



CLAYTON
PRECISION ENGINEERING

TERMS & CONDITIONS

- 1. Definitions.** The term "Seller" means Clayton Precision Limited. The term "Buyer" means the individual, corporation or other legal entity that has submitted an order to the Seller. The term "order" means Buyer's expressed desire, whether oral or written, to procure goods from Clayton. The term "Goods" means all of the products, materials and related services that the Buyer desires to purchase from Clayton. The sale of the goods that are the subject of this order will be governed by the terms of this sales order acknowledgement.
- 2. Acceptance.** All Orders are subject to acceptance by Clayton. Acceptance is conditional on the Buyer's agreement to all of the terms and conditions of this Acknowledgement. This acknowledgement contains the sole terms and conditions that will govern the order. Buyer's agreement will be conclusively established: (i) When the Buyer has received and retained this acknowledgement for seven (7) days without objection, or (ii) by Buyer's acceptance of all or any part of the Goods. Clayton objects to any terms or conditions which differ from, or are additional to, those stated on this acknowledgement. After acceptance of an order by Clayton, the order and this acknowledgment may only be modified by writing and signed by Clayton.
- 3. Price.** Unless specified otherwise in writing signed by Clayton, the prices and charges stated on the face of this acknowledgement will be invoiced at the prices and charges fixed by Clayton at the time of order. The prices stated on this acknowledgement do not include taxes or duty.
- 4. Payment.** Unless set forth to the contrary on this acknowledgement, payment terms are net 30 days from date of Clayton's invoice. Whenever reasonable grounds for insecurity arise with respect to due payment by Buyer, Clayton may demand different terms of payment and assurance of Buyer's due payment. Any such demand may be oral or written and Clayton may, upon the mailing of such demand, stop production and suspend shipments under this acknowledgement. If, within the period stated in such demand, Buyer fails or refuses to agree such different terms of payment or fails or refuses to give adequate assurance of due payment, Clayton may, at its option, treat such failure or refusal as a repudiation of the portion of the order which has not been fully preformed, or Clayton may resume production and make any shipment under reservation of possession or of a security interest and may demand payment against tender of documents of title.
- 5. Delays.** Unless a shipping date is specified as firm on this acknowledgement or in writing signed by Clayton, Clayton will use reasonable efforts to fill this order in accordance with the estimated shipping date. Clayton will not be responsible for any delays in filling this order nor be liable for any losses or damages resulting from such delays. This order will also not be subject to cancellation due to delays.
- 6. Force Majeure.** Clayton will not be liable for such delays in fulfilling this order, or failure in the performance of any of its obligations caused by accidents, labour disputes, shortages of labour, materials, fuel or power, fires, floods or other acts of God, acts or omissions of Buyer, priorities required, requested, or granted for the benefit of Government restrictions or legislation, or any cause, whether similar or dissimilar to those enumerated in this section which is beyond the control of Clayton.
- 7. Warranty.** Clayton warrants to the Buyer that the goods will, at the time of shipment, conform the description and specification on the acknowledgment, that they will convey good title to the goods; that such goods will be delivered free from any lawful security interest or other lien or encumbrances unknown to the buyer and that such goods will be free from defects. Clayton Make no warranty that the goods will be merchantable or fit for any particular purpose. Clayton make no warranty expressed or implied except such as set forth herein.
- 8. Inspection, Acceptance or Rejection.** Inspection, acceptance or rightful rejection of the goods must be made within ninety (90) days after buyer's receipt of the goods. Buyer must notify Clayton within such ninety (90) days if it believes that any goods delivered under this acknowledgement are damaged, non-conforming or otherwise properly rejectable and hold such goods pending inspection by Clayton.
- 9. Limitation of Liability.** (a) Clayton's sole liability and Buyer's exclusive remedy for any tender of non-conforming goods or breach of warranty, is expressly limited to Clayton's choice of (i) the repair or rework of the non-conforming goods. (ii) the replacement of the non-conforming goods, or (iii) the refund of that portion of the purchase price represented by the non-conforming goods. Any such repair, replacement credit will only be made on the return of the non-conforming goods and after inspection by Clayton. (b) Clayton will not be liable for any incidental, consequential, indirect, special, contingent or punitive damages for (i) any breach of warranty, whether based on theories of breach of warranty, breach of contract, tort, strict liability or otherwise; (ii) the tender of defective or non-conforming goods; or (iii) breach of any other provision of this acknowledgement. In any event, Clayton's liability to Buyer will not exceed the purchase price of the goods on which such liability is based.

