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|-------------------|------------------------------------------------------------|
| <b>Form Title</b> | <b>Conditions of Purchase and Supplier Code of Conduct</b> |
|-------------------|------------------------------------------------------------|

## **Conditions of Purchase**

### **1. General**

This order ("the Purchase Order") shall not be binding upon Tormo Ltd unless it is accepted by the Seller by return of a formal written acknowledgement within three working days of the date of the Purchase Order.

Return by the Seller of an acknowledgment shall constitute a contract between the Seller and Tormo Ltd ("the Contract") incorporating the terms and conditions stated in the Purchase Order and all documents referred to therein including any relevant specification or quality conditions.

No conditions and no stipulations that the Seller may attempt to impose on Tormo Ltd being inconsistent with these conditions of purchase or which in any way purports to modify or add to or subtract from the said conditions in any way shall have any effect unless expressly accepted by Tormo Ltd in writing.

Any processing or progressing of this order by the Seller shall of itself constitute acceptance of the Purchase Order by the Seller on the terms and conditions hereinafter appearing.

The term "Seller" shall mean the party identified as such in the Purchase Order.

### **2. Variation**

No variation shall be made to the Contract unless issued in writing by Tormo Ltd and duly signed on behalf of Tormo Ltd and accepted by the Seller as provided therein.

### **3. Price and Payment**

No payment of or on account of the contract price shall constitute any admission by Tormo Ltd as to the performance by the Seller of its obligations under the terms and conditions hereof.

The contract price shall be exclusive of VAT but inclusive of all other charges and duties, unless specified in the Purchase Order.

The contract price shall be fixed and not subject to variation in any respect unless specific provision is made in the Purchase Order or Tormo Ltd has agreed in writing to such variation.

The Seller warrants that the prices of the items set forth on the Purchase Order do not exceed those charged by the Seller to any other customer purchasing the same item or items in like or smaller quantities and on other similar conditions.

Tormo Ltd shall have no liability to the Seller for any delay in payments attributable to:-

the Seller's failure to submit invoices on the day of dispatch for each consignment advice of dispatch; or

the Seller's failure to submit a monthly statement of account quoting the invoice numbers applicable to each item thereof; or

the Seller's failure to mark clearly Tormo Ltd.'s order numbers on the packages, packing notes, advice notes, invoices, monthly statements and all other correspondence relating thereto; or

Invoice errors; or

Other order documentation errors eg. consignment note, advice notes, Certificates of Conformity etc; or

Non-delivery; or

Early or late delivery; or

Quantity discrepancies; or

Deliveries to the wrong destination; or

Goods being inadequately packed; or

Inadequate identification; or

Goods not being in conformance with the Purchase Order; or

A dispute specifically related to the Purchase Order; or

A dispute of a general nature; or

Force Majeure (as per clause 17).

No interest charges will be payable on overdue accounts.

### **4. Title**

|                   |                                                            |
|-------------------|------------------------------------------------------------|
| <b>Form Title</b> | <b>Conditions of Purchase and Supplier Code of Conduct</b> |
|-------------------|------------------------------------------------------------|

Title in the goods shall pass to Tormo Ltd on delivery at the place specified in the Contract or upon any payment being made to the Seller with respect thereto whichever is the earliest without prejudice to Tormo Ltd.'s rights of rejection at law or under contract should the goods or work be unsatisfactory or not in accordance with the Contract. The Seller warrants that the goods will be delivered free and clear from any security interest, lien or encumbrance whatsoever.

## **5. Delivery and Risk**

Time of delivery is of the essence of the Contract.

When the goods under the Purchase Order are to be delivered in instalments, each separate delivery will not constitute a separate contract and failure by the Seller to deliver any one or more of the instalments in accordance with these terms and the Purchase Order, or claim by Tormo Ltd in respect of any one or more instalments shall entitle Tormo Ltd to treat the Contract as a whole as repudiated.

Unless otherwise specified in the Contract delivery of goods shall be made at Tormo Ltd.'s premises nominated in the Purchase Order during the normal business hours of Tormo Ltd.

Risk in the goods shall pass on delivery being made to Tormo Ltd unless otherwise specified in the Contract.

The goods shall be insured by the Seller for their full value until delivered in accordance with the requirements of the Contract.

