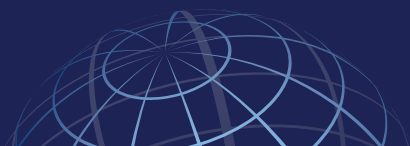


Purchases for the account of Northern Engineering (Sheffield) Limited are valid only under the following conditions. Any variation from the following conditions or procedures is valid only upon written request by an officer of this company.

1. No goods shall be delivered without a purchase order properly signed by the buyer.
2. All orders are placed by the buyer and must be accepted by the seller with the understanding that payment shall be made on 30 days net following the end of the month in which the goods are received.
3. The buyer is not to be held liable for any verbal orders or any orders not embodied in this or some other written order.
4. We reserve the right to return for full credit any merchandise of any nature whatsoever within thirty days which is due to error in ordering, quality, quantity or for any other reason is unusable, as long as said merchandise has not been made to order, cut, marked or otherwise used. If in any case merchandise is not of the proper consistency or quality, returns would be made upon the above basis.
5. The seller shall undertake to notify us of any changes to the locations, products, services, records provided by yourselves and if necessary obtain our approval for these changes.
6. The seller shall undertake to notify any of our sub-tier suppliers of the applicable requirements in our purchase order including key product or service characteristics.
- 6a. Test data sheets are required for each batch of material supplied to enable Northern Engineering to verify the test results.
- 6b. Full traceability including all relevant batch numbers will be required to accompany the product during all stages of manufacture and shipment.
- 6c. All materials must be approved by Northern Engineering, no substitute material is to be used without the express written permission of Northern Engineering.
7. Unless otherwise stated on the purchase order the records pertaining to the manufacture, inspection and test of NES's products shall be retained for a minimum of 11 years.
8. Foreign object prevention, detection and removal, the supplier shall assure that work / services are accomplished in a manner preventing foreign objects or material from entering and remaining in deliverable items.
9. Counterfeit materials, the supplier shall ensure that only authentic materials are used in the products delivered to Northern Engineering Ltd. The supplier may only purchase materials directly from original manufacturers, manufacturer franchised distributors, or authorised aftermarket manufacturers. Use of material that was not provided by these sources is not authorised unless first approved in writing by Northern Engineering Ltd. In order to obtain such approval, the supplier must present support for their request (e.g. original manufacturer documentation that authenticates traceability to the original manufacturer), and include in their request all actions to ensure the material procured is authentic and conforming. The supplier shall maintain a method of commodity and item level traceability that ensures tracking the supply chain back to the original manufacturer. This traceability method shall clearly identify the name and location of all the supply chain intermediaries from the manufacturer to the direct source of the material and must include item level identification such as batch numbers etc. If suspect/counterfeit material is supplied under the purchase order agreement, such items shall be quarantined and the supplier shall promptly replace such items with items acceptable to Northern Engineering Ltd. The supplier may be liable for any costs associated to the removal of the quarantined items.
10. The supplier shall commit and be aware of their contribution to product/service conformity, their contribution to product safety and the importance of ethical behaviour.
11. **Inspection and Rejection:**
All materials or articles ordered shall be subjected to 100% final inspection and approval at the plant of the buyer by the buyer. Such inspection shall be made within a reasonable time after delivery of the articles, irrespective of the date of payment therefore, any articles which are not then in every way satisfactory to the buyer, may be rejected by the buyer. The buyer may hold any rejected articles for the seller's instructions and at his risk, or he may return them to the seller at the seller's expense.
12. **Specifications:**
All Material or equipment for MOD/Military construction to which UK Government specifications are applicable, must comply with both buyers specifications and the most recently issued government specifications as of the date of the order. Should UK Government specifications of any materials or equipment listed be revised prior to shipment, the seller by first obtaining the written consent of the buyer may furnish such material or equipment in accordance with the revised specification.
13. **Warranties:**
The seller warrants that the articles to be supplied under the contract are fit and sufficient for the purpose intended; that they are merchantable, of good quality and free from defects whether patent or latent, in material and workmanship; and that material or equipment for MOD/ Military construction conforms to the specifications in paragraph 6.
14. All or part of this order may not be assigned by the seller, without written consent of the buyer being received.
15. There may be no additional charges for crating, packing or cartage unless prior agreement has been reached.

**16. Confidentiality:**

The seller shall not disclose any details connected herewith to any third party. Neither shall any aliens in the employ of the seller have access to the drawings, specifications, models, or any other information submitted by the buyer in order that the seller may fulfil the requirements of this order.

- 17.** Any deviation from these instructions or failure to deliver merchandise of the same quality or condition specified herein will be sufficient cause for non-payment.

18. Patent Protection:

The seller guarantees that the sale or use of any or all articles or material delivered hereunder will not infringe any UK patent; that he will at his own expense defend any action, suit or claim in which an infringement of patent right is alleged with respect to the sale or use of said articles or materials and that he will save the buyer and or its customers from any loss, damage or liability which may be incurred on account of infringement or alleged infringement of patent rights with respect to the articles or materials delivered unless said articles or materials are produced in accordance with buyer designs or specifications.

19. Cancellation:

The buyer reserves the right to cancel his order if not filed in accordance with delivery schedule and specifications. In the event of any suspension of payment or the institution of any proceedings by or against either party, voluntary or involuntary, in bankruptcy or insolvency or for the appointment of a receiver or trustee or an assignee for the benefit of creditors, or either party, or in the event of a breach of any of the terms, including warranties of seller, the other party shall be entitled to cancel this contract forthwith.

- 20.** We reserve the right to refuse to accept any shipments for quantities in excess of 5% of the quantity ordered herein for any and all materials; the shipments can vary 5% under such quantity. Please adhere to this schedule on all purchases, unless indicated otherwise on the face of the purchase order agreement.

- 21.** By accepting orders from Northern Engineering any and all subcontractors do hereby grant "Right of Access" to Northern Engineering their customers, their customer's customers, etc. through upper division tier levels as well as any regulatory agencies for the purpose of examination of records, processes, product etc. related to the contract/purchase order. The subcontractor also agrees to flow this requirement down to all levels of subcontractors employed to complete the contract.

- 22.** The seller shall undertake to notify the buyer of any non conforming product and make arrangements for consideration of approval by the buyer of supplier non conformance material.

23. Anti-Bribery & Corruption:

1. NORTHERN is a responsible and ethical business that conforms to an Anti-Bribery & Corruption Policy (available for review on the NORTHERN website).
2. NORTHERN expects its customers to comply with this policy, or comply with their own, similar, Anti-Bribery & Corruption policies.

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