

# ORACLE COMPONENTS HOLDING GROUP – TERMS & CONDITIONS OF PURCHASE AND SUPPLY

## DEFINITIONS

In these conditions of purchase:

“**The Buyer**” means Oracle Components Ltd its officers and employees, now referred to as ‘OCL’. “**The Supplier**” means the person or company to whom the contract or purchase order is addressed. “**Conditions**” means the terms and conditions set out in this document. “**Contract**” means a contract between the Supplier and the Buyer for the supply of Goods which is subject to the Conditions. “**Purchase Order**” means a purchase order subject to the Conditions and “**Specification**” includes any specification, design, plan, prototype, drawing, software, data or other information relating to the Goods. Where a Contract or Purchase Order is for the provision of services, the word ‘**Goods**’ shall be read, where the context permits, as meaning and/or including any services which the Supplier contracts to provide.

## OPERATIVE CLAUSES:

### 1. Exclusion of Supplier’s Terms and Conditions

1.1. Every supply of Goods and services to the Buyer by the Supplier is made on the Conditions and all terms and conditions proposed by the Supplier (except to the extent that they are repeated in and are not inconsistent with the Conditions) are hereby expressly excluded.

### 2. Basis of purchase

2.1. The Purchase Order constitutes an offer by the Buyer to purchase the Goods from the Supplier subject to the Conditions. No verbal or written order, request or enquiry for Goods is binding on the Buyer unless set out in a Purchase Order.

2.2. No variation to a Purchase Order or the Conditions is binding on the Buyer unless agreed in writing between the authorised representative of the Buyer and the Supplier.

2.3. Execution by the Supplier of a Purchase Order in whole or in part constitutes acceptance thereof.

### 3. Specification & General

3.1. The quantity, quality and description of the Goods shall be as specified in the Contract or Purchase Order and/or in any applicable Specification supplied by the Buyer to the Supplier and referred to in the Contract or Purchase Order.

3.2. The Supplier shall not disclose to any third party or use any Specification except to the extent that it is or becomes within public knowledge otherwise than as a result of a breach by the Supplier of this clause.

3.3. Or as required for the purpose of the performance by the Supplier of the Contract/Purchase Order.

#### 3.4. Software Products

3.4.1. If the Supplier notifies OCL in writing that it may only sell the Software Products to an End User Customer if accompanied by an End User Licence then OCL shall ensure that all copies of the Software Products which are sold to its End User Customers shall be accompanied by the End User Licence which accompanies the Software Product.

3.4.2. If any of the End User Customers shall return any Software Product to OCL within the time period permitted by its accompanying End User Licence on the grounds that it does not agree to the terms of such licence, OCL shall promptly refund the purchase price to that End User Customer and return the relevant Software Product to the Supplier (whereupon the Supplier will refund OCL the Price).

3.5. Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) all suppliers to OCL have a legal responsibility to communicate Substances of Very High Concern (SVHC) information to OCL when provided by the manufacturer or there supplier, per article 33 of the directive. OCL expects manufacturers and suppliers to have robust environmental programs that adhere to the requirements of REACH, identify SVHC to there customers, and provide OCL directly or through our suppliers, with a Safety Data Sheet or other document prescribing the safe handling of their products which contains SVHCs in excess of 0.1% in any of the products homogenous materials.

When OCL is made aware of the presences of SVHC, we will communicate this to our customers, and provide them with the Safety Datasheet as required by article 33 of REACH. Safety Datasheets are meant to instruct the end-user (customer) on safe handling of the product with the SVHC. In most cases the amount will be small and encapsulated in the component. Exposure to the SVHC would require grinding the component up. This is not a normal way of handling the product, and a safety datasheet should reflect this distinction. I.e. a Safety Datasheet that describes how to handle a 55 gallon drum of the SVHC is not appropriate.

3.6. Suppliers will ensure that all those involved in the supply of the ordered goods are fully aware of their contribution to the product or service conformity and safety.

3.7. Suppliers will ensure that access control and security for the creation, handling and storage of information and documentation, both physical and IT related is of an adequate standard to ensure information related to OCL or its customers is secured and prevented from exposure to any third party or those without a business need for access within the suppliers organisation.

## 4. Prices

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4.1. Unless otherwise stated in the Contract or Purchase Order all prices are fixed and include the cost of packing and delivery and all taxes (other than VAT) and other dues.

