

LFD Limited Terms and Conditions of Purchase

Standard Conditions of Purchase

1. Notwithstanding anything to the contrary which may appear in the Supplier's quotation acceptance of order or other documents, all orders placed by the Purchaser shall be subject to the terms and conditions contained herein. Any variation of the terms and conditions will only be binding on the purchaser if expressly confirmed in writing by the Purchaser.
2. No order is binding on the Purchaser unless given or confirmed on the Purchaser's duly signed Purchase Order Form and accepted by the Supplier. In the event that the Supplier fails to accept or notify the Purchaser in writing of its reasons for non-acceptance within fourteen (14) days or otherwise commences performance, the Purchase Order shall be deemed to have been accepted.
3. All goods must be delivered carriage paid to the Purchaser at the address specified during normal working hours and at the risk of the Supplier.
4. All packing materials and containers are to be supplied free, but may be returned by arrangement at the sole risk and expense of the Supplier. All items are to be despatched 'Trade Packed' unless otherwise stated on the body of this order.
5. Time of delivery shall be of the essence so that failure to deliver the goods by the date specified will entitle the Purchaser to reject the goods. Acceptance of late delivery of goods is not a waiver of the Purchaser's right to damages for late delivery.
6. Unless specifically agreed otherwise all prices shall be fixed and firm and not subject to any form of surcharge or variation.
7. Deliveries are made subject to the Purchaser's subsequent inspection and acceptance. The Purchaser shall have the right to reject and return to the Supplier at the Suppliers risk and expense any goods delivered which the Purchaser in its sole discretion considers not to be in accordance with its order or with any sample or description given by the Supplier on which the Purchaser has placed reliance.

Payment

8. Inattention to the following details may mean delay in payment but no prompt payment discount shall be forfeited by the Purchaser on account of the Seller's failure:-
 - a) To send on the day of despatch for each consignment such advice(s) of despatch and invoices, as may be indicated in the Order.
 - b) To provide any certificate or other documentation required under the Order.All payments made shall be without prejudice to the Purchaser's rights should the goods, materials or services prove unsatisfactory or not in accordance with the Purchaser's order.
 - c) LFD Limited standard terms of payment are 60 days from the end of month of receipt of invoice.
9. The Purchaser may accept or reject the goods in whole or in part where the quantity of goods delivered is not as specified herein. Acceptance by the Purchaser of delivery of a smaller quantity of goods from that specified will not relieve the Supplier of liability for any loss or damage suffered by the Purchaser as a result of such defective delivery. The Purchaser will not be liable for loss or damage however caused to any excess goods delivered either before or after informing the Supplier of any rejections of such goods. The Purchaser shall be entitled to arrange for the return of excess goods or for their storage at the sole cost and expense of the Supplier and to set off any costs and expenses which it so incurs against any invoices due to be paid to the Supplier.
10. Where delivery is agreed to be by instalment, defective delivery of any instalment whether as to the time specified for delivery, quantity or quality of the goods shall entitle the Purchaser at its option to reject that instalment or to treat the whole contract as having been repudiated by the Supplier. Any waiver by the Purchaser of its rights under this clause in relation to one or more instalments shall not be deemed to be a waiver of its rights in respect of any other instalments.
11. Property in the goods shall pass to the Purchaser on delivery of the goods to it pursuant to clause 3 hereof.
12. The Supplier undertakes not to divulge to any third party any confidential information or any design whether registered or not, or drawing which has been supplied by the Purchaser and which is incorporated in or relates to the goods ordered herein and also that it will not make use of any such design, drawing or confidential information other than for the purposes of fulfilling the order for goods contained herein.
13. In the case of circumstances beyond the Purchaser's control such as (without prejudice to the generality) strike, riot, lockout, fire, breakdown of machinery, act of God, acts or omissions of Government or other authorities whether local, national or international the Purchaser reserves the right to cancel or suspend this order without incurring any liability to the supplier.
14. All materials, components, drawings, designs, confidential information or supplies of any nature whatsoever (hereinafter together called Supplies) furnished by the Purchaser to the Supplier for the purpose of this Order (a) shall be held to the Purchaser's order and any loss or damage thereto of any kind however caused shall be made good forthwith at the sole cost and expense of the Supplier (b) shall not become subject to any lien whatsoever and (c) must not be copied, shown or passed to third parties but shall be returned to the Purchaser forthwith on

