

Standard terms and conditions of purchase (GOODS AND SERVICES)

1. Definitions

1.1 In these Terms and Conditions:

"Agreement" means the agreement between AIRCOM and the Supplier consisting of the Purchase Order, these Terms and Conditions, any written specifications of AIRCOM, and any other documents (or parts thereof) specified in the Purchase Order or otherwise expressly incorporating these Terms and Conditions;

"AIRCOM" means AIRCOM International Limited;

"Delivery Date" means the date specified by AIRCOM when the Goods or Services are to be delivered;

"Goods" means all (or any) of the goods and Software covered by the Agreement including without limitation raw materials, processed materials or fabricated products;

"Price" means the price for the Goods or Services stated on the Purchase Order, inclusive of VAT (if applicable) or any analogous sales tax, carriage, freight, postage, insurance and other costs;

"Purchase Order" means AIRCOM's Purchase Order for the Goods or Services;

"Services" means all services and/or performance of works or professional services that AIRCOM agrees to buy from the Supplier, as set out in the Purchase Order; and

"Software" means software supplied by the Supplier to AIRCOM under the Agreement;

"Supplier" means the person or organisation to whom a Purchase Order is sent by AIRCOM; and

"Terms and Conditions" means these terms and conditions.

2. Terms and Conditions

2.1 In the absence of a signed agreement between AIRCOM and the Supplier for the purchase of particular Goods and/or Services, these Terms and Conditions and other matters appearing on the Purchase Order shall apply to all the purchase of such Goods and/or Services by AIRCOM from the Supplier to the exclusion of all other terms and conditions, including any terms and conditions which the Supplier may purport to apply or which are endorsed upon any correspondence or documents issued by the Supplier irrespective of their date of communication to AIRCOM

2.2 Acceptance of the Purchase Order constitutes acceptance of these Terms and Conditions and any scheduled attached but without prejudice to the foregoing the dispatch or delivery of the Goods or Services by the Supplier to AIRCOM shall be deemed conclusive evidence of the Supplier's acceptance of these Terms and Conditions.

2.3 Any variation to these Terms and Conditions (including any special terms and conditions agreed between the parties) shall be inapplicable unless agreed in writing by AIRCOM. The Purchase Order, these Terms and Conditions and any special terms and conditions shall form the entire agreement between AIRCOM and the Supplier in relation to the purchase of the Goods and/or Services.

3. Price and Payment

3.1 Unless otherwise agreed, the Price is:

- (a) that stated in the Purchase Order;
- (b) exclusive of UK VAT;
- (c) inclusive of any other taxes payable;
- (d) inclusive of cost of delivery to the delivery address specified by AIRCOM and of standard packaging suitable for the means of delivery and any customs or import/export duties;
- (e) fixed; and
- (f) in the currency agreed between AIRCOM and the Supplier, and if no currency has been agreed, in GB Pounds Sterling.

3.2 A valid VAT invoice in respect of the Price shall be produced to AIRCOM by the Supplier. Unless otherwise agreed in writing by AIRCOM, the invoice may only be submitted and dated after completed delivery of the relevant Goods or completed performance of the relevant Services. The invoice shall not be valid unless it is addressed to AIRCOM International Ltd. and it contains the AIRCOM Purchase Order number, the Supplier's relevant VAT number, the net amount due, and the Supplier's full banking details (including account number, sort code, and, where applicable, SWIFT code). In the event that AIRCOM reasonably considers that any invoice submitted by the Supplier is defective or relates to Goods supplied or Services performed otherwise than in accordance with the Supplier's obligations under this Agreement, AIRCOM shall be entitled to withhold payment of the disputed amount without prejudice to any other rights or remedies it may have. AIRCOM shall notify the Supplier of any dispute within fourteen days of receipt of the invoice.

3.3 AIRCOM shall pay the Price within 45 days from the end of the month of receipt of the invoice.

3.4 The Supplier shall not be entitled to vary the Price except with the prior written consent of AIRCOM.

4. Warranty

4.1 Unless otherwise agreed, the Supplier warrants to AIRCOM, and it is a condition of the Agreement that the Goods themselves shall and the sale/performance of the Goods and Services shall:

- (a) comply with any specification and any drawings, descriptions or samples supplied prior to the Purchase Order and any requirements made by AIRCOM;
- (b) be of satisfactory quality, free from material defects in design, material and workmanship, safe and fit for their purpose and any Services shall be supplied with due speed, care, skill and diligence;
- (c) comply with all laws and industry standards applicable to the nature of Goods and Services supplied.

