PEXA LIMITED - CONDITIONS OF PURCHASE

1 Interpretation
1.1 In these Conditions:

"the Buyer" ADDEV Materials Aerospace Limited (a company registered in England under number 04421963) and whose registered office is at Towngate House, 2-8 Parkstone Road, Poole, Dorset, BH15 2PW;

"Conditions" the terms and conditions set out in this document, together with any special terms and conditions agreed in writing between the Buyer and the Seller from time to time, as amended from time to time in accordance with Condition 2.5.

“the Contract” the contract between the Buyer and the Seller for the sale and purchase of Goods in accordance with these Conditions;

“Delivery Address” the address for delivery of the Goods as stated by the Buyer in the Order;

“Delivery Date” the delivery date set in accordance with Conditions 6.1 and 6.2 (as applicable);

“the Goods” the goods (including any part or parts of them) to be supplied by the Seller to the Buyer as set out in the Order;

“the Order” the Buyer’s purchase order for the Goods to which these Conditions are annexed;

“the Price” the price of the Goods as set out on the Order;

“the Seller” the person or firm so described in the Order;

“Specification” any specification for the Goods contained in the Order, including any plans, drawings, data or other information relating to the Goods provided by the Buyer to the Seller from time to time;

“Working Day” any day which is not a Saturday, Sunday or a bank or public holiday.

1.2 In these Conditions, reference to:
1.2.1 a statute or a provision of a statute shall be construed as a reference to that statute or provision as amended, re-enacted or extended at the relevant time;
1.2.2 a person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality);
1.2.3 a party includes its successors and permitted assigns; and
1.2.4 writing or written includes fax and email.

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

2 Basis of Contract
2.1 These Conditions apply to the Contract to the exclusion of any other terms that the Seller seeks to impose or incorporate, or which are implied by law, trade custom, practice or course of dealing. Any reference in the Order to the Seller’s quotation, specification, price list or similar document shall be solely for the purpose of describing the Goods to be supplied in accordance with the Order and no terms and conditions delivered with the Goods or contained in any document referred to in the Order shall apply to the Contract.

2.2 The Order constitutes an offer by the Buyer to purchase the Goods subject to these Conditions.

2.3 The Order shall be deemed to be accepted on the earlier of:
2.3.1 the Seller issuing a written acceptance of the Order; and
2.3.2 the Seller doing any act consistent with fulfilling the Order; at which point the Contract shall come into existence.

2.4 Any typographical and/or clerical error or omission in the contents of the Order or in any drawings specifications, instructions, tools or other material supplied by the Buyer to the Seller, shall be subject to correction on notice without any liability on the part of the Buyer.

2.5 No variation to the terms of an Order or these Conditions shall be binding unless agreed in writing between the authorised representatives of the Buyer and the Seller.

3 Specification and Quality of the Goods

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3.1 Where the Seller is not the manufacturer of the Goods, the Seller shall use its best endeavours to transfer to the Buyer the benefit of any warranty or guarantee given to the Seller by the original manufacturer.

3.2 The Seller shall ensure and hereby warrants to the Buyer that the Goods shall:
   3.2.1 correspond with their description and any applicable Specification;
   3.2.2 be of satisfactory quality (within the meaning of the Sale of Goods Act 1979, as amended) and shall be fit for any purpose held out by the Seller or made known to the Buyer by the Buyer expressly or by implication, and in this respect the Buyer relies on the Seller’s skill and judgement;
   3.2.3 be free from defects in design, material and workmanship and remain so for the later of (a) 12 months following the date of delivery or (b) the shelf life of the Goods where the shelf life of the Goods is indicated; and
   3.2.4 comply with all applicable statutory and regulatory requirements relating to the manufacture, labelling, packaging, storage, handling and delivery of the Goods.

