

TERMS AND CONDITIONS OF PURCHASE

Definitions:

Business Day: a day, other than a Saturday, Sunday or public holiday in England, when banks in London are open for business.

Business Hours: the period from 9.00 am to 5.00 pm on any Business Day.

Conditions: the terms and conditions set out in this document as amended from time to time in accordance with clause 14.4.

Contract: the contract between the Company and the Supplier for the sale and purchase of the Goods in accordance with these Conditions.

Company: Adnet Precision Engineering Limited (registered in England and Wales with company number 05094023).

Company materials: has the meaning given in clause 7.

Delivery Date: the date specified in the Order.

Delivery Location: the address for delivery of Goods as set out in the Order.

Goods: the goods (or any part of them) set out in the Order.

Order: the Company's order for the Goods, as set out in the Company's purchase order form.

Specification: any specification for the Goods, including any related plans and drawings, that is agreed in writing by the Company and the Supplier.

Supplier: the person or firm from whom the Company purchases the Goods.

1. Basis of contract

- 1.1 These Conditions apply to the Contract to the exclusion of any other terms that the Supplier seeks to impose or incorporate, or which are implied by law, trade custom, practice or course of dealing.
- 1.2 The Order constitutes an offer by the Company to purchase the Goods in accordance with these Conditions.
- 1.3 The Order shall be deemed to be accepted on the earlier of:
 - (a) the Supplier issuing a written acceptance of the Order; and
 - (b) the Supplier doing any act consistent with fulfilling the Order,at which point and on which date the Contract shall come into existence.
- 1.4 The Supplier waives any right it might otherwise have to rely on any term endorsed upon, delivered with or contained in any documents of the Supplier that is inconsistent with these Conditions.

2. Goods

- 2.1 The Supplier shall ensure that the Goods shall:
 - (a) correspond with their description and any applicable Specification;
 - (b) be of satisfactory quality (within the meaning of the Sale of Goods Act 1979) and fit for any purpose held out by the Supplier or made known to the Supplier by the Company expressly or by implication, and in this respect the Company relies on the Supplier's skill and judgement;
 - (c) where they are manufactured products, be free from defects in design, material and workmanship and remain so for 12 months after delivery; and
 - (d) comply with all applicable statutory and regulatory requirements relating to the manufacture, labelling, packaging, storage, handling and delivery of the Goods.
- 2.2 The Supplier shall ensure that at all times it has and maintains all the licences, permissions, authorisations, consents and permits that it needs to carry out its obligations under the Contract.
- 2.3 The Company may inspect and test the Goods at any time before delivery. The Supplier 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 Supplier's obligations under the Contract.
- 2.4 If following such inspection or testing the Company considers that the Goods do not conform or are unlikely to comply with the Supplier's undertakings at clause 2.1, the Company shall inform the Supplier and the Supplier shall immediately take such remedial action as is necessary to ensure compliance.
The Company may conduct further inspections and tests after the Supplier has carried out its remedial actions.

3. Delivery

- 3.1 The Supplier shall ensure that:
 - (a) the Goods are properly packed and secured in such manner as to enable them to reach their destination in good condition;
 - (b) each delivery of the Goods is accompanied by a delivery note which shows the date of the Order, the Order number (if any), the type and quantity of the Goods (including the code number of the Goods, where applicable), special storage instructions (if any) and, if the Goods are being delivered by instalments, the outstanding balance of Goods remaining to be delivered; and
 - (c) if the Supplier requires the Company to return any packaging material to the Supplier, that fact is clearly stated on the delivery note. Any such packaging material shall be returned to the Supplier at the cost of the Supplier.
- 3.2 The Supplier shall deliver the Goods:
 - (a) on the Delivery Date;
 - (b) at the Delivery Location; and
 - (c) during Business Hours, or as instructed by the Customer.
- 3.3 Delivery of the Goods shall be completed on the completion of unloading the Goods at the Delivery Location.
- 3.4 If the Supplier:
 - (a) delivers less than 95% of the quantity of Goods ordered, the Company may reject the Goods; or
 - (b) delivers more than 105% of the quantity of Goods ordered, the Company may at its discretion reject the Goods or the excess Goods and any rejected Goods shall be returnable at the Supplier's risk and expense.
- 3.5 If the Supplier delivers more or less than the quantity of Goods ordered, and the Company accepts the delivery, a pro rata adjustment shall be made to the invoice for the Goods.

