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Manufacturing High Precision Components to  
Tier 1 Customers for over Quarter of a Century



**PREESALL MILL, PARK LANE,**

**PREESALL, POULTON LE FYLDE**

**LANCASHIRE**

**FY6 0LU**

## TERMS AND CONDITIONS OF PURCHASE

## 1 General

### INTERPRETATION

In these conditions the following words have the following meanings:

the Company” A&G PRECISION AND SONS LTD. is a limited company in England. Company Registration Number: 02929703 Registered Office: Charter House, Pitman Way, Fulwood, Preston PR2 9ZD VAT number 643974896

“The Supplier” the person or Company who accepts an order from the Company for the purchase of the Goods or whose order for the Goods is accepted by the supplier.

“Force Majeure” in relation to either party, any circumstance beyond the reasonable control of that party (including, without limitation, any strike, lock-out or other industrial action).

“Goods” the goods (including any instalment of the goods) which the Company is to supply in accordance with these Conditions.

“Intellectual Property Rights” patents, registered and unregistered designs, copyright, and all other intellectual property protection.

“Conditions” the standard terms and conditions of sale set out in this document

“Contract” the contract for the sale and purchase of goods

In these conditions headings will not affect the construction of these conditions

a) These General Terms and Conditions shall, to the exclusion of terms and conditions applied by third parties, govern all requests for quotations made by A&G Precision and Son’s ltd (A&G) to a third party supplier. All agreements whether of a prototype or production batch nature, which are so related such as quotations, order confirmations, purchasing orders, orders and delivery dates, except to the extent that these General Terms and Conditions specify otherwise.

b) Deviating conditions shall only apply to the extent that Dialog expressly agrees to them in writing, and they shall apply exclusively to the agreement(s) for which they are made.

c) In these General Terms and Conditions, "goods" shall be understood to include Components finished to A&G specification and condition of supply, associated documentation and relevant test results of services.

### 2. Requests for Quotations

a) All requests for quotations (RFQ) and all information furnished in this context by or on behalf of A&G may contain confidential or secret information and may only be used to prepare for the submission of a quotation. All information received will be subject to the A&G confidentiality/non-disclosure agreement which must be complete, signed and witnessed prior to any transfer of information verbal or written.

b) If a RFQ explicitly deviates from these General Terms and Conditions, said deviations shall prevail. The applicability of the Supplier's own general terms and conditions is hereby expressly ruled out.

c) The Supplier is aware that A&G can also act as a supplier and/or sub-contractor and that, in such an event, each and every request for a quotation is drawn up to the best of A&G, s knowledge on the basis of information from A&G, s client and that A&G can bear no responsibility in this respect, unless expressly stated otherwise in a request for a quotation.

### 3. Agreement

a) A quotation from a Supplier shall be irrevocable for a period of ninety (90) days after its receipt by A&G unless the request for a quotation stipulates a different period.

b) A&G shall be entitled at all times to terminate negotiations without giving reasons and without being liable to compensate the other party.

c) An agreement shall be deemed to have been concluded as soon as A&G accepts a written quotation by means of placing a written order. If, however, the order is sent after expiry of the period referred to in Article 3(a) or the order deviates significantly from the quotation, the agreement shall be deemed to

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have been concluded in accordance with the order, unless the Supplier rejects the order in writing within fourteen (14) days of the date of the order. The following items shall form an integral part of the agreement:

1. The (purchase) order from A&G
2. These General Terms and Conditions;
3. The quotation;
4. The request for a quotation;

In the event of any contradiction between the provisions contained in two different documents, the documents shall prevail in their numerical order, with 1 taking precedence over 2 etc.

d) If the Supplier has not made an offer or has made a verbal offer, the agreement shall be deemed to have been concluded by the Supplier accepting, in writing, a written order from A&G within fourteen (14) days of the date of said order.

e) Agreements may only be amended and/or supplemented in writing.

### 4. Quality

a) The goods supplied must satisfy the provisions of the agreement. They shall not be deemed to have satisfied the provisions of the agreement, if they do not possess the properties which A&G was entitled to expect pursuant to the agreement.

b) Where no detailed description has been provided of the requirements of the goods, they shall in any event be of good quality and satisfy, at the very least, the normal requirements of reliability, effectiveness and workmanship.

c) A&G shall be entitled to reject goods because they do not satisfy the provisions of the agreement, provided that A&G informs the Supplier accordingly on having discovered this to be the case. If A&G subjects the goods to inspection, a notification of defects which A&G could reasonably be expected to have detected during said inspection, must take place.

d) The goods delivered must be free from all special third-party charges, limitations and rights, including limitations and rights which result from or are connected with intellectual property rights, with the exception of third-party charges, limitations and rights which the Supplier informed A&G about in

writing and which A&G has expressly accepted in writing. The Supplier shall hold A&G harmless against third-party claims in this respect, wherever and whenever such claims might be instigated, and also against any and all damage and costs which A&G might incur in this connection.