4.2 Without prejudice to clause 4.1 and any other rights of AIRCOM, the Supplier warrants that the Goods and Services shall continue to comply with clauses 4.1 (a) and (b) until (i) 120 days from the date of completed delivery of the Goods and Services or (ii) 120 days after they are put into use (whichever is the sooner) and if they do not so comply the Supplier shall at its cost, within 14 days of notice from AIRCOM remedy the defect in the Goods and/or Services or replace the Goods.

4.3 AIRCOM may without prejudice to its other remedies, within 120 days of completed delivery at the Supplier's cost (including freight) reject, in whole or in part, Goods and/or Services which do not comply with these Terms and Conditions. AIRCOM shall not be deemed to have accepted to Goods on receipt. The signature of an AIRCOM representative on delivery is only evidence of the number of packages and/or Services received and not

that they comply with these Terms and Conditions.

4.4 Where the Goods are repaired or replaced or Services re-performed in terms of clause 4.2, the Supplier warrants those repaired or replaced Goods for a further period of 120 days from the date of repair or replacement.

4.5 AIRCOM shall have the right exercisable during the performance of the Services to suspend any payment obligation in respect of the Services if the performance does not conform in quality with any stipulations in the Agreement or if the performance is delayed.

5. Delivery of Goods and/or Performance of Services

5.1 Delivery of the Goods and/or Services shall be made to AIRCOM's address on the date specified in the Purchase Order during normal business hours, unless previously arranged otherwise. Time shall be of the essence in this respect and AIRCOM shall be entitled to cancel, without notice, the whole or any part of the Purchase Order if this clause is not complied with by the Supplier.

5.2 The Services (if applicable) shall be performed in a professional manner to the reasonable satisfaction of AIRCOM. If any part of the Services is found to be inadequate or in any way differing from the Agreement, other than as a result of default or negligence on the part of AIRCOM, the Supplier shall at its own expense reschedule and perform the work correctly within such reasonable time as may be specified.

5.3 Where AIRCOM cancels the whole or part of the Purchase Order in accordance with clause 5.1:

(a) all sums payable by AIRCOM in relation to the whole or part of the Purchase Order cancelled shall cease to become payable;

(b) all sums paid by AIRCOM in relation to the whole or part of the Purchase Order cancelled shall be repaid by the Supplier;

(c) AIRCOM shall be entitled to recover damages from the Supplier for any loss caused to AIRCOM where AIRCOM cancels the whole or part of the Purchase Order in accordance with clause 5.1.

5.4 Without prejudice to its other rights, AIRCOM may cancel a Purchase Order in whole or in part (i) immediately if there is a material breach of these Terms and Conditions (these shall include any breach of clause 4) (and if the breach is remediable if it is not remedied within 14 days of AIRCOM sending notice to the Supplier) or if the Supplier becomes insolvent, goes into liquidation or becomes subject to administration or has a receiver appointed in relation to it or anything analogous to any of the foregoing occurs with respect to the Supplier in any jurisdiction and (ii) on 14 days' notice at any time prior to complete delivery of the Goods and Services.

5.5 For the duration of the period during which Services are provided, the employment of any employee of the Supplier shall remain with the Supplier and shall not pass or otherwise transfer to AIRCOM and nothing in the Agreement shall be construed or have effect as constituting any relationship of employer and employee between AIRCOM and the employees and/or sub-contractors of the Supplier.

5.6 The Supplier shall not without AIRCOM's written consent subcontract the supply of Goods and/or performance of the Services under this Terms and Conditions.

6. AIRCOM's Remedies

6.1 AIRCOM shall inspect the Goods or Services upon delivery in accordance with this clause 6.

6.2 Where Goods and/or Services are damaged AIRCOM shall notify the Supplier.

AIRCOM may reject the damaged Goods and/or Services and the following provisions shall apply:

(a) the Supplier shall collect the damaged Goods from AIRCOM at the Supplier's expense;

- (b) during the period between delivery of the Goods and collection by the Supplier, AIRCOM shall not be liable for any loss or further damage caused to the damaged Goods;
- (c) all sums payable by AIRCOM in relation to the damaged Goods and/or Services shall cease to become payable;
- (d) all sums paid by AIRCOM in relation to the damaged Goods and/or Services shall be repaid by the Supplier;
- (e) AIRCOM shall be entitled to claim damages from the Supplier for any losses caused to AIRCOM as a result of the Goods and/or Services being damaged.