3.3 If the Goods (or any part of them) do not fully conform with the warranties in Condition 3.2, the Seller shall, at the Buyer’s option and instruction, repair or replace such Goods (or the defective part) or refund the Price of the non-conforming Goods provided that, if the Seller so requests, the Buyer shall, at the Seller’s expense, return the non-conforming Goods (or any part of them) to the Seller.

3.4 In furtherance of the Buyer’s quality approval system and by accepting the Order, the Seller undertakes to comply with all applicable laws and adhere to, and to procure that it ensures its employees, agents, subcontractors and/or suppliers adhere to, the following specific quality requirements:

3.4.1 Quality Programme
   Unless otherwise agreed, a documented quality program shall be maintained in relation to the Goods. If the Seller has a documented quality program per AS9100, ISO 9001, or other industry-based quality program, the Seller shall apply this quality program to the materials and manufacturing process utilised in connection with the Goods. If the Seller does not have a documented quality program, the Seller’s best commercial practices shall be used to ensure adequate control of quality of the Goods throughout the performance of the Contract.

3.4.2 Seller’s Calibration System
   The Seller shall, and the Seller shall procure that its employees, agents and subcontractors shall, maintain and apply a documented gage calibration system per ISO 17025, ISO Guide 25, ANSI/NCSL Z540-1 or ISO 10012-1 at all times during fulfilment of the Order and that standards traceable to National Institute of Standards shall be used.

3.4.3 Controlled Standards and Documents
   The Seller shall be required to verify the Goods conformance to the latest version of all Buyer controlled standards and documents referred to or specified in the Order. If the version of the relevant documents is not specified in the Order, then the latest version of such documents shall apply to the Order and associated Contract. The Buyer shall provide the Seller with such controlled standards and documents upon request.

3.4.4 Notification of changes
   In circumstances where the Seller changes the location of its business, its name, any processes used, materials used in the production of Goods, specification of Goods or change in quality/calibration program status, the Seller shall immediately notify the Buyer in writing of such change for consideration by the Buyer.

3.4.5 Right to inspect
   The Seller shall provide the Buyer with access to the Seller’s premises (and/or procure access to a third party’s premises where the Goods are being manufactured or stored (as applicable)) and provide any facilities reasonably necessary for the Buyer to inspect or test the Goods, or the processes being applied by the Seller in relation to the Order, at any time prior to delivery of the Goods, including during the manufacturing process. The Seller shall remain fully responsible for the Goods despite any such inspection or testing and any such inspection or testing shall not reduce or otherwise affect the Seller’s obligations under the Contract.

3.4.6 Rectification following inspection
   If following inspection or testing in accordance with Condition 3.4.5, the Buyer considers that the Goods do not conform or are unlikely to comply with the Seller’s warranty at Condition 3.2 or that the quality requirements set out in this Condition 3.4 are not being met, the Buyer shall inform the Seller and the Seller shall immediately take such remedial action as is necessary to ensure compliance. The Buyer may conduct further inspections and tests after the Seller has carried out any required remedial actions and/or if remedial action is not taken to the satisfaction of the Buyer, the Buyer may, at its option, cancel the Contract or take delivery of the Goods which will then be liable to return at the expense of the Seller after delivery.

3.4.7 Non-conforming Goods – Seller Awareness

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The Seller shall promptly notify the Buyer if it knows, suspect or become aware of any facts that lead it to believe that it has delivered non-conforming Goods to the Buyer. Any such notifications must be made in writing to the Buyer’s Quality Department within 2 Working Days of the Buyer becoming aware or suspecting that non-conforming Goods have been delivered to the Buyer.

3.4.8 Material Review Board Authority
The Buyer retains Material Review Board authority. In circumstances where the Seller requests to deliver discrepant Goods, the Seller must submit a Material Review Request to the Buyer’s Quality Department for approval prior to shipment, such Material Review Request containing details of the deviation, root cause, and corrective action taken in respect of the Goods in question.