### 5. Testing and Inspection

a) A&G shall be entitled to test and/or inspect the goods for, amongst other things, compliance to design tolerance and engineering specification, condition of supply, damage, quantity, quality within an agreed period (12 weeks) of their delivery.

b) The Supplier shall be obliged to render, free of charge, all reasonable cooperation required by A&G within the context of the testing and inspection, including the granting of access to the Supplier's facilities and the provision of personnel expertise.

c) Should the goods become damaged or are used or damaged during testing, the Supplier shall have no claims against A&G if the goods are partially or totally rejected, and A&G shall have no claims against the Supplier if the goods are approved.

d) Should A&G reject the goods or find them not to be in order during an inspection, the Supplier shall collect them at its own expense from A&G within fourteen (14) days of A&G having informed the Supplier in this respect. Should the Supplier fail to satisfy this obligation, A&G shall be entitled to have the goods delivered to the Supplier at the Supplier's expense, without prejudice to any of A&G, s other rights or claims.

### 6. Delivery and Transfer of Title

a) The Supplier shall deliver the goods within the agreed period to the agreed place.

b) A&G shall acquire title to the goods:

1. As soon as the goods are approved or found to be in order, in cases where A&G tests or inspects the goods after delivery in accordance with Article 5
2. Twelve (12) weeks after delivery in all other cases, unless A&G

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informs the Supplier in writing within this period that the goods do not satisfy the provisions of the agreement.

### 7. Risk of loss

- a) The risk of loss attaching to the goods shall pass to A&G with effect from the moment of delivery.
- b) In the event that A&G rejects the goods, finds them not to be in order during inspection, or invokes its right to dissolve the agreement on reasonable grounds or its right to have the goods replaced, the risk of loss attaching to the goods shall be deemed to have remained with the Supplier throughout.

### 8. Prices, Charges, Invoices and Payment

- a) All prices and charges shall be deemed to include all direct and indirect costs of whatever kind. The prices and charges shall be inclusive of VAT. Delivery shall take place D.D.P. (Delivery Duty Paid) in accordance with the Incoterms 2010.
- b) The prices and charges shall be fixed, unless the agreement specifies the circumstances which may lead to price adjustments, as well as the way in which such adjustments are to take place.
- c) Once A&G has acquired title to the goods, the Supplier shall send its invoices to the address specified by A&G in its order, quoting, in any event, the agreement number and the purchase order number (without prejudice to the other legally required invoice details) and enclosing the agreed documentation.
- d) Invoices which satisfy the conditions of Article 8(c) shall be paid within sixty (60) days of the date of their receipt, after any possible settlement or compensation of A&G, s claims against the Supplier has taken place.
- e) A&G shall not be required to pay a proportional part of an invoice if it has not received the agreed quantity of goods at the agreed address, unless by written agreement.
- f) Payment as described in Article 8(d) shall not prejudice any possible recovery rights or other claims on the part of A&G with regard to the goods delivered and/or services rendered.

- g) Invoices and payments shall take place in £ Sterling, unless otherwise specified in a purchase order.
- h) Should A&G have failed to pay an invoice which satisfies the conditions of Article 8(c), without a valid reason, within the period specified in Article 8(d), A&G shall be liable to pay interest on the amount owed to the Supplier, to be calculated on an annual basis and equivalent to the promissory note discount rate of the Bank of England.
- i) The expiry of a payment period or non-payment of an invoice by A&G, shall not entitle the Supplier to terminate its services or, in the event that the expiry or non-payment is a result of the defective nature of the invoiced goods or services and/or the inaccuracy (of the content) of the invoice (details), to postpone its services.

### 9. Force Majeure

- a) To the extent that a failure to comply with an obligation cannot be attributed to the Supplier itself and is not at the Supplier's risk, the Supplier shall not be deemed to be in default and shall not be liable to pay compensation, provided that the Supplier informs A&G in writing about the default and the underlying reasons forthwith and, in any event, within the period agreed for compliance with the obligation.

### 10. Compliance

- a) If the goods delivered fail to satisfy the provisions of the agreement, A&G may demand that the Supplier deliver the missing goods, or repair or replace the goods, within a reasonable period to be specified by A&G Any and all costs related and/or involved shall be at the Supplier's expense.
- b) In the event of the Supplier still failing to render the service in question within the period referred to in the first paragraph, A&G shall be entitled to have the delivery, repair or replacement carried out by a third party, and recover the costs involved from the Supplier, without seeking prior court intervention.
- c) The provisions of this paragraph 10 shall not prejudice A&G, s other rights and claims with respect to the default.

