



CROFT ENGINEERING

PRECISION ENGINEERS

CROFT ENGINEERING PURCHASING TERMS AND CONDITIONS

TERMS AND CONDITIONS DETAILED FORM PART OF ALL CROFT ENGINEERING PURCHASE ORDERS AND SERVICE ORDERS
ACCEPTANCE OF A PURCHASE/SERVICE ORDER IMPLIES ACCEPTANCE OF THESE TERMS AND CONDITIONS

1.0 DEFINITIONS

"Contract" shall mean any contract resulting from this order

"Order" shall mean this purchase order

"Buyer" shall mean Croft Engineering

"Seller" and/or "Supplier" shall mean the person on whom this order is placed

"Goods" shall mean the supplies to be delivered under the contract and shall be deemed to include any service(s)

2.0 ACCEPTANCE

This purchase order constitutes buyer's offer to seller, and is a binding contract on the terms and conditions set forth herein when it is accepted by seller either by the acknowledgement or the commencement of performance hereunder. No condition stated by the seller in accepting or acknowledging this order shall be binding upon buyer if in conflict with, inconsistent with, or in addition to the terms and conditions contained herein unless accepted by buyers written approval.

3.0 REVISIONS

No revision of this order or any of the terms and conditions hereof shall be valid unless in writing and signed by an authorised representative of buyer's purchasing department.

4.0 DELIVERY

- 4.1 Delivery shall be strictly in accordance with the delivery schedule set out in this order. Notwithstanding this provision, the seller shall not be liable for delays or defaults due to causes beyond its control and without its fault or negligence, provided however, that if the seller has reason to believe that deliveries will not be made as required, due to such cases, written notice setting forth the cause of any anticipated delays shall be given immediately to buyer.
- 4.2 The supplier shall complete and deliver the goods at the time or times specified in the order and in this respect time shall be of the essence.
- 4.3 The buyer may at any time or times by notice in writing to the seller postpone the date(s) of delivery of any goods without thereby incurring any liability and the seller shall deliver such goods on the revised date(s) so notified and shall not make any claim for adjustment in price or otherwise in respect of any such postponement unless otherwise agreed in writing by the buyer.

5. DELIVERIES MADE

- 5.1 If the supplier delivers quantities in excess of the quantity due the purchaser shall have the right to accept or reject the quantity in excess of that due.
- 5.2 The buyer shall not be obliged to accept delivery of any goods prior to the delivery date and if the seller shall do so:
- the buyer shall be entitled to charge storage to the supplier and
 - the date for payment shall be calculated according to the due delivery date

6.0 TERMINATION

Failure to comply with the specification, terms and conditions of this order, or to deliver material in accordance with sellers promise shall be grounds for cancellation without penalty to buyer.

7.0 ACCEPTANCE AND REJECTION

All articles will be subject to final inspection and acceptance by buyer within a reasonable time after receipt at the designated destination, irrespective of prior payment. Buyer may reject any article which contains defective material or workmanship or does not conform to specifications, samples or warranties. Any article so rejected may be returned to seller at seller's risk and expense, and at full invoice price plus applicable transportation charges both ways. No defective article or material shall be replaced unless requested by buyer.