**5. Delivery**

5.1. The Goods shall be delivered to the address for delivery specified in the Contract or Purchase Order on the date or within the period stated therein, between 08.45 and 17.30 hours on a week day which is not a bank holiday.

5.2. The Supplier shall deliver the Products and Services to OCL in accordance with the date of delivery specified in the Order, with time for delivery being of the essence. The Supplier shall ensure that each delivery is accompanied by a prominently displayed delivery note which shows, inter alia, the order number, number of packages and contents and, in the case of part delivery, the outstanding balance remaining to be delivered.

5.3. If the Products are delivered to OCL in excess of the quantities ordered OCL shall not be bound to pay for the excess and any excess will be and will remain at the Supplier's risk and will be returnable at the Supplier's expense.

5.4. If the Supplier requires OCL to return any packaging material to the Supplier that fact must be clearly stated on any delivery note delivered to OCL and any such packaging material will only be returned to the Supplier at the cost of the Supplier.

5.5. Where the date of delivery of the Goods may be specified after acceptance of the Contract or Purchase Order, the Supplier shall give the Buyer reasonable notice of the specified date.

5.6. If the Goods are to be delivered by instalments, each instalment will be treated as a single Contract and not severable.

5.7. The Buyer shall be entitled to reject any Goods which are not in accordance with the Contract, and shall not be deemed to have accepted any Goods until the Buyer has had a reasonable time to inspect them following delivery or, if later, within a reasonable time after any latent defect in the Goods has become apparent.

5.8. If Goods are not supplied in accordance with the Contract or Purchase Order, then without prejudice to any other remedy to which it shall be entitled whether pursuant to the Conditions or otherwise, the Buyer shall be entitled to terminate the Contract and to be repaid forthwith any price paid or to obtain equivalent Goods or rectification from a suitable source, the cost whereof shall be reimbursed by the Supplier to the Buyer.

5.9. Control of Substances Hazardous to Health (COSHH). Where chemicals or hazardous substances are being supplied, the Supplier will clearly identify the outer packaging as such and supply safe handling and Supplier Safety Data Sheets in advance of the delivery, as well as with the goods at delivery.

5.10. All items delivered shall be fabricated in accordance with industry and quality management system standards expected for the level of release documentation/certification required (see 9.3 & 9.4) for the materials used, good workmanship, staff competence, handling, test and verification, storage and shipments. Packaging shall protect the item from shipping damage. Electrostatic sensitive items shall be packaged to prevent static damage and conspicuously marked as static sensitive.

5.11. Material with shelf life must be marked with date of manufacturing and expiration date and must be supplied with a minimum of 80% of shelf life remaining at time of delivery, accompanied by the appropriate material safety data sheet.

5.12. Please take note of Courier ACCOUNT NUMBERS on the Purchase Order, we will hold you, the seller, responsible for freight charges if you place the wrong Account number or service or have used your own forwarder DO NOT SHIP PARTIAL BACK ORDER QUANTITIES UNLESS AUTHORIZED BY THE BUYER.

5.13. All Timber and Wood-Derived products and packaging supplied must originate from a Legal and Sustainable source or from a Forest Law Enforcement, Governance and Trade (FLEGT) licensed or equivalent source. Documentary evidence must be provided with the delivery in all cases.

**6. Terms of payment**

6.1. The Supplier shall be entitled to invoice the Buyer on or at any time after delivery of all Goods (or performance of all services comprised therein), and each invoice shall quote the number of the Contract or Purchase Order.

6.2. Unless otherwise stated in the Purchase Order the Buyer shall pay the price of the Goods within 30 days after the end of the month of receipt by the Buyer of a proper invoice or, if later, within 30 days after acceptance of the Goods by the Buyer. Any invoice which fails to state clearly the correct reference of the Goods as set out in the relevant Purchase Order shall not be a proper invoice for the purpose of this Condition.

6.3. The Buyer shall be entitled to set off against the price any sums owed to the Buyer by the Supplier on whatever account.

6.4. Time for payment shall not be of the essence of the Contract or Purchase Order and the Supplier shall not be entitled to suspend or to cancel any delivery by reason of any failure by the Buyer to make any payment (under the Contract or otherwise) on the due date.

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## 7. Risk and Property

7.1. Risk of damage to or loss of the Goods shall pass to the Buyer upon delivery to the Buyer in accordance with the Contract or Purchase Order.

7.2. The property in the Goods, including any components thereof and/or raw materials incorporated therein, shall pass to the Buyer upon delivery.