The Seller shall pack the goods securely and properly prior to dispatch and shall be wholly responsible for all losses and damage in transit. Where advised, Tormo Ltd.'s packing specifications will be complied with by the Seller.

The Seller shall notify Tormo Ltd immediately of any anticipated delay in deliveries.

Subject to clause 17, if the goods are not delivered on the due date in accordance with the Purchase Order then, without limiting any other remedy.

Where services or work on Tormo Ltd.'s premises are being carried out, the Seller shall be bound by Tormo Ltd.'s "Site Working Conditions" which are available from the Purchasing Manager and must be duly signed by an authorized representative of the Seller before any work commences.

All costs of delivery shall be included in the Contract price. Unless otherwise provided for in the Contract, all packaging supplied by the Seller shall be non-returnable and its cost included in the Contract price.

Tormo Ltd.'s Purchase Order number must be shown on each package.

## **6. Inspection and Rejection**

Tormo Ltd.'s inspector or representative and any inspector or representative of a customer of Tormo Ltd or their agent, or any Government department concerned shall have the right to inspect and/or test the goods at the premises of the Seller or its sub-contractors at any reasonable time subject to reasonable notice.

Such inspection shall not relieve the Seller of any of its liabilities under the Contract.

Tormo Ltd may reject any goods which do not comply with the Contract including quality, quantity or description.

Tormo Ltd shall be entitled to reject those goods or any part of them at any time after delivery, irrespective of whether the goods have already been accepted or Tormo Ltd has accepted them on delivery. Any acceptance of such goods shall be without prejudice to any rights that Tormo Ltd may have against the Seller. Tormo Ltd shall be entitled to return any rejected goods to the Seller at the Seller's risk and cost.

The rejection of goods shall: -

not excuse the Seller for any delay for meeting the delivery date of the Contract and entitle Tormo Ltd to serve notice on the Seller requiring the replacement of the goods rejected.

## **7. Quality**

The Seller will ensure that all goods and work will conform to and perform in accordance with applicable drawings, specifications, and samples supplied by Tormo Ltd in connection with the Purchase Order and with the requirements of this Contract.

The Seller confirms all statements and representations whether written or verbal made in respect of the goods, work and materials or services prior to the Purchase Order.

| Form Title | Conditions of Purchase and Supplier Code of Conduct |
|------------|-----------------------------------------------------|
|------------|-----------------------------------------------------|

The Seller will ensure that all goods and work will be free from defects in materials and workmanship and be of satisfactory quality and fit for the purpose for which they are intended, whether expressed or reasonably implied.

The Seller warrants to Tormo Ltd that all work will be performed by appropriately qualified and trained personnel with all due care and skill and in accordance with any agreed specification.

The Seller will ensure that any goods or services supplied conform to current UK and European legislation.

In addition to any rights or remedies hereunder by statute or implied by common law, the Seller shall be responsible for making good with all speed, any defects attributable to faulty design, materials, installation (if included in the Contract) or workmanship.

Where aerospace product is being procured, Tormo Ltd requires that a Certificate of Conformance to be sent with the goods inside any packaging. Certification should also be held on file for immediate reference by Tormo Ltd should the need arise.

The supplier shall notify Tormo Ltd immediately in writing and obtain approval for any changes to product and/or process specification or issue, change of supplier or manufacturing facility.

The supplier warrants to pass down the supply chain all applicable requirements, including customer requirements as stipulated on the purchase order.

All Records pertaining to Tormo Ltd purchase orders placed upon the seller shall be retained and made accessible to Tormo Ltd, its customers and all relevant regulatory bodies for a minimum period of 20 years.

The supplier shall notify Tormo Ltd of any non-conforming product and obtain the company's approval for its disposition.

Should any products ordered by Tormo Ltd be subject to recall it is the seller's sole responsibility to notify Tormo Ltd immediately in writing as detailed below.

Notice of Escapement - The Supplier shall notify Tormo Ltd, within 24 hours of discovery, of any non-conforming product shipped (escapement) and/or any changes in product or process definition. In the event of an escapement, the Supplier shall send a "Notification of Escapement" in writing to the Buyer that shall contain the following as a minimum:

- a) Supplier Name
- b) Description of Non-Conformance
- c) A list of all affected part numbers
- d) Part number and traceability number which identifies the Non-conforming parts, if applicable
- e) All affected Buyer's purchase order numbers
- f) Packing sheet numbers
- g) Quantities and date shipped
- h) information regarding quarantine of all related work-in-process and/or finished goods.
- i) Any other information that is required.

