PMFG STANDARD TERMS AND CONDITIONS OF PURCHASE V2.0 FEB 2024

1. GENERAL

1.1. In these Conditions:

“PFMG” refers to **PMFG LIMITED,** **1 Phoenix Court, Everitt Close, Denington Industrial Estate, Wellingborough, Northamptonshire, England, NN8 2QE Company Number 13608293** or any of its subsidiaries or any other limited company whether privately or publicly owned or any firm, person, partnership or other organisation to whom PMFG may have assigned or delegated its rights hereunder whether expressly or by implication;

“the Buyer” refers to PMFG, or any of its subsidiaries.

“the Supplier” includes any company, corporation whether privately or publicly owned, firm, person, partnership, government department, branch or division of Her Majesty’s Services to whom the Purchase Order is addressed, or with which PMFG enters into a contract for the supply of goods or services;

“the Conditions” means the standard terms and conditions of purchase set out in this document, including any special terms and conditions agreed in writing between PMFG and the Supplier;

“the Order” refers to the PMFG Purchase Order.

“the Goods” means all goods and where the context so permits, services which are supplied to PMFG under any contract between PMFG and the Supplier;

“MoD” refers to the United Kingdom Ministry of Defence.

1.2. Any reference in these Conditions to any provision of a statute or statutory instrument shall be construed as a reference to that provision as amended,

re-enacted or extended at the relevant time.

1.3. The headings in these Conditions are for convenience only and shall not affect their interpretation.

1.4. All purchase orders issued by PMFG are subject to these Conditions and any qualification thereto contained in any written or printed document of the

Supplier relating to the Goods offered in the purchase order shall be totally void unless expressly accepted in writing by a Director or the Secretary of

PMFG.

2. ACCEPTANCE

2.1. The Supplier shall, upon accepting an order for the Goods specified in the purchase order, be deemed to have accepted the Conditions in full. Should the

supplier present conflicting terms and/or conditions (whether with his order acknowledgement or otherwise), PMFG Terms and Conditions shall prevail.

The Supplier shall issue an order acknowledgment to the Buyer within 3 working days of order receipt.

2.2. The Supplier will not accept any changes to the order unless confirmed by PMFG in writing.

2.3. No Order which has been accepted by the Supplier may be cancelled except with the agreement of PMFG in writing and on terms that the Supplier shall

indemnify PMFG in full against all losses (including loss of profit), costs (including the cost of all labour and materials used), damages, charges and expensesincurred by PMFG as a result of the cancellation.

2.4. The Buyer may at any time give notice to the Supplier of a proposed amendment to the Order. The Supplier shall be deemed to have accepted the amendment if; the Supplier does not notify the Buyer with their valid reasons for rejection, in writing and within 7 calendar days of the amendment being communicated by PMFG. Should a dispute arise, the Buyer and Supplier shall agree on any necessary and reasonable adjustment to the Order.

2.5. The Supplier shall communicate their acceptance of the Order by means of a letter-headed Sales Order Acknowledgement being sent to the Buyer. The Order Acknowledgement shall clearly state the Part Number and/or Description of the Goods, the Quantity to be supplied, the date at which the delivery shall be made, the date the Order Acknowledgement was raised, and the unit price of the Goods excluding taxes. If no Order Acknowledgement is received after 7 calendar days of PMFG Order placement, it will be fairly assumed by PMFG that the Supplier has accepted the order and the terms both.

2.6. If the supplier does not have all of the necessary documentation at the requested revision level of the Order, a formal request must be made immediately to the Buyer.

3. PRICE AND TERMS OF PAYMENT

3.1. The Supplier will maintain the price or prices quoted to PMFG and reflected in and for the duration of the Order.

3.2. The price is exclusive of Value Added Tax and all other taxes and duties applicable at the current rates.

3.3. All freight charges to the destination(s) nominated by PMFG, including PMFG HQ - Market Bosworth, are payable by the Supplier.

3.4. Payment will be made on Invoices showing correct Purchase Order & Advice Note details, providing the goods and/or services described have been accepted (see 4.0).

3.5. Unless otherwise agreed all prices are strictly net, and invoices issued by the Supplier will be paid in full within the agreed period (see 3.6 below)

provided the invoice is received within three working days of the receipt of Goods or Services.

3.6. For payment purposes, the ‘agreed period’ commences from the delivery due date on Order and or schedule. N.B. The terms of the Order may allow early delivery, however payment terms remain based on the Order due date. I.e. payment will not be brought forward.

3.7. In the event of any invoice submitted outside of three working days from delivery, payment will be made in the following month.

4. DELIVERY

4.1. Any time of delivery given in the Order shall be deemed to be the date for receipt by PMFG.

4.2. The time of delivery is fixed and cannot be extended without prior written agreement by PMFG. The supplier shall promptly notify the buyer at any time that it is apparent that the delivery dates specified may not be met.

