the details of the proposed changes at least ninety (90) days before its implementation.
- c. No changes will be accepted unless we agree to the change in writing.
- d. We retain the right to re qualify any parts due to any above-mentioned change or failure to notify us in the event of a change.
- e. You will be liable for all losses and damages that we may suffer if you do not comply with the requirements of the preceding sentence.
- f. At our request, you will provide samples of product produced with the proposed change to test in our manufacturing process prior to shipment of any such product.
- g. You shall not without our prior written consent, assign, transfer or sub-contract the Order or part of the Order (including plating/finishing) to any third party.
- h. Where you use sub-contractors you must first seek our consent in writing, notwithstanding our consent you are responsible for assessing their competence and for ensuring continued adherence to your quality standards and relevant specifications.
- i. You are responsible for the timely and effective flow down of any notices, changes or variations to our purchase orders or these conditions to any sub-contractors.

27. Intellectual Property

- a. You acknowledge and agree that all Intellectual Property Rights in any of our Drawings are owned by (or licensed to) us and shall continue to be owned by (or licensed to) us.
- b. You acknowledge that the Drawings are licensed to you on the basis of an exclusive, personal, non-transferable and non-sub-licensable licence for you to use solely for the purposes and to the extent necessary for the purposes of performance of the Purchase Order and that such licence is terminable at will by us at any time.
- c. You are not permitted (without our prior written consent) to make any copy of any such Drawings.

28. On-going Failure Reporting

You will inform us immediately upon discovery of any failure, malfunction or defect in any raw material used in production, product, part, process or article produced and already delivered to us.

29. Certificate of Conformance

The certificate of conformance referred in clause 24 above shall include as a minimum:

Date	Date the certificate is created
Purchase Order No	Our PO number
Delivery No	A number uniquely identifying the C of C and cross referring to the relevant delivery note
Description:	Description of the part
Part No;	Part Number as set out on our Drawings and referenced on our PO
Issue:	Drawing Issue number as set out in our Drawing and referenced on our PO
Batch No or Date of Manf.	Your internal manufacturing batch number or date of manufacture
Produced by	The full name of your legal entity

And a signed statement including the name of the individual who is signing, substantially similar to:

"I certify for and on behalf of [*insert name of your legal entity*] that the above articles have been manufactured and inspected in accordance with our quality assurance procedures; and that the materials, processing, production, part marking, control and inspection of the above parts conform in all respects to the relevant drawings."

Where any special conditions of purchase applicable to this order are in conflict with these general terms and conditions, the special conditions shall prevail.

30. Welding

Unless otherwise noted on each PO or where our drawings or specifications call for welding, you will be required to comply with the relevant standards and shall arrange for a suitable UKAS approved test house or equivalent approval local to your company to prepare a report on the samples for tensile test, bending test and visual/microscopic examination.