7.3. All property of the Buyer (including without limitation the Goods and the Specification) for the time being in the custody or possession of the Supplier shall be at the risk of the Supplier which shall at its own expense insure such property against the risk of loss and/or damage from whatever cause and all other usual risks.

7.4. All tooling in the custody or possession of the Supplier shall be maintained in good conditions at the Supplier's expense.

## 8. Warranties and Liability

8.1. The Supplier warrants to the Buyer that the Goods are of satisfactory quality, fit for any purpose held out by the Supplier in writing at the time of the Contract or Purchase Order and are, and will be for twelve months after delivery, free from defects, whether of design, material, workmanship or otherwise, correspond with any relevant Specification or sample, and comply with all applicable statutory requirements and regulations relating to their manufacture and supply throughout the European Union.

8.2. Without prejudice to any other remedy, if the Goods or any of them are not delivered or in the case of services are not performed in accordance with the Contract or Purchase Order, the Buyer is entitled to require the Supplier either to repair the Goods or to supply replacement Goods in accordance with the Contract or to treat the Contract as discharged by the Supplier's breach and to require immediate repayment of any part of the price which has been paid.

8.3. The Supplier shall indemnify the Buyer in full against all direct, indirect and consequential liability (all three of which terms including, without limitation, loss of profit, loss of business, depletion of goodwill and like loss), loss, damages, injury, costs and expenses (including legal and other professional expenses) awarded against or incurred or paid by the Buyer as a result of or in connection with:

8.3.1. Late delivery of, defective workmanship, quality or materials or breach of any warranty given by the Supplier in relation to, the Goods;

8.3.2. Any failure by the Supplier to comply with all applicable laws in the European Union concerning waste management relating to the Goods;

8.3.3. Any claim or alleged claim that the Goods infringe, or their importation, use or resale, infringes, any intellectual property or other right of any other person, except to the extent that the claim arises from compliance with any Specification supplied by the Buyer;

8.3.4. Any liability under the Consumer Protection Act 1987 in respect of the Goods; and

8.3.5. Any breach of the Contract and any other act or omission of the Supplier or its employees agents or subcontractors in supplying, delivering or installing the Goods;

8.4. The Supplier represents warrants and undertakes to the Buyer that it has carried out all testing and evaluation and other work necessary to eliminate any risk to health or safety from the use of Goods and that if in any circumstance there is or may be any such risk then no later than the delivery of the Goods the Supplier will bring such circumstances to the attention of the Buyer in writing and provide free of cost full and proper information about such circumstance and the safeguards to be observed to ensure that the Goods can be used safely and without risk to health.

## 9. Conformity with the Contract and Quality

9.1. The Buyer shall have the right to inspect and test and/or to procure or to permit to be inspected and tested the Goods at the Supplier's premises during manufacture, processing and storage. Such inspection and testing by the Buyer shall not relieve the Supplier of any obligation to the Buyer to which the Supplier would otherwise be subject nor shall it create any estoppels in favour of the Supplier against the Buyer.

9.1.1 The Buyer's representative, the Buyer's Customers representative and any governmental regulator representative shall also be given reasonable access to the Suppliers & Sub-Suppliers premises and quality records for Quality Auditing purposes.

9.2. If as a result of inspection or testing the Buyer is not satisfied that the Goods will comply in all respects with the Contract then the Buyer shall be entitled within twenty eight days thereafter to terminate the Contract and any monies paid to the Supplier by the Buyer and an amount equal to the cost to the Buyer of any material provided to the Supplier by the Buyer shall be repaid immediately by the Supplier to the Buyer.

9.3. At the same time as delivering the Goods the Supplier will, if so required by the Buyer, deliver to the Buyer a certificate that the Supplier has carried out all procedures in relation to the Goods which conform with any relevant accreditation of which the Supplier at the commencement of the Contract has the benefit.