demand. Under no circumstances shall property in any Supplies pass to the Supplier without the express written agreement of the Purchaser. Without prejudice to any other remedies of the Purchaser it shall be entitled to enter the premises of the Supplier at any time and collect any Supplies which the Supplier has failed to return forthwith on demand or has dealt with inconsistently with the terms hereof.

15. Subject to any written disclosure by the Supplier accepted by the Purchaser in writing prior to the acceptance of this Order, the Supplier warrants that there are no special conditions to be observed in regard to the use of the goods and also that royalties in respect of the use, manufacture, sale or disposal either by the Purchaser or its customers of any of the goods subject to patent, design or copyrights have been included in the purchase price and no further claim for payment shall be made by the Supplier or any third party in respect of such use, manufacture, sale or disposal.

The Supplier indemnifies and will keep the Purchaser indemnified against all claims for infringement of patent design or copyright rights made by third parties in respect of goods supplied by the Supplier.

16. These conditions shall be construed and shall take effect in all respects according to English law and shall be justifiable in the Courts of England to the jurisdiction of which the Purchaser and the Supplier submit.

17. In accordance with the Health and Safety at Work Act 1974 (revised) and the control of substances hazardous to health (COSHH) regulations you are to forward copies of safety data sheets for the items covered by this order.

Standard Conditions of Supplier Quality Control

A. Unless stated on the front of this Purchase Order, these Standard Conditions for Supplier Quality Control will apply in full.

B. The Supplier shall accept full responsibility for the quality and reliability of the product and services provided. The Supplier shall be responsible for ensuring that fault free goods are delivered.

C. The Supplier shall ensure that a quality system is maintained to the satisfaction of LFD Limited, which will ensure all the terms and conditions of the applicable Purchase Order can be met and maintained.

D. These conditions are applied without prejudice to the approval or not of the Supplier quality system by LFD Limited.

E. LFD Limited reserves the right of reasonable access to the Supplier's premises, or those of its subcontractors and applicable documented information, at any reasonable time during fulfilment of the Purchase Order requirements. This access, which may include accompaniment by LFD Limited's customer representative, regulatory authorities, is for the purpose of quality system surveillance or product verification.

F. The Supplier shall maintain adequate controls to ensure the products or services to be provided will comply with the requirements of the applicable Purchase Order and ensure only acceptable products are processed. This control shall include, but not be limited to:

All handling of Electronic Devices shall be in accordance with BS EN 61340-5-1 and the packaging of said devices is to be sufficient to ensure that the product is not degraded. Where the goods are to be supplied to BS9000/CECC/MIL-STD/IECQ standards then the Certificate of Conformity is to include Certification of Traceability. Goods supplied against this Purchase Order having a limited (shelf) life shall be marked with the date of manufacture and shall have a minimum of 90% of their life remaining on receipt at our works.

Vulcanised rubber component shelf life and packaging is allocated on the component drawing. Where no standard is stated, the shelf life shall be in accordance with BS3F68 and packaged in accordance with BS3F69. Initial storage of Group A and B items shall not exceed one year from cure date on receipt at our works. The Certificate of Conformity is to quote the cure date and life group of the Goods supplied.

The Supplier shall ensure that adequate provision is made for the control of special processes where the results of the processes cannot be fully verified by subsequent inspection or testing. Personnel engaged in such processes shall hold appropriate certification indicating compliance with recognised standards for the process applied. In particular all welded Goods on this purchase order are to be welded in accordance with EN288 Pt.3 and EN287 Pt.1. The Certificate of Conformity is to include an analysis and mechanical test for each melt for the goods supplied, including analysis of chemical testing for each item.