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- 7.1 CERTIFICATE OF CONFORMANCE (REQUIRED FOR GOODS INTENDED FOR AIRCRAFT APPLICATIONS AND FOR GOODS WHERE REQUIRED ON THE RELEVANT DRAWING)**
The certificate of conformance is a quality record that shall include the Croft Engineering part number, purchase order number, quantity shipped, date shipped, manufacturer's part number, manufacturer's date code (see below) and details of certified quality system. It should be signed to indicate compliance with the requirements of this document. These are to be submitted for all parts delivered to Croft Engineering.
- 7.2 DATE CODE/LOT NUMBER CONTROL (REQUIRED FOR GOODS INTENDED FOR AIRCRAFT APPLICATIONS AND FOR GOODS WHERE REQUIRED ON THE RELEVANT DRAWING)**
Deliveries of parts/components with multiple date codes or multiple lot numbers must be segregated such that each part/component is identifiable by its date code or lot number. The paperwork must also reflect if multiple date codes or lot numbers have been delivered with the associated quantity.
- 7.3 FIRST ARTICLE INSPECTION**
Croft Engineering requires all first deliveries of parts to include a full first article inspection report be filled out by the manufacturer. The sample, on which the FAI was performed shall be clearly marked, both on the sample and the FAI report. Where the drawing has been updated and there is a change in the form, fit or function of the part, then an FAI must be submitted for the change/update only.
- The FAI should confirm that all processes, materials and dimensions are met. In the case of raw material or process i.e. paint, chromate, proof of acceptability shall be made available either through records or attached certificates. Drawing notes should be referenced and their acceptance confirmed.
- Any discrepancies detected by the manufacturer during the FAI shall be notified to Croft Engineering and a deviation should be sought in advance of any parts being shipped to Croft Engineering. Under no circumstances shall a nonconforming part be sent to Croft Engineering without a Croft Engineering approved deviation. Failure to comply with the above requirements will result in Croft Engineering rejecting the product.
- 7.4 RECORD RETENTION**
In addition to contractual requirements the supplier shall retain verifiable objective evidence of inspection and tests performed. Quality records shall be made available for evaluation for a contractually agreed upon period. Unless otherwise specified, this period shall be ten years.
- 7.5 NOTIFICATION OF NON-CONFORMING PRODUCT**
The supplier to notify the organization of changes in product and/or process definition and, where required, obtain organization approval
- 7.6 NOTIFICATION OF BUSINESS OR PROCESS CHANGES**
The supplier will notify the organisation of any business or process changes effecting product or services, and where necessary obtain approval.
- 7.7 RIGHT OF ACCESS BY CROFT ENGINEERING, THEIR CUSTOMERS AND REGULATORY AUTHORITIES**
In accordance with contractual agreements, right of access by Croft Engineering, their customer, and regulatory authorities shall be afforded to all facilities involved in the order and to all applicable records,
- 7.8 KEY CHARACTERISTICS**
Where Identified within the specification, drawing and/or purchase order the supplier shall flow down to sub-tier suppliers the applicable requirements in the purchasing documents, including key characteristics where required.
- 8.0 COUNTERFEIT PARTS/MATERIALS/EQUIPMENT**
- 8.1** The Seller represents and warrants that it has policies and procedures in place to ensure that none of the supplies or materials furnished under this Purchase Order are "suspect/counterfeit parts" and certifies, to the best of its knowledge and belief, that no such parts have been or are being furnished to the Buyer by the Seller.

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8.2 “Suspect/counterfeit parts” are parts that may be of new manufacture but are misleadingly labelled to provide the impression they are of a different class or quality or from a different source than is actually the case. They also include refurbished parts, complete with false labelling, that are represented as new parts. If Buyer reasonably determines that the Seller has supplied suspect/counterfeit parts to Buyer, Buyer shall promptly notify the Seller and the Seller shall immediately replace the suspect/counterfeit parts with parts acceptable to Buyer. Notwithstanding any other provision contained herein, the Seller shall be liable for all costs incurred by Buyer in having to analyse and process the counterfeit materials.

8.3 In addition, the Buyer may unilaterally terminate this order for Convenience depending on the impact of the delivery of Suspect/Counterfeit parts on the Seller’s overall performance on this order. The Seller’s warranty against suspect/counterfeit parts shall survive any termination or expiration of this Purchase Order.

8.4 Suspect/Counterfeit parts will be held in quarantine and not returned to the Seller and will be destroyed after a period of 14 working days. The Seller can review any suspected parts at our premises within the time frame stated.

9.0. PRODUCT SAFETY

9.1 The Seller undertakes to design, manufacture, transport, deliver and sell the parts/materials/equipment in compliance with all applicable statutes, laws, regulations, rules, ordinances, consents, approvals, and any other requirement of any governmental or quasi-governmental entity having jurisdiction where the parts/materials/equipment is to be designed, manufactured, transported, delivered, sold, installed, and operated.

9.2 Where required, the Seller will provide full information regarding the use for which the parts/materials/equipment have been designed, and any restrictions and safeguards which should be observed in all stages of its operation. The Seller will provide and fix all warning notices to parts/materials/equipment that may be required by in order to comply with the undertaking set forth in the paragraph immediately above. The Seller will provide adequate safety mechanisms, alarms guarding and protection necessary to protect operating personnel.

10.0 ETHICAL BEHAVIOUR

10.1 The supply of all goods or services to the Buyer will be undertaken in compliance with the following conventions: • Modern Slavery Act 2015 • Bribery Act 2010 • Ethical Trading Initiative Base Code

10.2 The Seller will take such steps as are necessary to ascertain that it, and third parties, involved in the supply of goods and services comply with the Buyer’s Ethical Behaviour (this paragraph) and shall forthwith notify the Buyer in writing in the event that it becomes aware that this is not the case.