- 10. Indemnity.** The Buyer will release, hold harmless, indemnify and defend Clayton from any liability (including without limitation liability for negligence or strict liability) claims, losses, suits and costs caused by or relating to the design of the goods supplied under this acknowledgement.
- 11. Termination.** The Buyer may not terminate this order or this acknowledgement without the written consent of Clayton. If Clayton consents to such termination, reasonable termination charges, computed by Clayton will be assessed in connection with such termination.
- 12. Delivery and Transportation.** If the terms of shipping on this acknowledgement are FOB destination, Clayton will deliver and bear the cost of transportation of the goods to such destination. Excess packing, shipping and transportation charges resulting from compliance with respect to the use of any agency or method of transportation or any routing other than that which would be designated by Clayton will be for the Buyer's account.

13. Equipment.

(a) Any equipment (Including Jigs, Tooling and Gauges) which Clayton acquires for use exclusively in the production of goods for the buyer will be and remain Clayton's property and in Clayton's possession and control and any charges by Clayton will therefore be for the exclusive use of such equipment only. All such equipment will be used exclusively for the manufacture of goods for the buyer. When for three (3) consecutive years no orders acceptable to Clayton are received from the buyer for goods to be made with such equipment, Clayton may make such use or disposition of such equipment as Clayton desires, without liability or obligation to buyer.

(b) Any materials or equipment owned or furnished by the buyer to Clayton will be handled and stored appropriately. When for three (3) consecutive years, no orders acceptable to Clayton are received from buyer for goods to be made with any such equipment, Clayton may, by written notice to buyer, request buyer to make such use or disposition of said equipment at buyer's expense. If the buyer fails to comply with such notice, Clayton may make such use or disposition of said equipment as it desires, without obligation to the buyer.

(c) Any equipment specified on this acknowledgement as returnable, or for which a charge is made for, or for which a deposit is required, will be returned in accordance with Clayton's standard instructions.

14. Miscellaneous.

(a) No provision of this acknowledgement and no breach of any provision of this acknowledgement will be deemed waived by reason of any previous waiver or breach of such provision.

(b) This acknowledgement may be performed and all rights under this acknowledgement may be enforced against the buyer by Clayton.

(c) This acknowledgement may not be assigned by the buyer without the written consent of Clayton.

(d) This acknowledgement will be governed by and interpreted in accordance with English law.

(e) Supplier must ensure product safety during the product life cycle on your premises. Supplier will have to supply CoC and/or test certificate with goods to verify supplied condition as stipulated on the order or subcontract order in accordance with your ISO registration (and AS9100/AS9120 if applicable)

Clayton precision W/O number and FULL TRACEABILITY detail must be stated

Drawing number, Issue and material specifications (material batch number must also be stated when applicable). Clayton Precision must be notified in advance of any changes in Product Definition and/or any Non-conforming Product.

(f) Clayton Precision reserves the right of access together with its customers and/or regulatory authorities to all facilities and records pertaining to Clayton Precision Engineering Co. Ltd without prior permission.

(g) No records pertaining to Clayton Precision Engineering Co. Ltd contracts must be destroyed without first obtaining permission from Clayton Precision Engineering

(h) The supplier must ensure the prevention on counterfeit or suspect counterfeit parts used in the process of our product.

(i) External providers must ensure that personnel are made aware of:

1. Their contribution to product or service conformity
2. Their contribution to product safety
3. The importance of Ethical behaviour

15. Buyer Part Number, Specification Drawing

(a) Clayton will produce goods as detailed on the acknowledgement, in accordance with the drawing and issue number, specification and part number as indicated on the acknowledgement. Any modification to these details must be made in writing by the buyer and further acknowledged by Clayton Precision Engineering