3.4.9 Records
All records relating to the manufacturing process, traceability of materials to source and certification of the Goods must be maintained by the Seller for a period of at least ten (10) years after delivery of the Goods. These records shall be available for review by representatives of the Buyer and/or its customers and/or regulatory agencies at any reasonable time during the Seller’s normal working hours throughout the retention period. If requested, the Seller shall procure that a copy of the records will be sent to the Buyer at no additional cost. The Seller shall take all reasonable measures to protect and prevent records from deteriorating and secure them from loss. Should the Seller plan to cease business operations, records shall be forwarded to the Buyer, at no cost to the Buyer, prior to closing of business.

3.4.10 REACH Regulations
The Seller shall ensure that none of the Goods contain any substances that are not permitted under the Registration, Evaluation, Authorisation and restriction of Chemical Regulations.

3.4.11 Ethical Conduct
At all times during the term of the Contract, the Seller shall retain in force a written Code of Ethics for its dealings with employees, customers and suppliers. The Buyer reserves the right to request a copy of the Seller’s written Code of Ethics at any time during the term of the Contract, such written Code of Ethics to cover business integrity, confidentiality and disclosure of information, whistle blower policy, protection of intellectual property rights, corporate and social responsibility, modern slavery and human trafficking policy, health and safety requirements and an environmental policy.

3.4.12 Sample retains
Unless otherwise specified, the Seller shall return all samples used in the performance of packaging services back to Buyer.

3.5 The Goods shall be marked in accordance with the Buyer’s instructions as specified in the Order and shall be supplied under the Buyer’s part codes as referenced in the Order. The Goods shall also be properly packed and secured so as to meet any applicable requirements of the carrier delivering the Goods and the Seller shall take all steps necessary to ensure that the Goods reach the Delivery Address in a good and undamaged condition. Where the Order is specific as to the packaging to be used, the Seller shall procure that the Goods are packaged in accordance with the terms of the Order.

3.6 The Seller shall ensure that the Goods are provided with all associated paperwork relating thereto, including but not limited to release documents, batch test reports, end user quality approvals and certificates of conformity (including REACH Regulations and CLP) to enable the Buyer to be sure that the Goods comply with all necessary technical specifications referenced in the Order and the quality requirements set out in Condition 3.4. The Buyer reserves the right to withhold payment for the Goods where any of the paperwork associated with the Goods is not provided at delivery.

3.7 On delivery the Goods must have at least 80% of the original shelf life as indicated on the label and/or Certificate of Conformity unless otherwise agreed by the Buyer in writing at the time of ordering.

3.8 Any Specification provided by the Buyer to the Seller, or which is produced by the Seller specifically for the Buyer in order to fulfil an Order, in connection with the Contract, together with the copyright, design rights or any other intellectual property rights in the Specification, shall be the exclusive property of and shall belong absolutely to the Buyer. The Seller shall not disclose to any third party or use any such Specification except as required to fulfil the Contract.

4 Price
4.1 The Price shall be as stated in the Order and, unless otherwise so stated, shall be:
4.1.1 exclusive of any applicable value added tax (VAT) (which shall be payable by the Buyer at the prevailing rate, subject to receipt of a valid VAT invoice); and
4.1.2 inclusive of all charges for packaging, packing, shipping, carriage, insurance and delivery of the Goods together with any duties, imposts or levies other than VAT.
4.2 No increase in the Price may be made (whether on account of increased material, labour or transport costs, fluctuation in rates of exchange or otherwise) nor any extra charges imposed without the prior written consent of the Buyer.

4.3 The Buyer shall be entitled to any discount for prompt payment, bulk purchase or volume of purchase customarily granted by the Seller from time to time and the Seller shall procure that any such discounts are applied to invoices raised in accordance with Condition 5.

5 Payment

5.1 The Seller shall be entitled to invoice the Buyer on or at any time after delivery of the Goods, as the case may be. The Seller shall ensure that the invoice includes the date of the Order, the invoice number, the Buyer’s order number as contained in the Order, the Seller’s VAT registration number and any supporting documents that the Buyer may reasonably require and each invoice shall quote the number of the Order.