## 8. Indemnity

The Seller shall indemnify Tormo Ltd against all claims, costs, expenses (including legal expenses), loss or damage whether direct or consequential which Tormo Ltd may suffer howsoever arising from the Seller's breach of any of its obligations under the Contract.

## 9. Free Issue Material

|                   |                                                            |
|-------------------|------------------------------------------------------------|
| <b>Form Title</b> | <b>Conditions of Purchase and Supplier Code of Conduct</b> |
|-------------------|------------------------------------------------------------|

Where Tormo Ltd provides tools, patterns, materials, drawings, specifications or any other data for the purpose of the Contract such materials shall be and remain the property of Tormo Ltd and shall be used in the execution of the Contract and for no other purpose whatsoever.

The Seller will return such free issue material to Tormo Ltd on demand or on completion of the Contract (whichever is the earlier) in good condition, fair wear and tear excepted.

Neither the Seller nor any sub-contractor shall have a lien on such free issue material for any sum due to the Seller or sub-contractor.

#### **10. Injury and Damage**

The Seller shall indemnify and hold Tormo Ltd, its officers, employees and agents harmless from and against any and all losses, claims, proceedings, damages, costs, charges and expenses whatsoever arising from the performance of the Contract, including death or injury to any person or persons or any loss of or damage to any property real or personal belonging to any person or persons arising from any alleged fault or defect (howsoever arising) in the materials of workmanship of goods or services manufactured or supplied by the Seller, its sub-contractors or their employees.

**PROVIDED THAT** the Seller shall have no obligation to indemnify under this clause if and to the extent of any relevant claim, liability damage or expense incurred, was only incurred because the Seller delivered the goods or provided the services strictly in accordance with designs, plans or specifications supplied by Tormo Ltd.

#### **11. Confidentiality of Information**

The Seller shall keep confidential and not without prior consent in writing by Tormo Ltd, disclose to any third party or copy any drawings, specifications, designs or information whether of commercial or technical nature acquired from Tormo Ltd that it may obtain in connection with the Contract.

This shall include information gained from third parties involved in the Contract.

The Seller shall (without limiting Tormo Ltd.'s other remedies) account to Tormo Ltd for any profits made by it from using confidential information gained from Tormo Ltd in relation to the Contract in breach of this Clause either during or after completion of the Contract.

The restrictions within this clause 11 shall continue to apply after the expiration or termination of the Contract without limit in point of time but shall cease to apply to any information which comes into the public domain through no fault of the Seller.

#### **12. Intellectual Property Rights**

The Seller shall indemnify Tormo Ltd against all losses, claims, demands, charges, fees, payments, royalties, damage, costs and expenses of any kind arising from the infringement or alleged infringement of any intellectual property rights whether in the form of letters patent, registered design, trade mark, copyright or other protected rights whatsoever made by the third party in relation to work done under the Contract or to the use or purchase or sale of the goods, save to the extent that any infringement is solely attributable to the Seller having adhered to the designs or specifications supplied by Tormo Ltd to the Seller for the purposes of the Contract.

Any intellectual property rights including, without limit, any letters patent, registered design, trade mark or copyright arising from performance or in the course of the performance of the Contract shall become Tormo Ltd.'s property and the Seller may reasonably require, in order to vest such rights in it, or secure such interest by registration or otherwise.

Any intellectual property rights including, without limit, any letters patent, registered design, trade marks, copyright or other intellectual property right arising from performance of the Purchase Order in accordance with Tormo Ltd.'s patterns, drawings, specifications or any other data or any other item referred to in Clause 12(i) shall become Tormo Ltd.'s property.

