

Sumac Precision Engineering Limited,  
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## **TERMS AND CONDITIONS OF PURCHASE**

- 1. GENERAL** – An agreement (“the Contract”) between Sumac Precision Engineering Limited, 26 Cambridge Road, Granby Industrial Estate, Weymouth DT4 9TJ, (“Sumac”) and the Supplier (“the Supplier”) for the supply of goods and services (“the Goods”) listed on any supply contracts, purchase orders or other requisitions (“the Orders”) placed by SUMAC on the Supplier. These Conditions of Purchase, and any other specified or referred to shall arise following receipt by the Supplier of the Purchase Order. These conditions may only be varied by SUMAC in writing and the supply of the Goods by the Supplier shall constitute acceptance of these conditions. A reference to Supply Agreement on the Purchase Order shall mean that the Contract shall be subject to the terms set out in the separate Supply Agreement shall be varied accordingly.
- 2. DESCRIPTION** – The Goods shall be fit for the intended purpose of use and of the quality described and in accordance in all respects with the terms of the Contract and any other relevant details drawn to the Supplier’s attention prior to the Contract. The Supplier shall ensure that the Goods including any packaging comply with all relevant regulatory requirements and / or codes of practice. In the absence of a specification or sample the Goods shall be within normal limits of industrial quality.
- 3. DELIVERY RISK AND TITLE** – Delivery shall be made to the place stated and, on the date, specified or earlier by agreement. Should the Goods or any part of them not be delivered within the time specified SUMAC shall have the right to terminate the Contract either wholly or to the extent of the Supplier’s default. Risk in and title to the Goods shall pass to SUMAC on delivery (unless otherwise dictated by the Incoterm stated in the Contract). SUMAC’s order number and part number (where relevant) must be clearly quoted on all documentation and failure to do so shall entitle SUMAC to reject the Goods and will cause delay in payment of invoices.
- 4. LOSS OR DAMAGE IN TRANSIT** – SUMAC shall advise the Supplier in writing of any loss, damage, defects or non-delivery of any separate part of a consignment within 7 days of date of the delivery of the consignment or part consignment, or for non-delivery of whole consignment, within 21 days of SUMAC’s receipt of notice of dispatch. The Supplier shall immediately make good free of charge to SUMAC any loss or damage to or defect in the Goods where such notice is given by SUMAC.
- 5. PRICE AND PAYMENT** – The price of the Goods shall be fixed as specified in the Contract (subject to the provisions of Condition 13) and shall include free delivery to the place specified in the Contract. Unless otherwise stated in the Contract or unless Goods are rejected under condition 6, payment will be made 30 days following month end from receipt of a properly documented invoice on which Value Added Tax or Sales Tax where applicable shall be separately shown.
- 6. INSPECTION AND REJECTION** – SUMAC, or its authorised representative, shall have the right to inspect the Goods at the Supplier’s works and the works of the Supplier’s sub-contractor at all reasonable times during the manufacture and during a reasonable period after delivery and to reject any parts of the Goods that do not comply with the terms of the Contract. Any inspection checking approval carried out on behalf of SUMAC shall not relieve the Supplier from any of its obligations under the Contract. SUMAC shall have the right in respect of any rejected Goods, to purchase similar goods elsewhere and return the rejected Goods at the Suppliers risk and expense but without prejudice to any other right SUMAC may have against the Supplier. Before exercising its right to purchase elsewhere SUMAC shall allow the Supplier a reasonable period at its own risk and expense to remove the rejected Goods and replace them with Goods which comply with the provisions of the Contract.
- 7. WARRANTY** – The Supplier shall as soon as reasonably practical repair or replace free of charge all Goods which are or become defective during a period of 24 months\* from the date of delivery, where such defects occur under proper usage and are due to faulty design, the Supplier’s erroneous instructions as to use, or inadequate or faulty materials or workmanship, or any other breach of the Supplier’s warranties, express or implied. Repairs and replacements shall themselves be subject to the foregoing obligations for a period of 24 months\* from the date of delivery, reinstallation or passing of tests (if any) whichever is appropriate after repair or replacement. (\*24 months unless stated otherwise in the Contract).