## 11. Warranty

a) Without prejudice to the provisions contained in an agreement, the Suppliers warrant that:

1. Software, firmware and databases shall be free of viruses and other foreign items at the time of delivery, testing and/or inspection.
2. The Supplier is unconditionally authorised to perform the services and deliver the goods encompassed in the context of the agreement.
3. The goods are suited to the purpose for which A&G ordered and received them.
4. The employees and third parties whose services the Supplier uses in the performance of its contractual obligations have sufficient and relevant expertise, experience and training.
5. All services rendered and goods delivered in the context of the agreement satisfy all the relevant laws and regulations in this respect, which shall also be understood to include EC regulations, in, amongst others, the field of hazardous components, certification and standardisation.
6. The Supplier possesses the approvals permits and licences required for the performance of this agreement.

b) If, in the opinion of A&G the warranty stipulations described in the first paragraph have not been satisfied, the Supplier shall be deemed to be in default and A&G shall be entitled to exercise, forthwith and without seeking court intervention, the rights which it derives from said default.

## 12. Protection of Intellectual Property Rights

a) The Supplier guarantees that the goods it supplies and the services it renders shall not infringe any current third-party intellectual and industrial property rights and that the use of said goods and services shall not otherwise constitute a wrongful act towards third parties.

b) The Supplier shall indemnify A&G against claims from third parties in this respect, wherever and whenever such claims might be instigated.



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c) In the event that the Supplier admits that the goods it supplies and/or the services it renders infringe on any current third-party intellectual and industrial property rights and/or constitute a wrongful act towards any third party, or in the event that A&G is prohibited from this use pursuant to an arbitral award or court ruling, the Supplier shall, at the choice of A&G, either:

1. Acquire the right, on behalf of A&G, to continue using the goods and/or services under the conditions of the agreement in question; or
2. Replace the goods and/or services or change them in such a way that the infringement no longer exists; or, if the aforementioned options are not reasonably feasible,
3. Take back the goods, crediting A&G for the amounts it has already paid to the Supplier; all of this without prejudice to A&G, s other rights, including its right to compensation.

d) The Supplier shall conduct out the defence in any legal proceedings which might be instigated against A&G for infringement of any current third-part intellectual and industrial property rights and/or (otherwise) any wrongful act against a third party in connection with goods supplied and/or services rendered by the Supplier. The Supplier shall indemnify A&G against all damage and costs incurred by A&G as a result of such legal proceedings.

### 13. Dissolution

a) A&G shall be entitled to dissolve any agreement and related purchase orders by means of a registered letter, without notification of default or court intervention, if the Supplier applies for or is granted a (temporary) moratorium, files for bankruptcy or is declared bankrupt, the Supplier's business enters into liquidation, the Supplier ceases its current operation, a considerable portion of the Supplier's assets are seized, A&G considers the Supplier to be no longer capable of independently guaranteeing the continuity of the use by A&G of the goods (to be) supplied under the agreement and/or the results of the services, or the Supplier can no longer be deemed capable of meeting its obligations under an agreement.

b) If A&G dissolves an agreement on the basis of the provisions of the first paragraph, A&G shall, at the moment of dissolution, acquire an unconditional and irrevocable right to use the information furnished by the Supplier for an indefinite period, irrespective of the nature of this information and the way and manner in which this was and/or will be acquired.

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c) A&G shall be entitled to terminate or cancel an agreement without cause by means of a registered letter, without notification of default or court intervention, at least thirty (30) days prior to the scheduled delivery date, without having any liability to Supplier. If delivery of any Goods is delayed more than 14 (14) days beyond the scheduled delivery date, A&G may cancel the delivery by notice, and without liability, to Supplier. A&G may reschedule the delivery of all or part of the Goods ordered by A&G by notice to Supplier at least thirty (30) days prior to the scheduled delivery date. Except as expressly stated by A&G in a purchase order.

d) Termination and/or dissolution of an agreement and/or any related purchase order, for whatever reason, shall not prejudice the licences and other rights granted to A&G.

### 15. Confidentiality

a) The Supplier shall treat as confidential the information which it receives, such as specifications, technical information, company information and other information of a confidential nature, and shall not disclose such information to any person(s) other than its own employees, nor use it for any purpose other than in the performance of an agreement. With the termination and/or dissolution of an agreement, the Supplier shall immediately send all the carriers of this information and all copies thereof to A&G.

b) Without A&G, s prior consent, the Supplier shall in no way disclose, advertise or publish (the existence of) provisions from, or transactions performed under this agreement.

c) The Supplier shall also ensure that these obligations are also imposed on its own employees and any independent third parties involved, in any way, in the performance of this agreement.

d) Any infringement of the provisions of the first and second paragraphs by an employee of the Supplier shall be deemed to be an infringement of this obligation by the Supplier.