#### **13. Termination for Cause**

Tormo Ltd reserves the right without prejudice to Tormo Ltd.'s rights and remedies at law to terminate the Contract or any part thereof in the event that:-

|                   |                                                            |
|-------------------|------------------------------------------------------------|
| <b>Form Title</b> | <b>Conditions of Purchase and Supplier Code of Conduct</b> |
|-------------------|------------------------------------------------------------|

the goods or work are not in accordance with the requirements of the contract.  
the material or workmanship does not pass such inspection as maybe carried out by Tormo Ltd, their customer, its agent or any Government department concerned; or  
the Seller fails to deliver the goods or perform the work by the date or dates agreed in the Contract; or  
the Seller becomes bankrupt or insolvent or commences winding-up by reason of insolvency or makes an assignment for the benefit of creditors or commits an act in respect of which a petition for a winding-up order may be presented in which case the Seller shall have no further claim against Tormo Ltd.

#### **14. Government Contracts**

Where it is indicated in the Contract that the goods or services are for or pursuant to H.M. Government requirements, the Contract will also be subject to the latest issue of the applicable standard conditions.  
In the event of any conflict between this Contract and any such standard conditions referred to in Clause 14(i) above, the latter shall prevail.  
It is understood that in relation to such standard conditions Tormo Ltd should assume the rights and obligations of the "Authority" and the Seller shall assume the rights and obligations of the "Contractor".

#### **15. Waiver**

No failure or delay on the part of Tormo Ltd in exercising any right, power or remedy under the Contract shall operate as a waiver thereof nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of other rights, powers or remedies. The powers, rights and remedies conferred on Tormo Ltd under the Contract are cumulative and are additional to, and not exclusive of, any powers, rights or remedies provided by law or otherwise available to it. No waiver shall be effective unless specifically made in writing and signed by a duly authorised officer of Tormo Ltd.  
Tormo Ltd may, in its absolute discretion, in whole or in part, release, compromise or compound, or waive its rights or grant time or indulgence in respect of, any liability to it under the Contract.

#### **16. Assignment and Sub-Contracting**

The Seller shall not without the prior written authorisation of Tormo Ltd assign or subcontract any of the obligations to be performed by the Seller in accordance with the Contract, except as is customary in the trade.  
No such approval shall relieve the Seller from its obligations under the Contract.  
Tormo Ltd shall be entitled to assign the benefit of the Contract to another company within its Group

#### **17. Force Majeure**

In the event of any industrial dispute, strike, lockout, fire, explosion, accident, act of God, riot, civil commotion, rebellion, abnormal weather conditions, fire, flood, tempest, lightning, earthquakes, Government action, restrictions, regulations, prohibitions or bye-laws of any kind, insurrection, war, invasion or of delay in either parties business or work attributable to circumstances beyond their reasonable control which may prevent or hinder the use of the goods or work, the delivery of such goods or the completion of such work and the payment therefore maybe suspended at either parties option until the circumstances preventing or hindering the use of the goods or work have ceased. In addition, the Purchaser shall have the option to terminate the Contract with no liability if the circumstances prevent the Purchaser from gaining full benefit from the Contract provided that the Purchaser will give the Seller reasonable notice of such termination.

#### **18. Arbitration**

Tormo Ltd reserves the right to have any dispute between Tormo Ltd and the Seller arising out of the Contract finally settled by a single Arbitrator who shall be appointed by the then President of the Law Society and who shall conduct the arbitration in such manner and shall make such awards as he shall deem appropriate subject to the provision of the Arbitration Act1996.

|                   |                                                            |
|-------------------|------------------------------------------------------------|
| <b>Form Title</b> | <b>Conditions of Purchase and Supplier Code of Conduct</b> |
|-------------------|------------------------------------------------------------|

## **19. Notices**

Any notice or communication to be given by either party to the other under this Contract shall be in writing and maybe served by delivering it by hand or by sending it by first class pre-paid registered or recorded delivery post to the address specified for the relevant party in the Contract or to such other address as maybe notified by either party for the purpose.

Any such notices delivered by hand, faxed or emailed shall be deemed to have been served immediately upon delivery and if sent by first class pre-paid registered or recorded delivery it shall be deemed to have been served after 48 hours of posting.

## **20. Headings**

The headings in shown in these conditions are for convenience only shall not affect the construction thereof.

## **21. Not Constitute A Partnership**

None of the provisions of these terms and the Contract shall be deemed to constitute a partnership between the parties and neither has authority to bind the other in any way.