4.3. Failure to deliver by dates specified in the Order may render the order liable to cancellation without notice.

4.4. Goods will not be accepted unless accompanied by an Advice Note and Certificate of Conformity showing the Order number, part number, drawing number, revision number, quantity and weight of the parts as delivered.

4.5. Where requested, Material Mill Certification, Material Test Certification and FAIRs (as per AS9102) shall be supplied with the Goods free-of-charge.

4.6. The Order may allow for early delivery for the purposes of assessing delivery performance (e.g. up to 3 days early, no days late). N.B. this does not affect payment terms (see 3.6 above).

5. IMPORT AND EXPORT

The Supplier shall be responsible for complying with any legislation or regulations governing the importation of the Goods into the country of destination and for the payment of any duties and charges related thereto.

6. TESTS AND PERFORMANCE

6.1 The Supplier will make any part or assembly under construction available for witness test during any stage of manufacture. As deemed applicable by

PMFG, this test will be performed at a time reasonably notified by PMFG. Further tests can be carried out to the requirements of PMFG by prior agreement, test certificates covering rated performance are to be supplied at no additional charge.

6.2 The Supplier will make any processes involved in the supply of Goods to PMFG available for Audit.

6.3 Inspections and Audits, whether of Product or Process, may be performed by PMFG, PMFG’s Customer, and/or the appropriate regulatory authorities.

7. WARRANTY

Goods supplied to PMFG are guaranteed against any defects in material and workmanship. The Supplier will bear all expenses of any sort incurred by PMFG resulting from defective material and/or workmanship.

8. TITLE TO THE GOODS

8.1. The Title and the risk of loss and/or damage to the Goods and/or the property, legal or beneficial shall only pass to PMFG upon signed receipt by an authorised person on delivery, unless otherwise agreed by the parties in writing.

8.2. Goods in respect of which the property has remained with the Supplier shall be kept identifiable as those of PMFG, and the Supplier shall at its own

expense keep the Goods insured and, also at its own expense, shall immediately return such Goods to PMFG, or permit PMFG to enter into the Supplier’s premises to collect or inspect such goods should PMFG so request.

8.3 The Buyer shall be entitled to reject any supplies that do not meet the specified criteria of supply, upon which the title and risk of the rejected supplies reverts back to the Supplier.

9. PATENT AND DESIGN RIGHTS

9.1. The Supplier will indemnify PMFG against any claim for infringement of Letters of Patent, Registered Design, Trade Mark or Copyright (published at the date of the contract) by the use or purchase of any article or material purchased by PMFG from the Supplier and against all costs and damages which PMFG may incur in any action for such infringement or for which PMFG may become liable in any such action.

9.2. All drawings, specifications or technical data of any description relating to PMFG’s products remain the copyright of PMFG and must neither be used for any purpose other than that for which they are supplied, nor reproduced nor copied, nor used for the purpose of manufacture without PMFG’s written consent.

10. TERMINATION

10.1. PMFG shall be entitled without prejudice to its other rights either to terminate wholly or in part any or every contract currently in existence between itself and the Supplier or to suspend any further deliveries under any or every such contract without any liability to PMFG in any of the following events:

a) If the Supplier has failed to supply any Goods under any contract between it and PMFG otherwise than in accordance with the Order.

b) If the Supplier becomes insolvent, or, being a body corporate, passes a resolution for voluntary winding-up except where solely for the purpose of reconstruction or has suffered an order of the Court for its winding-up to be made or has had a receiver appointed or being an individual or partnership has suspended payment wholly or in part of his or their debts, or has proposed or entered into any composition or arrangement with his or their creditors or has had

a Receiving Order in Bankruptcy made against him or them, or has ceased, or threatens to cease, to carry on business.

10.2. In any case PMFG’s rights shall not be prejudiced or restricted in any way by any indulgence or forbearance extended to the Supplier in respect of any breach of agreement herein before specified, whether in this clause contained or otherwise, and no waiver by PMFG in respect of any such breach shall operate as a waiver in respect of any subsequent breach.

11. FORCE MAJEURE

 The Supplier shall not be liable to PMFG for any loss or damage which may be suffered by PMFG as a direct or indirect result of the supply of any Goods by the Supplier being prevented, hindered, delayed or rendered uneconomic by reason of circumstances or events beyond the Supplier’s reasonable control including (and limited to) Act of God, operation or laws or regulations of any government, war or riot.

12. LEGAL CONSTRUCTION

12.1 Any matters of dispute arising between PMFG and the Supplier shall be settled by reference to the laws of England and the Supplier and PMFG shall each be deemed to accept the non-exclusive jurisdiction of the English courts.

12.2 Each party agrees and undertakes that it will keep confidential and will not use for its own purposes nor without the prior written consent of the other party disclose to any third party any and/or all information of a confidential nature (including trade secrets and information of commercial value) which may become known to such party from the other unless such information is public knowledge (other than by breach of this Condition) or is required to be disclosed by a court of competent jurisdiction.

12.3 If any provision or part of a provision of these Conditions shall be, or, be found by any court of competent jurisdiction to be, invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions or parts of such provisions of these Conditions, all of which shall remain in full force and effect.