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9.4. At the same time as delivery of the Goods the Supplier will deliver, along with the goods, documentation and/or certification confirming the Goods have been inspected and conform to the requirements of the relevant specification designated or implied in the Contract or Purchase Order, documentation and/or certification that satisfies the relevant requirement in the below table:

Documentation/Certification Requested on Contract/PO	Confirmation of Requirement	Additional Notes
Mfr C of C & Full Trace	An acceptable Original Equipment Manufacturers (OEM) Certificate of Conformity and all related Supplier Certificates of Conformity along the supply chain from the OEM to delivery to OCL	Full Trace is a documented trace from OEM, through any suppliers to Oracle. Usually through Lot/Batch/Serial numbers.
EASA Form 1 & Full Trace	An acceptable European Aviation Safety Agency (EASA) air worthiness certificate and all related Supplier Certificates of Conformity along the supply chain from the EASA Form 1 to delivery to OCL	Full Trace is a documented trace from OEM, through any suppliers to Oracle. Usually through Lot/Batch/Serial numbers.
Mfr C of C	An acceptable OEM Certificate of Conformity	
EASA Form 1	An acceptable EASA air worthiness certificate	
FAA 8130-3	An acceptable Federal Aviation Authority (FAA) 8130-3 certificate	
Dual Release	An acceptable EASA air worthiness certificate and an acceptable Federal Aviation Authority (FAA) 8130-3 certificate	
Supplier C of C	An acceptable Suppliers Certificate of Conformity	
Delivery Note Only	As acceptable Suppliers Delivery Note	
None	No documentation required	

9.5. Items, products or materials not conforming to requirements of this Purchase Order or Contract, drawing, specification, test, etc. shall not be shipped to OCL without prior written approval of OCL Quality Assurance by submitting a full summary detailing the deviation/s from contract. The Summary document shall describe the non conformance in detail, the quantity, and the cause and corrective action to preclude a recurrence. Failure to comply will result in return of the shipment at the supplier's expense and will affect the supplier Rating recorded on OCL's Approved Supplier List records.

9.6. Supplier is hereby notified that the delivery of unapproved, suspected unapproved and counterfeit parts is of special concern to OCL. If counterfeit parts are furnished under any contract/purchase order or found in any of the assembled goods delivered hereunder, such items will be impounded by OCL. The supplier shall promptly replace such counterfeit parts with parts acceptable to OCL. To further mitigate the possibility of the inadvertent use of counterfeit parts, the supplier shall only purchase parts directly from the Original Component Manufacturer (OCM) / Original Equipment Manufacturer (OEM) or through authorized distributors or a known source.

9.7 If at any time should the supplier become aware of any non conformity to contract of any items already supplied or to be supplied, the supplier will immediately notify OCL Quality Assurance by submitting a full summary detailing the deviation/s, quantity and the cause of the non conformance.

9.8 Supplier shall maintain on file all quality data/traceability/records such as; certificates of material and/or processes, acceptance test reports, inspection records, and all other applicable quality control records and data, for a minimum of ten (10) years from completion of Contract/Purchase Order. These records shall provide objective evidence of the quality assurance operations performed to permit traceability from the delivered item back through its manufacture and inspection to the procurement records and its constituent parts and materials and must be readily retrievable and made available to OCL and/or its customer upon request. No disposition actions of such records before the 10

years specified for retention has lapsed shall be taken. In the event a supplier ceases to trade, for whatever reason, all relevant quality related records must be provided to Oracle and must not be lost or destroyed.

9.9 Suppliers must have a defined procedure for the scrapping of goods which are deemed to be non-conforming, this must include who in their organisation is approved to scrap parts and that parts are altered in a which ensures they cannot be used and will not find there way back into the supply chain at a future date.

**10. Termination**

10.1. In addition to and without prejudice to the rights conferred on it in clauses 5.7, 9.2 and 10.2 of these Conditions, the Buyer shall be entitled at any time to terminate the Contract in whole or in part upon payment to the Supplier of whichever is the lesser of (i) the balance of the amount payable by the Buyer to the Supplier under the Contract and (ii) the aggregate of the amounts already expended by the Supplier in purchasing materials specifically for the purpose of and necessary for its performance of the Contract which have not then been incorporated in finished Goods delivered to the Buyer and in unavoidable cancellation costs incurred by the Supplier to third parties in consequence of termination of the Contract after deducting from such aggregate the amount of any savings from which the Supplier will benefit in consequence of such termination.

10.2. The Buyer shall be entitled by notice in writing to the Supplier to terminate the Contract or Purchase Order forthwith without compensation in any of the following events:

10.2.1. the Supplier committing any irremediable breach of its obligations under the Contract or any other contract between the Buyer and the Supplier;

10.2.2. the Supplier failing within seven days of written notice requiring it so to do to remedy any remediable breach of its obligations under the Contract or any such other contract;

10.2.3. the Supplier compounding with or negotiating for any composition with its creditors generally or failing to satisfy any final judgement within seven days thereof or suffering any execution over any of its assets;

10.2.4. the Supplier being insolvent, ceasing business, or entering into liquidation or bankruptcy or any receiver or administrator of the Supplier or any of its assets being appointed.