### 16. Specific Provisions With Regards To the Applicability of Conditions Contained In Agreements Concluded Between A&G and its Clients

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a) The Supplier hereby undertakes that it shall comply with and duly observe all the terms and conditions of any agreement concluded or to be concluded between A&G and A&G, s clients, irrespective of the nature of such agreement, to the extent that these terms and conditions are relevant to that part of the aforementioned agreement which the Supplier is required to perform. All of this shall be done properly and, needless to say, in accordance with the conditions of the aforementioned agreement. A&G shall always inform the Supplier of the terms and conditions referred to above. Consequently, the Supplier shall indemnify A&G against any and all claims by A&G, s clients and/or third parties in this respect, wherever and whenever these might be instigated on whatever grounds. Furthermore, the Supplier shall indemnify A&G against the damage and costs involved in this respect. The part of the aforementioned agreement which the Supplier is required to perform, comply with and duly observe, shall, in any event, be understood to include that part which relates to the goods supplied by the Supplier as well as the services which the Supplier renders.

b) The Supplier hereby undertakes that it shall reimburse and pay all compensation, including costs and possible penalties, which A&G may have to pay to its client as a result of the Supplier's non-compliance or inadequate compliance with the terms, conditions and provisions in question.

c) The provisions of this Article shall apply without prejudice to the other provisions of these General Terms and Conditions.

### 17. Governing Law and Settlement of Disputes

a) These General Terms and Conditions shall be governed by the laws of England. Any disputes which may arise about the interpretation or implementation of these General Terms and Conditions and about the agreements concluded shall be submitted to the competent court in England. However, all disputes shall first be discussed between the Supplier and A&G in order to reach a solution in mutual consultation.

### 18. General

a) The Supplier shall inform A&G immediately if problems arise with respect to the services or goods which pose a threat to the Supplier complying with its obligations in full and on time. The Supplier shall consult with A&G in order to find a solution which will protect the interests of A&G, without prejudice to any other rights conferred upon A&G. Whenever appropriate, the Supplier shall, at

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A&G, s request, provide substitute and functionally equivalent goods and render services on a temporary basis and at no cost for A&G.

b) The Supplier shall, at its own expense and risk, take the necessary measures to obtain permits, if and to the extent that these are required in the context of the performance of this agreement.

c) Any failure on the part of one of the parties to enforce any of the provisions of this agreement within a period specified in these General Terms and Conditions shall not affect the right of said party to demand compliance at a later stage, unless the party in question has expressly accepted the event of non-compliance in writing. The provisions of the previous sentence shall not prejudice the parties' (other) rights and obligations in this respect.

d) The rights and obligations resulting from an agreement may be transferred by A&G to a third party without further requirements. The Supplier's consent shall not be required in this respect.

e) Where applicable, each agreement shall be concluded subject to the dissolving condition that A&G is unable to conclude a lawfully signed agreement with one or more clients which fully matches the scope of the agreement with the Supplier.

f) Except in cases where legal claims cannot be excluded, and subject to these General Terms and Conditions, A&G shall have no obligations and the Supplier shall not be able to invoke any claim in this respect.

g) If any of the provisions of the General Terms and Conditions proves to be void or is repudiated, the other provisions shall remain in full force and this shall have no effect whatsoever on (the performance of) the other parts of an agreement. Furthermore, in such an event, the parties shall consult with one another as soon as possible in order to reach a solution suited to the nature of the agreement and which most closely matches the aim and meaning of the void or repudiated provision.

h) During the term of the agreement and for a period of one year after termination of the agreement, both parties shall refrain from employing the other party's employees who were involved in the performance of an agreement, or having these persons work for them, directly or indirectly, unless this has been the subject of proper consultations with the other party.

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i) To the extent that A&G requires certain personal details about the Supplier's employees in the context of normal procedures (ITAR) and/or applications in A&G, the Supplier hereby agrees that it is willing to see to it that these employees shall give permission for this to take place, unless this could be considered unreasonable. To the extent that, in the context of the performance of an agreement, it is necessary to process the personal details of an employee of the Supplier involved in the performance, the Supplier shall see to it that the employee in question gives his/her permission for this processing to take place.

j) In the event that the Supplier fails to comply with any of the provisions of these General Terms and Conditions, the Supplier shall, irrespective of A&G, s other rights, be liable to including the right to compensation,

k) A&G shall at all times be entitled to have the Supplier's compliance with its obligations under an agreement monitored by an independent expert at A&G, s own expense. The Supplier shall be obliged to render all reasonable cooperation free of charge, irrespective of the nature of this cooperation, including the granting of access to the Supplier's facilities.

n) Termination or dissolution of this agreement shall not prejudice the provisions of these General Terms and Conditions with regard to intellectual property, warranty, confidentiality and the settlement of disputes.

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