- 3.6 The Supplier shall not deliver the Goods in instalments without the Customer's prior written consent. Where it is agreed that the Goods are to be delivered by instalments, they may be invoiced and paid for separately. However, failure by the Supplier to deliver any one instalment on time or at all, or any defect in an instalment shall entitle the Company to the remedies set out in clause 4.
- 4. Company remedies**
- 4.1 If the Goods are not delivered on the Delivery Date, or do not comply with the undertakings set out in clause 2.1, then, without limiting any of its other rights or remedies, and whether or not it has accepted the Goods, the Company may exercise any one or more of the following rights and remedies:
- (a) to terminate the Contract;
 - (b) to reject the Goods (in whole or in part) and return them to the Supplier at the Supplier's own risk and expense;
 - (c) to require the Supplier to repair or replace the rejected Goods, or to provide a full refund of the price of the rejected Goods [(if paid)];
 - (d) to refuse to accept any subsequent delivery of the Goods which the Supplier attempts to make;
 - (e) to recover from the Supplier any costs incurred by the Company in obtaining substitute goods from a third party; and
 - (f) to claim damages for any other costs, loss or expenses incurred by the Company which are in any way attributable to the Supplier's failure to carry out its obligations under the Contract.
- 4.2 If the Goods are not delivered on the Delivery Date the Company may, at its option, claim or deduct by way of liquidated damages 10% of the price of the Goods for each week's delay in delivery until the earlier of delivery or termination or abandonment of the Contract by the Company, up to a maximum of 50% of the total price of the Goods. If the Company exercises its rights under this clause 4.2, it shall not be entitled to any of the remedies set out in clause 4.1 in respect of the Goods' late delivery (but such remedies shall be available in respect of the Goods' condition).
- 4.3 These Conditions shall apply to any repaired or replacement Goods supplied by the Supplier.
The Customer's rights and remedies under these Conditions are in addition to its rights and remedies implied by statute and common law.
- 5. Title and risk**
Title and risk in the Goods shall pass to the Company on completion of delivery.
- 6. Price and payment**
- 6.1 The price of the Goods shall be the price set out in the Order.
- 6.2 The price of the Goods:
- (a) excludes amounts in respect of value added tax (**VAT**), which the Company shall additionally be liable to pay to the Supplier at the prevailing rate, subject to the receipt of a valid VAT invoice; and
 - (b) includes the costs of packaging, insurance and carriage of the Goods.
- 6.3 No extra charges shall be effective unless agreed in writing with the Company.
- 6.4 The Supplier may invoice the Company for the price of the Goods plus VAT at the prevailing rate (if applicable) on or at any time after the completion of delivery. The Supplier shall ensure that the invoice includes the date of the Order, the invoice number, the Supplier's VAT registration number and any supporting documents that the Company may reasonably require.
- 6.5 The Company shall pay correctly rendered invoices within 30 days following the end of the calendar month of receipt. Payment shall be made to the bank account nominated in writing by the Supplier.
- 6.6 If a party fails to make any payment due to the other party under the Contract by the due date for payment, then the defaulting party shall pay interest on the overdue sum from the due date until payment of the overdue sum, whether before or after judgment. Interest under this clause will accrue each date at 4% a year above the Bank of England's base rate from time to time, but at 4% a year for any period when the base rate is below 0%.
- 6.7 The Company may at any time, without notice to the Supplier, set off any liability of the Supplier to the Company against any liability of the Company to the Supplier, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under the Contract. If the liabilities to be set off are expressed in different currencies, the Company may convert either liability at a market rate of exchange for the purpose of set-off. Any exercise by the Company of its rights under this clause shall not limit or affect any other rights or remedies available to it under the Contract or otherwise.
- 7. Company materials**
The Supplier acknowledges that all materials, equipment and tools, drawings, specifications, and data supplied by the Company to the Supplier (**Company Materials**) and all rights in the Company Materials are and shall remain the exclusive property of the Company. The Supplier shall keep the Company Materials in safe custody at its own risk, maintain them in good condition until returned to the Company and not dispose or use the same other than in accordance with the Company's written instructions or authorisation in connection with this Contract.
- 8. Indemnity**
- 8.1 The Supplier shall indemnify the Company against all liabilities, damages, losses (including loss of profits, loss of business, loss of reputation, loss of savings and loss of opportunity), fines, expenses and costs (including all interest, penalties, legal costs (calculated on a full indemnity basis) and professional costs and expenses) suffered or incurred by the Company as a result of or in connection with:
- (a) any claim that the supply, receipt or use of the Goods infringes the intellectual property rights of any third party;
 - (b) any claim by a third party for death, personal injury or damage to property arising out of or in connection with defective Goods, to the extent that the defect is attributable to the acts or omissions of the Supplier; and
- any claim by a third party arising out of or in connection with the supply of the Goods, to the extent that the claim arises out of the breach, negligent performance or failure or delay in performance of the Contract by the Supplier.
- 9. Insurance**
During the term of the Contract and for a period of 6 years afterwards, the Supplier shall maintain in force, with a reputable insurance company, professional indemnity insurance, product liability insurance and public liability insurance to cover the liabilities that may arise

under or in connection with the Contract, and shall produce to the Company on demand both the insurance certificate giving details of cover and the receipt for the current year's premium in respect of each insurance.

10. Compliance with relevant laws and policies

10.1 In performing its obligations under the Contract, the Supplier shall:

- (a) comply with all applicable laws, statutes, regulations and codes from time to time in force; and
- (b) comply with the Company's policies.

Breach of clause 10.1 shall constitute an irremediable material breach of the Contract.

11. Termination

11.1 The Company may terminate the Contract in whole or in part at any time before delivery of the Goods with immediate effect by giving the Supplier written notice, whereupon the Supplier shall discontinue all work on the Contract. The Company shall pay the Supplier 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.