5.2 Unless otherwise stated in the Order, the Buyer shall pay the Price within 60 days after the end of the month of receipt by the Buyer of a correctly rendered invoice. Time for payment shall not be of the essence of the Contract.

5.3 The Buyer may at any time, without limiting any of its other rights or remedies and without notice to the Seller, set off any liability of the Seller to the Buyer against any liability of the Buyer to the Seller.

6 Delivery

6.1 The Goods shall be delivered to the Delivery Address on the date or within the period (as applicable) stated in the Order, in either case during the Buyer’s usual business hours.

6.2 Where it is agreed in writing that the date of delivery of the Goods is to be specified by the Seller after the placing of the Order, the Seller shall give the Buyer reasonable notice in writing of the specified date.

6.3 The time of delivery of the Goods is of the essence of the Contract.

6.4 A packing note clearly quoting the number of the Order must accompany each delivery or consignment of the Goods. Where Goods are subject to traceability or are the subject of an end user quality requirement they will also be accompanied by a Certificate of Conformity and quality approval reports.

6.5 The Seller shall not deliver the Goods in instalments without the Buyer’s prior written consent. If the Goods are to be delivered by instalments, the Contract will be treated as a single contract and not severable.

6.6 The Seller shall supply the Buyer in good time with any instructions or other information to enable the Buyer to accept delivery of the Goods.

6.7 The Buyer shall not be obliged to return to the Seller any packaging or packing materials for the Goods, whether or not any Goods are accepted by the Buyer.

6.8 The Buyer shall not be deemed to have accepted the Goods until it has had at least 7 days to inspect them following delivery.

6.9 Title and risk in the Goods shall pass to the Buyer upon completion of delivery at the Delivery Address.

6.10 Delivery of the Goods shall be completed on the completion of unloading the Goods at the Delivery Address.

7 Buyer Remedies

7.1 Without prejudice to and without limiting any other right or remedy which the Buyer may have, if any Goods are not supplied in accordance with, or the Seller fails to comply with, any of the terms of the Contract or the Goods are not delivered on the Delivery Date and without prejudice to the rights contained in Condition 7.2), the Buyer may exercise any one or more of the following rights and remedies without incurring any liability to the Seller:

7.1.1 to rescind the Order and cancel the Contract;

7.1.2 to reject the Goods (in whole or in part) and return them to the Seller at the risk and cost of the Seller on the basis that a full refund for the Goods so returned shall be paid forthwith by the Seller;

7.1.3 to require the Seller, at the Seller’s expense, to remedy any defect in the Goods or to supply replacement Goods and carry out any other necessary work to ensure that the terms of the Contract are fulfilled;

7.1.4 to refuse to accept any further deliveries of the Goods;

7.1.5 to carry out at the Seller’s expense any work necessary to make the Goods comply with the Contract;

7.1.6 to recover from the Seller any costs incurred by the Buyer in obtaining substitute goods from a third party; and

7.1.7 to claim damages for any other costs, loss or expenses incurred by the Buyer which are in any way attributable to the Seller’s failure to carry out its obligations under the Contract.

7.2 If the Goods are not delivered on the Delivery Date then, without prejudice to any other remedy, the Buyer shall be entitled to deduct from the Price or (if the Buyer has agreed to pay any part of the Price in advance of delivery) to claim from the Seller by way of liquidated damages for delay 5% of the Price for every week’s delay, up to a maximum of 50% of the Price. If the Buyer exercises its rights under this Condition 7.2, it shall
not be entitled to any of the remedies set out in Condition 7.1 in respect of the Goods' late delivery (but such remedies shall be available in respect of the Goods' condition).

7.3 The remedies in this Condition 7 shall also apply to any repaired or replacement Goods supplied by the Seller.

7.4 The Buyer’s rights and remedies under these Conditions are in addition to its rights and remedies implied by statute and common law.