- 8. INTELLECTUAL PROPERTY** – Except to the extent that any claim arises as a result of the negligence of SUMAC or the manufacturers' of the Goods in accordance with a design or instruction furnished by SUMAC, the Supplier warrants that the sale and use of the Goods by SUMAC does not and will not infringe any patent or other intellectual property rights of any third party and undertakes to indemnify SUMAC in respect of any loss, expense or damage SUMAC may incur as a result of a breach of this warranty.
- 9. SAFETY** – The Supplier shall be responsible at its own expense for the safe and suitable packaging of the Goods and where relevant the proper information for their safe use. The Supplier shall observe the requirements of country specific and International Agreements relating to the packaging, labelling and carriage of hazardous Goods. All information held by, or reasonably available to, the Supplier regarding any potential hazards known or believed to exist in the transport, handling or use of the Goods supplied shall be promptly communicated to SUMAC.
- 10. ASSIGNMENT AND SUB-CONTRACTION** – The Contract shall not be assigned by the Supplier nor subcontracted either in whole or part, except with SUMAC's written consent. This shall not be necessary in the case of sub-contracts for materials, non-proprietary items, or minor items for any part of the work so specified in the Contract. The Supplier shall be responsible for all work done or Goods supplied by any sub-contractor.
- 11. FREE ISSUE or LOANED MATERIAL ("Material")** – The title to Material issued to the Supplier shall remain with SUMAC and the Supplier shall at all times maintain appropriate markings and / or identification on all such Material to show SUMAC's ownership thereof and will confirm its guardianship of the Material when reasonably requested to do so by SUMAC's auditors. The Supplier shall maintain the Material in good condition, use it solely for the purpose of the Contract and shall return it on completion of the Contract, or earlier if so requested by SUMAC. In the event that the Supplier fails to return the Material or becomes insolvent as defined in condition 17 SUMAC shall be entitled to enter the Supplier's premises with such transportation as may be necessary and repossess such Material without prior notice.
- 12. PARTLY FINISHED GOODS** – If the Supplier commits a material breach of the Contract and fails to rectify such breach within a period of ten (10) days, or if the Supplier becomes insolvent as defined in Condition 17 the Contract shall automatically terminate and title to any partly finished Goods shall vest in SUMAC who may take immediate possession of those Goods in the same manner as provided in Condition 11.
- 13. VARIATIONS** – The Supplier shall not alter any part of the Goods except as authorised by SUMAC in writing. SUMAC shall have the right at any time to add to, omit or otherwise vary the Goods in any respect, and the Supplier shall carry out such variations as though they were part of the original Contract subject to:
- a) SUMAC reimbursing any additional costs reasonably incurred by the Supplier in carrying out the variation; and
  - b) Any additional costs and charges in delivery date or specification resulting from such variation being agreed in advance by SUMAC in writing. SUMAC shall be entitled to cancel the Contract at any time subject to payment to the Supplier of all costs reasonably incurred by the Supplier to the date of the cancellation and on the same basis as Condition 12.
- 14. DOCUMENTS AND INFORMATION** – All specifications, plans, drawings, process information, patterns, designs and other information issued or communicated by SUMAC to the Supplier in connection with the Contract are confidential and shall not be used by the Supplier except for purposes of the Contract, not be copied, reproduced, published or disclosed to any third party without the consent in writing of SUMAC. Title to all such items shall remain with SUMAC at all times and shall on fulfilment of the Contract, at SUMAC's discretion, either be returned or destroyed with reasonable evidence of destruction provided.
- 15. REPRODUCTION RIGHTS** – The Supplier grants the Company the right, without limitation in time, to reproduce, use and disclose in connection with the use, maintenance and service of the Goods, all reports, drawings and reproductions thereof and data and technical information delivered by the Supplier.
- 16. FORCE MAJEURE** – Neither party shall be liable for any failure to fulfil any term or condition of the Contract, if fulfilment has been delayed, hindered or prevented by circumstances beyond its reasonable control. During any period of Force Majeure, the party affected shall at all times use its reasonable endeavours to minimise the adverse effects on the other party. If an event of Force Majeure exceeds a

period of 30 days or such period as is reasonable in the circumstances either party shall have the right to terminate the Contract upon 14 days written notice to the other.

**17. INSOLVENCY** – If the Supplier becomes bankrupt, or makes any arrangement with its creditors, or being a Company goes into liquidation or has a receiver appointed, or any equivalent of these occurrences under foreign law, SUMAC may, without compensation, forthwith terminate the Contract by written notice to the Supplier without prejudice to any other rights or remedies SUMAC may have.

**18. TECHNICAL ARBITRATION** – If any dispute or difference of a technical nature shall arise at any time during or on completion of the Contract, which is incapable of resolution between the parties, this shall be referred to an independent expert to be appointed by agreement between the parties, or in default of agreement by the President for the time being of the Law Society of England and Wales.

**19. MISCELLANEOUS** – The failure of SUMAC to enforce its rights under the Contract at any time shall not be construed as a waiver of any such right. SUMAC shall have the right to set off any amounts owed by it to the Supplier against unpaid invoices due from the Supplier to SUMAC. In the event of any inconsistency between these Conditions of Purchase and any additional conditions forming part of the Contract the additional conditions prevail.

**20. GOVERNING LAW and JURISDICTION** – Unless otherwise agreed in writing the Contract shall be subject to an interpretation in accordance with the Laws of England.