6.3 Where there are shortages in the Purchase Order AIRCOM shall notify the Supplier and the following provisions shall apply:

- (a) all sums payable by AIRCOM in relation to the missing Goods shall cease to become payable;
- (b) all sums paid by AIRCOM in relation to the missing Goods shall be repaid by the Supplier immediately;
- (c) AIRCOM shall be entitled to claim damages from the Supplier for any losses caused to AIRCOM as a result of the shortages.

6.4 If AIRCOM so requests, the Supplier shall immediately replace damaged Goods or Services which are missing at the Supplier's expense and/or AIRCOM shall be entitled to cancel, without notice, the whole or any unexecuted part of the Purchase Order and the rights referred to in Clause 6.2 shall apply.

6.5 Where there is an excess of Goods in relation to the Purchase Order AIRCOM may reject the excess Goods by notice in writing to the Supplier and the following provisions shall apply:

- (a) the Supplier shall collect the excess Goods from AIRCOM at the Supplier's expense;
- (b) during the period between delivery of the Goods and collection by the Supplier, AIRCOM shall not be liable for any loss or damage caused to the excess Goods;
- (c) no sum shall be due to the Supplier for the excess Goods and in the event that sums are paid to the Supplier for the excess Goods, the Supplier shall repay such sums to AIRCOM immediately.

6.6 AIRCOM may accept excess Goods by notifying the Supplier of such acceptance and the price of the excess Goods shall be payable by AIRCOM in accordance with Clause 3.

7. Title and Risk

7.1 The title and risk in the Goods and/or Services shall remain with the Supplier until they are delivered at the point specified by AIRCOM in the Purchase Order or any other relevant document, and transferred to AIRCOM's possession, at which time title and risk in the Goods and/or Services shall transfer to AIRCOM. Neither payment by, nor the passing of risk in the Goods or the Services to, AIRCOM shall be deemed to constitute acceptance of the Goods or the Services. However title to Goods which comprise Software shall not pass to AIRCOM except in the circumstances specified in clause 10.

8. Indemnity

8.1 The Supplier shall fully indemnify AIRCOM and keep AIRCOM fully indemnified for any claims, demands, cause of action, damage, loss, consequential loss, costs, expenses (including legal expenses) made against or suffered by AIRCOM arising out of loss or damage to any AIRCOM property, negligence or a breach by the Supplier of any of the Terms and Conditions set out here.

9. Intellectual Property Rights

9.1 All patents, copyright, design rights and other intellectual property rights ("IPR") in any

materials, specifications, plans, drawings, patterns or designs prepared or supplied by AIRCOM to the Supplier shall remain the property of AIRCOM.

9.2 All IPR in materials (other than Software) specifically prepared or developed by the Supplier in connection with the provision of Services shall vest in AIRCOM, unless specifically agreed otherwise in writing between AIRCOM and Supplier. IPR specifically arising during and out of the provision of the Services shall be and remain the property of AIRCOM, unless specifically agreed otherwise in writing by AIRCOM and the Supplier.

9.3 The Supplier shall disclose to AIRCOM all inventions which the Supplier or its staff may make in performing the Services and which are wholly or substantially based on concepts or data developed or supplied by AIRCOM. All IPR to such inventions shall vest in AIRCOM.

9.4 The Supplier shall execute all documents and perform such acts as may be reasonably necessary to enable AIRCOM to obtain and/or maintain its IPR.

9.5 In respect of IPR vested in a third party, the Supplier shall obtain from such third party (at no cost to AIRCOM) such permission, waiver or licence as may be necessary for the performance of the Services and/or for the data to be used, copied or modified by AIRCOM or by any third party authorised by AIRCOM.

9.6 The Supplier waives, and shall procure from any third party the waiver of, the exercise against AIRCOM of all moral rights in materials that are or become vested in the Supplier and/or any third party.

9.7 The Supplier agrees to indemnify AIRCOM and its employees, affiliates, sub-contractors and agents in full and keep them indemnified against all claims, demands, actions, proceedings and all direct damages, losses, costs and expenses (including, without limitation, legal and other professional advisers' fees), made against or incurred or suffered by any of them and whether wholly or in part resulting directly or indirectly from any claims by a third party that the Goods or the provision of the Services by the Supplier or the use by or behalf of AIRCOM of the Goods or of any assets used by the Supplier in connection with the performance of the Services infringes the IPR of that third party.

10. Software

10.1 Unless otherwise agreed, where the Goods or Services include the supply of Software then:

(a) if the Software is bespoke or has been specially commissioned by and developed for AIRCOM, then the Supplier hereby assigns all intellectual property rights (and waives all moral rights) in such Software and related documentation to AIRCOM and the Supplier shall on request without further payment sign or execute further documentation to formalise or perfect the assignment.