8 Indemnity

8.1 The Seller shall indemnify the Buyer in full against all liability, loss, damages, costs and expenses (including legal expenses) awarded against or incurred or paid by the Buyer as a result of or in connection with:

8.1.1 breach of any warranty given by the Seller in relation to the Goods in these Conditions or otherwise, including but not limited to the warranties provided in Condition 3.2;

8.1.2 failure by the Seller to comply with the quality requirements set out in Condition 3.4;

8.1.3 any claim made against the Buyer for actual or alleged infringement of a third party's intellectual property rights arising out of or in connection with the manufacture, supply or use of the Goods, to the extent that the claim is attributable to the acts or omissions of the Seller, its employees, agents or subcontractors;

8.1.4 any claim made against the Buyer by a third party for death, personal injury or damage to property arising out of or in connection with defects in Goods, to the extent that the defects in the Goods are attributable to the acts or omissions of the Seller, its employees, agents or subcontractors;

8.1.5 any claim made against the Buyer by a third party arising out of or in connection with the supply of the Goods, to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of the Contract by the Seller, its employees, agents or subcontractors; and

8.1.6 any act or omission of the Seller or its employees, agents or sub-contractors in supplying, delivering or installing the Goods.

9 Termination

9.1 The Buyer may terminate the Contract in whole or in part at any time before delivery with immediate effect by giving the Seller written notice, whereupon the Seller shall discontinue all work on the Contract. The Buyer shall pay the Seller fair and reasonable compensation for any work in progress on the Goods at the time of termination, but such compensation shall not include loss of anticipated profits or any consequential loss.

9.2 The Buyer shall be entitled to terminate the Contract without liability to the Seller by giving notice to the Seller at any time if:

9.2.1 the Seller commits a material breach of any term of the Contract and (if such a breach is remediable) fails to remedy that breach within 5 Working Days of the Seller being notified in writing to do so;

9.2.2 the Seller makes any voluntary arrangement with its creditors (within the meaning of the Insolvency Act 1986) or (being an individual or firm) becomes bankrupt or (being a company) becomes subject to an administration order or goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction; or

9.2.3 an encumbrancer takes possession, or a receiver is appointed, of any of the property or assets of the Seller; or

9.2.4 the Seller ceases or threatens to cease, to carry on business; or

9.2.5 the Buyer reasonably apprehends that any of the events mentioned above is about to occur in relation to the Seller and notifies the Seller accordingly.

9.3 Termination of the Contract, however arising, shall not affect the Buyer’s rights and remedies that have accrued as at termination, including the right to claim damages in respect of any breach of the Contract which existed at or before the date of termination.

10 Force Majeure

10.1 The Buyer shall not be in breach of the Contract nor liable for delay in performing, or failure to perform, any of its obligations under the Contract if such delay or failure results from an event beyond the reasonable control of the Buyer including, without limitation, acts of God, flood, drought, fire, explosion, earthquake or other natural disaster, epidemic or pandemic, governmental actions, terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, breaking off of diplomatic relations, nuclear, chemical or biological contamination or sonic boom, national emergency, strikes or other labour disputes, industrial action, lockouts import restrictions, or restrictions or delays affecting carriers, inability or delay in obtaining supplies of adequate or suitable materials, any law or any action taken by a government or public authority, non-performance by suppliers or subcontractors and/or interruption or failure of utility services. In such circumstances:

10.1.1 the time for performance shall be extended by a period equivalent to the period during which the performance of the obligation has been delayed or failed to be performed; and/or

10.1.2 the Buyer may terminate the Contract by giving 5 Working Days written notice to the Seller; and/or

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in either case without liability.

11 **Notices and communications**

11.1 Any notice and/or other communication between the Buyer and the Seller under or in connection with these Conditions or the Contract shall be in writing and:

- be delivered by hand or sent by pre-paid first class post or other next working day service to the receiving party’s principal place of business (or such other address as that party may notify to the other in writing from time to time); or
- be sent by fax or by e-mail.