10.3 The Seller represents that neither it nor its agents, sub-contractors, connected or associated persons or any person with whom the Seller contracts in connection with the supply of any Goods and Services is and is not involved in, will not become involved in and will ensure that each of its staff, agents, sub-contractors, consultants, connected or associated persons will not engage in or in any way support or facilitate any act, omission or other behaviour which could be considered to constitute bribery or other criminal offence under the UK Bribery Act 2010, the US Foreign Corrupt Practices Act 1977 (as amended) or any other legislation in any jurisdiction relating to bribery, corruption or fraud. In the event that there is any reasonable risk that this representation has, is or may become untrue at any time the Seller will promptly notify the Buyer thereof and take such steps as the Buyer may reasonably require in order to rectify or deal with the situation.

10.4 Our organisation reserves the right to require and request evidence from the Seller to ensure that their personnel and employees are aware of: a) Their contribution to product or service conformity; b) Their contribution to product safety c) The importance of ethical behaviour

Croft Motors Limited (Croft Engineering) is committed to sound ethical practices and full compliance with all laws and regulations. We support and respect the protection of human rights.

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11.0 CONFLICT MATERIALS STATEMENT.....CROFT ENGINEERING

We believe in treating people with respect and dignity, and incorporate these principles into our business processes and relationships.

As an expression of these principles and ethical values, CROFT adheres to the principal of responsible sourcing of components and fixtures containing precious and non-precious metals and metal salts in compliance with applicable laws and regulations.

The metals at issue are Tantalum (Ta), Tungsten (W), Tin (Sn) and Gold (Au). Croft actively source components from suppliers that can demonstrate compliance with the respective "Conflict Minerals" acts and guidelines.

Croft uses various suppliers who we are assured apply the same principles on conflict materials. Applicable policies and traceability available to Croft .

Croft is committed to working with its customers and supply chain to meet the Customer's specifications and requirements with the Terms and Conditions of Purchase with regards to traceability and sourcing requirements and restrictions.

Anti-slavery and human trafficking policy

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

We have a zero-tolerance approach to modern slavery and we are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains.

We are also committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains, consistent with our obligations under the Modern Slavery Act 2015. We expect the same high standards from all of our contractors, suppliers and other business partners, and as part of our contracting processes, we include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children, and we expect that our suppliers will hold their own suppliers to the same high standards.

This policy applies to all persons working for us or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners.

The prevention, detection and reporting of modern slavery in any part of our business or supply chains is the responsibility of all those working for us or under our control. You are required to avoid any activity that might lead to, or suggest, a breach of this policy. If you are found to be in breach of this policy, please note that this could lead to disciplinary action up to and including dismissal for gross misconduct.

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You must notify a Director as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future.

ANTI-BRIBERY AND CORRUPTION POLICY STATEMENT

Croft Engineering is committed to applying the highest standards of ethical conduct and integrity in its business activities. Every employee and individual acting on the Company's behalf is responsible for maintaining the Company's reputation and for conducting business honestly and professionally. The Company considers that bribery and corruption has a detrimental impact in business by undermining good governance and distorting free markets. The Company benefits from carrying out business in a transparent and ethical way.

The Company does not tolerate any form of bribery, whether direct or indirect, by, or of, its employees, officers, agents or consultants or any person or companies acting for it or on its behalf. The board and senior management are committed to implementing and enforcing effective systems to prevent and eliminate bribery, in accordance with the Bribery Act 2010. The Company has issued an anti-bribery, anti-corruption policy statements outlining the Company's position on preventing and prohibiting bribery and corruption. These Policies apply to all employees and they are required to familiarise themselves and comply with these Policies. A bribe is a financial advantage or other reward that is offered to, given to, or received by an individual or company (whether directly or indirectly) to induce or influence that individual or company to perform public or corporate functions or duties improperly. Employees and others acting for or on behalf of the Company are strictly prohibited from making, soliciting or receiving any bribes or unauthorised payments. As part of its anti-bribery measures, the Company accepts transparent, proportionate, reasonable and bona fide hospitality and promotional expenditure, whether given or received. A breach of these Policies by an employee will be treated as grounds for disciplinary action. Employees and other individuals acting for the Company should note that bribery is a criminal offence that may result in up to 10 years' imprisonment and/or an unlimited fine for the individual and an unlimited fine for the Company. The Company has a policy of not conducting business with service providers, agents or representatives that do not support appropriate anti-bribery and corruption objectives. The success of the Company's anti-bribery and corruption measures depends on all employees, and those acting for the Company, playing their part in helping prevent bribery. Therefore, all employees and others acting for, or on behalf of, the Company are encouraged to report any suspected bribery in accordance with the procedures set out in the Policies or in the case of third parties to the Company Secretary. The Company will support any individuals who make such a report in good faith.