## **22. Third Party Rights**

Save as provided in the Purchase Order and subject to the remaining terms, no third party shall have any right to enforce or rely on any provision of the Contract or these terms which does or may confer any right or benefit on any third party directly or indirectly, expressly or impliedly and hence no third party shall have any right under the Contracts (Rights of Third Parties) Act 1999.

## **23. Law**

Any provision of the Contract or these terms which is prohibited or unenforceable by law shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of these terms. Where any provision of the Contract or these terms is prohibited or unenforceable by law, the parties agree to use reasonable endeavours to agree upon a new provision which shall reflect as closely as possible the effect of the provision which it is intended to replace.

The construction, validity and performance of the Contract shall be governed by the Laws of England and subject to the exclusive jurisdiction of the English Courts.

|                   |                                                            |
|-------------------|------------------------------------------------------------|
| <b>Form Title</b> | <b>Conditions of Purchase and Supplier Code of Conduct</b> |
|-------------------|------------------------------------------------------------|

## **Supplier Code of Conduct**

### **1. Sustainability**

As a multi-disciplinary state-of-the-art precision engineering house focused on high to low volume precision machining for quality orientated clients across many industries and markets, we purchase product, materials, commodities and services from sources able to ensure sustainability of our organisation and continuity of supply for our customers.

This requires responsible management with a long-term view. Our supplier base is an integrated part of our sustainability strategy. During our purchase operations, we carefully consider economic, technical, ecological, human factors and anti-corruption concerns.

The principal considerations for suppliers include cost, quality, reliability, and sustainability. We expect our suppliers to comply with applicable laws, the United Nations Global Compact and our code of conduct. We expect our suppliers to introduce suitable processes within their organisations supporting legal compliance and driving improvements with regard to the principles outlined in our Code of Conduct. We expect these principles to be cascaded through the supply chain for application by any other contractors or associates.

### **2. Human and Labour Rights**

Tormo Ltd expect our suppliers to respect and comply with the fundamental rights granted to all employees by applicable national laws and regulations. We expect suppliers to respect the rights of third parties and to minimise possible adverse effects taking into account all relevant international standards including the labour standards issued by the International Labour Organisation (ILO).

### **3. Child Labour**

Tormo Ltd expect our suppliers to prohibit and refrain from any kind of child labour within their organisation.

### **4. Discrimination**

We expect our suppliers to promote equal opportunities and equal treatment. Our suppliers are expected to prohibit any form of discrimination in recruiting, promoting, or selecting employees for training programs. It is expected that no employee should be discriminated against based on gender, age, colour, race, ethnic or social origin, nationality, sexual orientation, religion, disability, world view or political opinion.

### **5. Forced Labour**

We expect all our suppliers to prohibit any form of forced labour, or human trafficking in their organisation and any contribution to it, including engagement in work housing, or termination activities that support or create trafficking conditions.

### **6. Freedom of Association**

Tormo Ltd expect our suppliers to respect the right of their employees to form workers councils, collective bargaining units or other employee representations and to enter into collective bargaining.

### **7. Working Time and Remuneration**

We expect our suppliers to fully comply with applicable national laws on working time. Further, we expect that the employees of our suppliers receive remuneration in line with the law.

### **8. Conflict Minerals**

We expect suppliers to adhere to all regulations. Suppliers are expected to be conflict free.

### **9. Quality Management Systems**

|                   |                                                            |
|-------------------|------------------------------------------------------------|
| <b>Form Title</b> | <b>Conditions of Purchase and Supplier Code of Conduct</b> |
|-------------------|------------------------------------------------------------|

We expect all our suppliers to operate a documented Quality Management System. Quality Management Systems should, as a minimum, be certified to ISO9001. Where required by contract, Tormo Ltd may require certification to other Quality management Standards, such as, but not limited to, AS9100, AS9110, AS9120 and NADCAP requirements.

#### **10. Health and Safety**

We expect our suppliers to fully comply with all applicable laws governing Health and Safety at Work. Our suppliers are expected to establish and maintain an appropriate Safety Management system (OHSAS 18001 / ISO45001) for example). This includes containing potential, as well as actual risks in work. Our suppliers are expected to train their employees (and others as appropriate) for the purpose of preventing accidents and occupational disease.

#### **11. Environmental Protection**

We expect our suppliers to comply with all relevant laws regulations and standards to protect the environment. Our suppliers are expected to establish and maintain a suitable environmental management system (e.g. in accordance with ISO14001) to minimise environmental impact and hazards relating to their everyday operations.