G. The Supplier shall ensure that the products which are the subject of the applicable Purchase Order are suitably inspected to verify compliance with the Purchase Order requirements.

H. The Supplier shall flow down to external providers any applicable requirements.

I. The Supplier shall use LFD designated or approved external providers for any Special Processes.

J. The Supplier shall ensure only products which conform to the Purchase Order requirements are submitted for acceptance by or on behalf of LFD Limited. Deviations from the Purchase Order requirements shall be agreed with LFD Limited prior to shipment of goods. In addition deviations from the Specification or Drawing requirements must be approved by the LFD Limited Quality Department on a Concession or Production Permit form.

K. Non-conforming processes, services or product discovered by the Supplier shall be notified immediately to LFD. Suitable arrangements shall be agreed for its disposition. If non-conforming supplies are received at LFD the Supplier shall produce a Root Cause Analysis and Corrective Action Plan within 28 days.

L. Changes to the Supplier's product or production processes affecting the Goods on the relevant Purchase Order shall be notified to LFD Limited immediately. These shall include:

Changes to production processes and services.
Changes to external providers or location of manufacture.
Changes of manufacturing facility location.
Changes to the Quality Management System.

LFD Limited shall have the right to approve or reject such changes.

M. Supplier quality records/documented information shall be retained for a period of time not less than seven years. In some cases, relating to specific aircraft programmes, the requirement shall be longer and shall be specifically notified to the Supplier on the relevant Purchase Order.

N. Unless otherwise stated on the Purchase Order or referenced Specification or Drawing the Supplier shall provide adequate packaging to ensure the product supplied will be received free from damage.

Note: Special arrangements may be required for particular products. Refer to paragraph F above.

O. The Supplier shall provide a Certificate of Conformity with each delivery of all products which are the subject of the applicable Purchase Order. The C of C shall reference as a minimum:

The Purchase Order number.
The LFD Limited part number and issue (when provided on the Purchase Order).
The Purchase Order description of the product.
The date.
The quantity delivered.
All deviations from the Purchase Order requirements.
The name and address of the Supplier.
A statement certifying the acceptance of the products to the Purchase Order requirements.
A unique reference number for the particular C of C.
The Certificate of Conformity shall be signed by an authorised representative of the Supplier's Company.

In addition to the C of C, the Supplier shall provide, with each delivery, all other relevant documentation required by the Purchase Order. Products which are functionally tested or calibrated equipment, shall be accompanied by a certificate if the test or calibration verifying conformity to the relevant specifications is traceable to a national or international standard. A copy of the actual results may be required.

Items received without the correct certification/documentation may be rejected and returned to the Supplier at the Supplier's cost or quarantined pending receipt of certification which will delay payment

P. The Supplier shall ensure that persons involved in the purchase order are aware of their contribution to product or service conformity, their contribution to product safety, the importance of ethical behaviour. (See LFD Code of Ethics)

Q. The supplier shall, where applicable, provide test specimens for design approval, inspection/verification investigation, or auditing.

R. COUNTERFEIT PARTS

The Supplier undertakes for itself and on behalf of its subcontractors that no counterfeit or replica parts have been used in the development and manufacture of the Equipment. Where it is discovered by the Company, its Customer or their representatives that any part supplied by the Supplier in the performance of any Contract incorporates counterfeit or replica parts, the Supplier shall be fully responsible for all costs, claims, expenses and damages associated with the replacement of all affected Equipment's including recertification and re-procurement costs.

The Supplier shall also take steps to ensure that any counterfeit parts are immediately removed from the supply chain and rendered unusable.

S. ANTI-BRIBERY COMPLIANCE

The Supplier shall:

- a. comply with all applicable laws, statutes and regulations relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010;
- b. not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act 2010 if such activity, practice or conduct had been carried out in the UK;
- c. promptly report to the Company any request or demand for any undue financial or other advantage of any kind received by the Supplier in connection with the Contract.

The Supplier shall ensure that any person associated with it who is performing Services or providing Equipment in connection with the Contract does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on the Supplier in this clause.