**11. The Contracts (Rights of Third Parties) Act 1999**

11.1. The Provisions of The Contracts (Rights of Third Parties) Act 1999 are hereby excluded and shall not apply.

11.2. The Purchase Order is personal to the Supplier and the Supplier shall not assign or transfer or purport to assign or transfer to any other person any of its rights or subcontract any of its obligations under the Contract.

11.3. Any notice required or permitted to be given by either party to the other under the Contract shall be in writing addressed to the other party at its registered office or principal place of business or such other address as may at the relevant time have been notified pursuant to this provision to the party giving the notice.

11.4. The Contract shall be governed by the laws of England. The Supplier submits to the jurisdiction of the English courts. In Addition the parties agree that this contract, as well as all contractual or purchase documents, correspondence, invoices, notices, and other documents shall be in English.

11.5. Each right or remedy of the Buyer under the Contract is without prejudice to any other right or remedy of the Buyer whether under the Contract or not.

11.6. If any provision of the Contract, Purchase Order or these Conditions is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid, void, unenforceable or unreasonable it shall, to the extent of such illegality, invalidity, voidness, unenforceability or unreasonableness, be deemed severable and the remaining provisions of the Contract, Purchase Order or Conditions (as the case may be) and the remainder of such provision shall continue in full force and effect).

11.7. Failure or delay by the Buyer in enforcing or partially enforcing any provision of the Contract shall not be construed as a waiver of any of its rights under the Contract.

11.8. Any waiver by the Buyer of any breach of, or any default under any provision of the Contract by the Supplier shall not be deemed a waiver of any subsequent breach or default and shall in no way affect the other terms of the Contract.

**12. Code of Conduct is of special interest to OCL**

12.1 Suppliers must strive to maintain the highest standards of ethical conduct and corporate responsibility worldwide through the application of the following Principles:

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- Comply with all applicable local, national, regional and international laws, regulations and directives at all times; and respect the intellectual property rights of others;
- Conduct business without the payment or receipt of inducements, unlawful incentives or other benefits that might be considered an attempt to influence decision makers. Similarly no gift whose value is material and which may be interpreted as a form of inducement should be accepted or offered;
- Reputable business practices must be applied worldwide;
- Conflicts of interest must be declared and appropriate arrangements made to ensure that those with a material interest are not involved in the decision making process;
- Ethical issues must be dealt with in an efficient and transparent manner;
- Respect fundamental human rights, including worker representation;
- Treat employees fairly, never abuse or threaten them and never use forced, bonded or child labour, never unlawfully discriminate directly or indirectly on the grounds of age, disability, gender, sex or sexual orientation, marital status, pregnancy and maternity, race, religion or belief;
- Maintain a safe working environment and adhere to all applicable health & safety legislation and regulations at all times and provide access to appropriate training for all employees;
- Maintain effective policies, processes and procedures to manage their environmental impact and to operate their business in a sustainable way, including sustainable procurement and adherence to all applicable environmental legislation and regulations;
- Flow down all applicable requirements, terms and conditions to all subcontractors, including this Code of Conduct.
- All interactions with the buyers organisation shall be of the highest professional standards.

### 13. Control, Monitoring and Cooperation of Suppliers

Suppliers are required to complete and return a Supplier Quality System Survey or provide equivalent information to allow an assessment to be completed. On assessment suppliers are allocated an Approval Level from None to Level 4 depending on the outcome of the assessment and an initial Rating of 5.

All deliveries are assessed at receipt for quality, delivery, documentation, communication & cooperation, on-time and in full delivery. When no issues are found the supplier rating is increased by 1, up to a maximum of 9. When any issue is found then the supplier rating is decreased by 1. Any supplier with a rating of 3 or less is escalated to the Purchasing and Quality Managers for review and may be removed from OCL's Approved Supplier List (ASL).

In addition on-time delivery performance & trends and non-conformance is also monitored and will result in further assessment of the supplier and requests for additional information and/or actions by the supplier in order to ensure the issue is contained and does not get repeated. Failure to respond to requests may also result in removal from OCL's ASL.

Suppliers are required to cooperate with Oracle regarding all quality related activities, including, but not limited to, non-conformances and completing and returning Supplier Investigation and Corrective Action Requests within the required time specified on the request.

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