11.2 Without limiting its other rights or remedies, the Company may terminate the Contract with immediate effect by giving written notice to the Supplier if:

- (a) the Supplier commits a material breach of any term of the Contract and (if such a breach is remediable) fails to remedy that breach within 5 days of the Supplier being notified in writing to do so;
- (b) the Supplier takes any step or action in connection with its entering administration, provisional liquidation or any composition or arrangement with its creditors (other than in relation to a solvent restructuring), obtaining a moratorium, being wound up (whether voluntarily or by order of the court, unless for the purpose of a solvent restructuring), having a receiver appointed to any of its assets or ceasing to carry on business or, if the step or action is taken in another jurisdiction, in connection with any analogous procedure in the relevant jurisdiction;
- (c) the Supplier suspends, or threatens to suspend, or ceases or threatens to cease to carry on all or a substantial part of its business; or
- (d) the Supplier's financial position deteriorates so far as to reasonably justify the opinion that its ability to give effect to the terms of the Contract is in jeopardy.

11.3 On termination or expiry of the Contract, the Supplier shall immediately return all Company Materials. If the Supplier fails to do so, then the Company may enter the Supplier's premises and take possession of them. Until they have been returned or delivered, the Supplier shall be solely responsible for their safe keeping and will not use them for any purpose not connected with the Contract.

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

Any provision of the Contract that expressly or by implication is intended to come into or continue in force on or after termination or expiry of the Contract shall remain in full force and effect.

12. Confidentiality

12.1 Each party undertakes that it shall not at any time disclose to any person any confidential information concerning the business, assets, affairs, customers, clients or suppliers of the other party (including any third party clients of the Company), except as permitted by clause 12.2.

12.2 Each party may disclose the other party's confidential information:

- (a) to its employees, officers, representatives, contractors, subcontractors or advisers who need to know such information for the purposes of exercising the party's rights or carrying out its obligations under the Contract. Each party shall ensure that its employees, officers, representatives, contractors, subcontractors or advisers to whom it discloses the other party's confidential information comply with this clause 12; and
- (b) as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.

12.3 Neither party may use the other party's confidential information for any purpose other than to exercise its rights and perform its obligations under or in connection with the Contract.

13. Force majeure

Neither party shall be liable for any delay or failure in the performance of its obligations for so long as and to the extent that such delay or failure results from events, circumstances or causes beyond its reasonable control. If the period of delay or non-performance continues for 20 Business Days, the party not affected may terminate the Contract by giving not less than 5 days written notice to the affected party.

14. General

14.1 Assignment and other dealings

- (a) The Company 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.
- (b) The Supplier 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 Customer.

14.2 **Subcontracting.** The Supplier may not subcontract any or all of its rights or obligations under the Contract without the prior written consent of the Customer. If the Company consents to any subcontracting by the Supplier, the Supplier shall remain responsible for all the acts and omissions of its subcontractors as if they were its own.

14.3 Entire agreement.

- (a) The Contract constitutes the entire agreement between the parties.

- (b) Each party acknowledges that in entering into the Contract it does not rely on any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in the Contract. Each party agrees that it has no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in the Contract.
- 14.4 **Variation.** Except as set out in these Conditions, no variation of the Contract, including the introduction of any additional terms and conditions, shall be effective unless it is agreed in writing and signed by the Customer.
- 14.5 **Waiver.**
- (a) Except as set out elsewhere in these terms and conditions, a waiver of any right or remedy under the Contract or by law by the Company is only effective if given in writing and shall not be deemed a waiver of any subsequent right or remedy.
- (b) A failure or delay by the Company to exercise any right or remedy provided under the Contract or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy provided under the Contract or by law shall prevent or restrict the further exercise of that or any other right or remedy.
- 14.6 **Severance.** If any provision or part-provision of the Contract is or becomes invalid, illegal or unenforceable, it shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of the Contract. If any provision of the Contract is deemed deleted under this clause 14.6, the parties shall negotiate in good faith to agree a replacement provision that, to the greatest extent possible, achieves the intended commercial result of the original provision.
- 14.7 **Notices.**
- (a) Any notice given to a party under or in connection with the Contract shall be in writing and shall be:
- (i) delivered by hand or by pre-paid first-class post or other next working day delivery service at its registered office (if a company) or its principal place of business (in any other case); or
- (ii) sent by email to the email addresses used by each party in connection with this Contract (or an address substituted in writing by the party to be served).
- (b) Any notice shall be deemed to have been received:
- (i) if delivered by hand, at the time the notice is left at the proper address;
- (ii) if sent by pre-paid first-class post or other next working day delivery service, at 9.00 am on the second Business Day after posting; or
- (iii) if sent by email, at the time of transmission, or, if this time falls outside Business Hours in the place of receipt, when Business Hours resume.
- (c) This clause 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.
- 14.8 **Third party rights.** Unless it expressly states otherwise, the Contract does not give rise to any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Contract.
- 14.9 **Governing law.** The Contract, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.
- 14.10 **Jurisdiction.** Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with the Contract or its subject matter or formation.

Adnet Terms of Purchase- September 2025.