12.4 Any notice hereunder shall be deemed to have been duly given if sent by prepaid first class registered post, fax or email to the party concerned at its

registered office or principal place of business or such other address as may have been notified pursuant to his provision to the party giving the notice.

Notices sent by first class registered post shall be deemed to have been given seven days after despatch and notices sent by fax or email shall be deemed to have been given on the date of despatch.

13. NON-CONFORMING GOODS

13.1 Suppliers shall inform PMFG of any occurrences of non-conforming Goods during process operations and before being despatched for delivery.

13.2 If it is suspected that nonconforming Goods have been supplied to PMFG, then the batch/serial numbers, dates, quantities, and material certification (where applicable) will be required.

13.3 As part of the corrective & preventative action process, details of the containment action, root cause(s) and long term preventive action will beprovided to PMFG by the Supplier.

13.4 Where relevant, a concession/deviation form signed by PMFG QC department will be required prior to the supply of any non-conforming Goods.

13.5 PMFG reserve the right to claim from the Supplier any costs incurred as a direct result of having been supplied, or the expectance of being supplied, with non-conforming Goods.

14. PRODUCT/PROCESS CHANGES

 Notification (and where relevant approval by PMFG) will be required for any changes in product specification and/or process definition, including changes in manufacturing location or next-tier supplier.

15. GOODS / PRODUCT SAFETY

 The supplier shall take all reasonable steps to prevent any Goods safety-related issues, e.g. Counterfeit Materials, FOD (Foreign Object Damage), Damage to Goods and where possible plan, implement, and control the processes needed to assure Goods’ safety during their entire life cycle, as appropriate to the organisation and the Goods being manufactured.

16. COUNTERFEIT MATERIALS – FULL COUNTERFEIT POLICY AVAILABLE ON REQUEST

16.1. The supplier shall take all reasonable steps to prevent the supply of Counterfeit Materials.

16.2. For Aerospace related contracts, the Supplier, where possible, shall prioritise purchasing raw materials from original manufacturers, authorised suppliers, or other legally authorised sources.

17. HAZARDOUS MATERIALS.

 The Supplier must advise upon receipt of a Purchase Order if the goods to be supplied contain any materials considered to be hazardous or harmful, including but not exclusive to those materials referred to by the Montreal Protocol.

18. RECORDS

18.1. Records related to manufacture and/or process operations, including inspection and testing, are to be retained by the Supplier and made available upon request for verification by PMFG, PMFG’s customer and/or the appropriate regulatory authorities.

18.2. Records shall be retained by the Supplier for a minimum of 7 years and until authority to destroy has been given by PMFG and/or our customer and/or the appropriate regulatory authorities.

18.3. Retention Policy shall, where specified by PMFG, comply with End User Policy.

19. SUB-CONTRACT

 Sub-contract suppliers shall not be used without the prior agreement of PMFG. Should PMFG agree to the sub-contracting of goods under a PMFG Purchase

 Order, the Supplier shall flow down the requirements of the Purchase Order and Terms to the sub-tier. As appropriate the Supplier shall identify the

 Goods by suitable means throughout their product realisation, and maintain traceability. Further offload thereafter of PMFG contracts or Orders is expressly prohibited without the prior approval of PMFG.

20. ACCESS

Quality assurance of sub-contract work shall be applicable to all Orders. The QC representatives of PMFG, its customers and appropriate regulatory authorities reserve the right to verify at source that the purchased product and processes conform to Order requirements. Quality records relating to product and/or process shall be made available as required. You shall provide at no additional cost to PMFG, the MoD or their intermediaries, such reasonable accommodation, facilities and assistance as may be required. Such accommodation shall be adequately furnished, lighted, heated and ventilated and shall include suitable cloakroom and telephone facilities.

21. INDUCEMENTS AND ANTI-BRIBERY – FULL ETHICS AND ANTI BRIBERY POLICY AVIALABLE ON REQUEST

21.1. The Supplier shall not:

a) Induce any employee of PMFG to make any concessions to the Supplier in return for any gift, money or other inducement.

b) Pay money or give any other benefit to any third party (either directly or indirectly) in connection with the issue of the Order.

c) Encourage an employee of PMFG to commit any act of dishonesty against PMFG.

d) Ensure employees behave in an Ethical manner at all times

21.2 Suppliers in furtherance of Aerospace contracts, shall comply with the Aerospace Industries Association of America (AIA) and Aerospace and Defence

 Industries Association of Europe (ASD) “Global Principles of Ethics in the Aerospace & Defence Industry”.

22. IMPORTANT

IN ALL CASES WHERE PMFG HAS PLACED AN ORDER WITH The Supplier FOR GOODS OR SERVICES, The Supplier SHALL BE DEEMED TO HAVE READ AND UNDERSTOOD ALL THE CONDITIONS AND NO SUBSEQUENT CONDUCT BY The Supplier OR PMFG SHALL BE ADMISSIBLE AS EVIDENCE TO THE