#### **12. Prohibition of Corruption and Bribery**

Tormo Ltd expect our suppliers to have zero tolerance for corruption and to ensure compliance with all United Nations (UN) and Organisation for Economic Development (OECD) conventions against corruption and with all governing anti-corruption laws. In particular, our suppliers are expected to ensure that employees, subcontractors and agents do not offer, promise, or grant any advantages to any Tormo Ltd employees or related parties with the goal of securing an order, award or any other form of preferential treatment in their business transactions.

#### **13. Invitations and Gifts**

We expect our suppliers to refrain from presenting any invitations or gifts to our employees so as to gain any form of influence. Any invitations or gifts extended to Tormo Ltd employees or related parties, if any, must be reasonable and suitable with a view to scope and design, i.e. they must be of low financial value and reflect ordinary local business custom. We also expect our suppliers to refrain from asking Tormo Ltd Employees or related parties for any inappropriate advantages.

#### **14. Preventing Conflicts of Interest**

In our suppliers' business dealings with us, we expect our suppliers to take decisions based on objective criteria only. Any factors that might influence our suppliers' decisions due to private, business or other conflicts of interest must be prevented from the start. The same applies to relatives and other parties.

#### **15. Unrestricted Competition**

At Tormo Ltd, we expect our suppliers to compete in a fair manner and to comply with applicable antitrust laws and regulations. Our suppliers are expected not to enter with competitors into agreements that might constitute a breach of antitrust law, nor take advantage of any dominant market position they might hold.

##### **Money Laundering**

We expect our suppliers to comply with all applicable statute governing the prevention of money laundering, and not to participate in any money laundering activities.

#### **16. Supplier Relations**

At Tormo Ltd, we expect our suppliers to communicate the principles laid out herein to their subcontractors and sub suppliers and to take these principles into account when selecting subcontractors and sub suppliers. Our suppliers are expected to encourage their subcontractors and sub suppliers to comply with the minimum standards of the code of conduct regarding the protection of human rights, working conditions, anti-corruption and environmental protection

|                   |                                                            |
|-------------------|------------------------------------------------------------|
| <b>Form Title</b> | <b>Conditions of Purchase and Supplier Code of Conduct</b> |
|-------------------|------------------------------------------------------------|

when fulfilling their contractual obligations. Further, we expect our suppliers to only source material from legal sources and if requested, provide evidence on the legal source.

### **17. Compliance with the Tormo Ltd Supplier Code of Conduct**

Any violation of the principles and requirements set out in this code of conduct will be regarded as a serious violation of the supplier regarding his contractual obligations to Tormo Ltd.

In the event the supplier is suspected of violating any of the principles or requirements laid out in the Tormo Ltd Supplier code of Conduct, (e.g. based on negative media reports) Tormo Ltd reserves the right to request from the supplier that all relevant information be disclosed.

In the event the supplier fails to fulfil any of the principles or requirements set out in this code of conduct or refuses to pursue and implement measures for improving sustainable performance, after having been given a reasonable period of grace, Tormo Ltd reserves the right to terminate any or all contracts with the supplier.

### **18. Personnel**

Tormo Ltd have the expectation that the Supplier shall ensure that persons doing work under the Supplier's control are aware of:

Their contribution to product or service conformity, their contribution to product safety and the importance of ethical behaviour.

### **19. Counterfeiting of Components and Materials**

The Supplier/Subcontractor is required to recognise that the counterfeiting of components and materials is a serious global issue that affects companies worldwide. Therefore, to protect TORMO Ltd and its Customers, it is the responsibility of the Supplier/Subcontractor's Purchasing and Quality Departments to implement a preventive process for all products supplied to Tormo Ltd. The Supplier/Subcontractor Must Ensure where possible they will procure All products from sources which will minimise risk to the company and its customer base. These sources shall include.

- Customer Direct (OEM).
- Customer Approved Suppliers (from customer approved lists)
- Approved OEM Distributors

The Supplier/Subcontractor shall report any identified delivered counterfeit products to the purchasing and quality departments of Tormo Ltd who in turn will notify to the relevant bodies (Customers and Regulatory Bodies).