(b) pending any necessary formalisation of the assignment and in any other case than under clause 10.1(a), the Supplier hereby grants to AIRCOM and AIRCOM's affiliates a non-exclusive, irrevocable, perpetual, worldwide and fully paid-up licence to use the software for its business purposes.

(c) the Supplier shall supply AIRCOM with all necessary manuals and with one copy in machine-readable object code of the software and each new release, update or upgrade of the software which modified or enhances the software, and in the case of software under clause 10.1(a) it shall on AIRCOM's request supply the source code.

(d) without prejudice to clause 4, all hardware and software shall be capable of full use for their intended purpose and of maintenance and amendment by a software engineer external to the Supplier and reasonably qualified in the relevant sector without external costs to AIRCOM and without recourse to any additional codes or materials other than those supplied as part of the Goods or Services.

10.2 Without prejudice to Clause 10.1 above:

(a) AIRCOM may use the Software:

(i) for any act which is reasonably incidental to that use defined in clause 10.1(b) including to maintain back-up copies of the Software which copies shall at all times remain the property of the Supplier;

(ii) for any act which is permitted by sections 50A to 50C of the Copyright, Designs and Patents Act 1988.

(b) AIRCOM may grant sub-licences for all or part of the licence referred granted herein to third parties performing information processing services for AIRCOM or its affiliates; provided that such third parties agree to be bound by the use and confidentiality provisions set out herein. AIRCOM and its affiliates may also hire third parties to modify (as permitted by law) and maintain the Software.

(c) AIRCOM may change the configuration of the systems on which the Software is installed and may install the Software on new or addition compatible systems without prior notice to the Supplier and without payment of an "upgrade fee" or other charge as a result of such actions provided the overall licence grant under the Agreement is not exceeded. AIRCOM may store the Software and related documentation at one or more locations owned or operated by AIRCOM or its affiliates.

11. Severance

11.1 If any term or provision of these Terms and Conditions is held invalid, illegal or unenforceable for any reason by any Court of competent jurisdiction such provision shall be severed and the remainder of the provisions hereof shall continue in full force and effect as if these Terms and Conditions had been agreed with the invalid, illegal or unenforceable provision eliminated.

12. Confidentiality

12.1 Supplier shall keep all work and services carried out hereunder for AIRCOM entirely confidential, and not use, publish, or make known, without AIRCOM's written approval, any information developed by the Supplier or furnished by AIRCOM to any persons other than personnel of the parties to this Terms and Conditions. Any public representation regarding AIRCOM shall be made by AIRCOM and any requests for information made to the Supplier by the news media, or others, shall be referred to AIRCOM. Additionally, the Supplier shall not reference AIRCOM nor the work performed for AIRCOM without prior written approval. Information Supplier considers as proprietary or confidential and has indicated/marked as proprietary or confidential will be treated by AIRCOM in the same manner as AIRCOM treats its own proprietary or confidential information. Supplier further agrees to place under a confidentiality obligation, any subcontracts and/or consults the Supplier enters into agreements with for the performance of work under this Terms and Conditions. Such confidentiality obligations shall be on terms no less stringent than the Supplier's confidentiality obligations under this clause 12.1.

13. Cancellation

13.1 Without prejudice to its other rights AIRCOM may cancel a Purchase Order in whole or in part (i) immediately if there is a material breach of these Terms and Conditions (this shall include any breach of clause 4) (and if the breach is remediable if it is not remedied within 14 days of AIRCOM sending notice of it to the Supplier) or if the Supplier is in financial difficulties and (ii) at any time prior to the completed delivery of the Goods or performance of the Services in accordance with these Terms and Conditions on 14 days' notice. Termination of the Purchase Order shall not affect those Terms and Conditions which are capable of subsisting. This shall include, without limitation, clause 10.1(b) and clause 12.

14. Assignment

14.1 The Supplier may not assign or otherwise transfer its rights or obligations under these

Terms and Conditions without AIRCOM's prior written consent.

15. Notices

15.1 Unless otherwise agreed in writing, notices to AIRCOM shall be addressed to the Chief Executive Officer, Cassini Court, Randalls Research Park, Randalls Way, Leatherhead, Surrey KT22 7TW and to the Supplier at its address as given on invoices, the Purchase Order or other official document.

16. Governing Law & Jurisdiction

16.1 These Terms and Conditions shall be governed by and construed in accordance with the laws of England and Wales and the parties hereby submit to the non-exclusive jurisdiction of the courts of England and Wales.