T. MODERN SLAVERY ACT

The Supplier undertakes not to purchase any Services or Equipment or raw materials that have been sourced from manufacturers or service providers using forced labour in its operations or practices.

The Supplier shall:

- (a) comply with the Company's anti-slavery policy in force from time to time;
- (b) comply with all applicable laws, statutes and regulations relating to the anti-slavery, servitude, forced and compulsory labour and human trafficking, including but not limited to the Modern Slavery Act 2015;
- (c) promptly report to the Company any actual or suspected slavery, servitude, forced and compulsory labour or human trafficking in its supply chain which has a connection with the Contract and any breach, or potential breach, of the Company's anti-slavery policy;
- (d) maintain a complete set of records to trace the supply chain of all Services and Equipment provided to the Company in connection with the Contract.

The Supplier shall ensure that any person associated with it who is performing Services or providing Equipment in connection with the Contract does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on the Supplier in this clause.

U. ETHICAL CONDUCT

The Supplier shall:

Comply with LFD's Business Ethics Policy available on the LFD web site at <https://www.lfd.ltd.uk/commercial/>

V. CYBER SECURITY

For the purposes of this clause 'Cyber Essentials' means the UK Government-backed, industry-supported scheme to help organisations protect themselves against common online threats. The Supplier warrants and represents that the Supplier has implemented appropriate procedures in accordance with recognized international security standards with regard to protection of the Supplier's Information Technology System. Unless otherwise stated in the Contract, such standards to be as a minimum Cyber Essentials or equivalent. In the event that any Company or the Company's customer information is compromised or is subject to a data breach then the Supplier shall advise the Company within seventy-two (72) hours of occurrence. Where the Supplier sub-contracts work under the Contract, the provisions of this clause shall be flowed down to the sub-contractor. In accordance with the Contract, the Company shall have the right to periodically conduct reviews of the Supplier's Cyber Security practices.

W. RISK MANAGEMENT

The Supplier shall undertake risk assessment to ensure that all Special Process are identified and controlled throughout the manufacturing process. This shall include process parameters, skills and training, record keeping, inspection and testing.

X. OBSOLESCENCE PLANNING

The supplier shall monitor potential obsolescence of supplied components and notify LFD immediately to permit mitigating action, e.g. lifetime buy, identification of alternatives.

Y. ENVIRONMENTAL RESPONSIBILITY

Suppliers should act to reduce the impact on the environment of all activities.

Z. REACH

Any product or packaging delivered to L.F.D. should be free of any Substances of Very High Concern (SVHC) listed in the "Candidate List" issued by European Community Chemical Agency (ECHA) as per the European Community Regulation (EC) n. 1907/2006 (REACH) (from now "Reach").

For each supplied P/N, material or modification thereof, the supplier shall provide to L.F.D. alternately:

- The declaration requested by art. 33 of Reach including not less than: SVHC name, the ratio weight/Weight (w/W) in percentage and information for the safe use of the part /subpart that contains the SVHC.
 - The declaration that the part does not contain SVHC substances or that each SVHC contained is below 0,1 % w/W.
- The declarations above shall be sent once for each P/N, through a supplier's letterhead signed by a supplier authorized representative,
In the same letter the supplier shall declare:
- to know the Reach regulation and to be compliant with it.
 - to be authorised, in accordance with Reach, to continue to supply the P/Ns containing or manufactured using a SVHC listed in the annex XIV of Reach, if the relevant Sunset Date is expired.
- These declarations shall be provided for all the P/Ns supplied since July 2014, and subsequently before the delivery of each new P/N.

Record of Revisions

| Rev | Date | Description of Change |
|-----|------------|--|
| 2 | 23/12/2014 | N/A |
| 3 | 09/07/2015 | N/A |
| 4 | 16/05/2018 | N/A |
| 5 | 14/01/2020 | N/A |
| 6 | 03/02/2021 | Added record of revisions |
| 7 | 18/03/2021 | New Clauses W,X,Y added Clauses F,K,L,R,U amended |
| 8 | 08/08/2023 | Include REACH requirement |