11.2 Any notice and/or other communication shall be deemed to have been received:

- if delivered by hand, at the time the notice or communication is left at the proper address;
- if sent by pre-paid first-class post or other next working day service, at 9.00am on the second Working Day after posting (exclusive of the day of posting); or
- if sent by fax or email on a Working Day prior to 4.00 pm, at the time of transmission, or if sent by fax or email on a Working Day after 4.00pm, on the next Working Day after transmission.

11.3 This Condition does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

12 **Assignment and other dealings**

12.1 The Buyer may at any time assign, transfer, mortgage, charge, subcontract, delegate, declare a trust over or deal in any other manner with any or all of its rights or obligations under the Contract.

12.2 The Seller may not assign, transfer, mortgage, charge, delegate, declare a trust over or deal in any other manner with any or all of its rights or obligations under the Contract without the prior written consent of the Buyer.

13 **Entire agreement**

The Contract constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

14 **Waiver**

No failure or delay by the Buyer to exercise any right or remedy provided under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

15 **Severance**

If any provision of a Contract is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid void, voidable, unenforceability or unreasonable it shall to the extent of such illegality, invalidity, voidness, voidability, unenforceability or unreasonableness be deemed severable and the remaining provisions of a Contract and the remainder of such provision shall continue in full force and effect.

16 **Third Party Rights**

A person, firm or company who is not a party to a Contract has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of a Contract but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

17 **Governing Law and Jurisdiction**

The formation, existence, construction, performance, validity and all aspects of the Contract shall be governed by the law of England and Wales and the parties submit to the exclusive jurisdiction of the Courts of England and Wales.

18 **Quality**

**Counterfeit or Suspected Counterfeit Parts**

Vendors warrant that Counterfeit Supplies shall not be supplied to the Purchaser. The Vendor shall maintain a method of traceability that ensures tracking of the supply chain back to the manufacturer of all items included in the Products being supplied.

The Vendor shall inform its employees, contractors, workers and any other third parties (and shall ensure that they shall inform their employees, contractors, workers and other third parties) engaged in the performance of work under the Order in writing prior to performance of work that there is a risk of criminal
penalties associated with any falsification, concealment, fraud or misrepresentation in connection with work performed or Supplies provided under the Order in the UK and other jurisdictions. The Vendor shall notify the Purchaser as soon as it becomes aware of any Counterfeit Supplies or Suspected Counterfeit Supplies which arise in relation to any Supplies.

Ethical Conduct

All vendors to PSG must be committed to the highest standards of Ethical Conduct when dealing with employees, customers and suppliers.

It is the vendors responsibility to ensure they have a written Code of Ethics that is communicated to all staff and that is becomes a part of their core culture and business practices.

A Supplier's code of ethics should cover the following:

- Business Integrity.
- Confidentiality/Disclosure of Information.
- Whistle-blower/Anonymous Feedback Protection.
- Protection of Intellectual Property.
- Corporate and Social Responsibility.
- Modern Slavery & Human Trafficking
- Health and Safety.
- The Environment.

PSG reserve the right to request a copy of the vendors Code of Ethics and request evidence of compliance is a breech is suspected.

Non-conforming Product

The Supplier shall notify the Company of any non-conforming Supplies and seek the Company’s approval prior to delivery. In no instance shall non-conforming Supplies be delivered without the Company’s prior approval.

Product Safety

All products supplied to PSG must be in such a condition that it is able to perform to its designed or intended purpose without causing unacceptable risk of harm to persons or damage to property.

Retention of Records

All records relating to quality that are associated with this order must be retained for a minimum period of 10 years from fulfilment of the order.

Flowdown

The Vendor shall flow down these requirements contained in this condition to the Vendor’s supply chain for any Items that are intended for supply to Pexa.