

**AEROFLEX INTERNATIONAL LIMITED
CONDITIONS OF PURCHASE**

1 ACCEPTANCE

An order shall not be binding upon AEROFLEX until accepted by the Supplier. AEROFLEX reserves the right to reject any acceptance which is received by AEROFLEX more than fourteen working days after the date of the order. Other terms and conditions shall only apply where expressly agreed in writing by AEROFLEX.

2 AUTHORITY

AEROFLEX shall not be liable for any order, order amendment or instruction to proceed with orders unless and until authorised or confirmed on AEROFLEX's printed order or amendment form.

3 PRICES

Unless specifically agreed otherwise all prices shall be fixed and firm and not subject to any form of surcharge of variation.

4 CANCELLATION

4.1 Any time or period for delivery dispatch or completion shall be of the essence. AEROFLEX shall also be entitled to cancel the order of any part thereof and/or claim reimbursement for all losses and expenses suffered in the event that:

4.1.1 The Supplier fails either to deliver goods or provide services in accordance with the terms of the order.

4.1.2 The Supplier fails to make progress with the order so as to jeopardise the purpose of the order.

5 SUB-CONTRACTING

None of the work covered by the order shall be further sub-contracted without prior permission of AEROFLEX, except as is customary in the trade. The Supplier shall remain responsible for the performance of the order.

6 NEW MATERIALS

Unless specifically agreed otherwise all materials to be supplied under this order are to be new and no materials disposed of as surplus by Her Majesty's Government are to be included.

7 INSPECTION

AEROFLEX's inspector or representative and any inspector or representative of AEROFLEX's customer or his agent or of any government department concerned shall be entitled on AEROFLEX's authority to witness the inspection or testing of the goods or work which are the subject matter of the order at any reasonable time at the Supplier's works or at the works of the Supplier's sub-contractors. If required by AEROFLEX the Supplier will give AEROFLEX adequate notice of the Supplier's works test which AEROFLEX shall be entitled to attend. Reasonable facilities shall be provided at the Supplier's expense for the inspector or representative. The Supplier will provide AEROFLEX with such certificates as AEROFLEX may require. Such inspection does not relieve the Supplier of any liability nor does it imply acceptance of the goods or work which are the subject matter of the order.

8 PACKING, DELIVERY & MARKING

All goods supplied against the order must be adequately protected against damage and deterioration in transit and delivered carriage paid or as otherwise notified in writing to the Supplier and must bear AEROFLEX's order number on the packages thereof. The goods shall be at the Supplier's risk until delivered to AEROFLEX at the point specified in the order, unless AEROFLEX otherwise agrees in writing. Unless otherwise provided in the order all containers and packing materials supplied by the Supplier shall be considered non-returnable and their cost shall be included in the price. Where AEROFLEX receives goods as unexamined AEROFLEX's right to subsequently inspect the goods and reject them if they do not comply with the specification or claim for shortages shall not be prejudiced. When goods are rejected they will be returned at the Supplier's risk and expense.

9 PASSING OF PROPERTY

Property in the subject matter of the order shall pass to AEROFLEX no later than the time of delivery provided that any passing of title shall not prejudice either AEROFLEX's right to reject for non-conformity with specification or any other rights that AEROFLEX may have under the order provided that where advance or progress payments are made title but not risk shall pass to AEROFLEX as soon as items are allocated to the Order. All items so allocated shall be adequately marked and recorded as being the property of AEROFLEX.

10 PAYMENT

10.1 Inattention to the following details may mean delay in payment but no prompt payment discount shall be forfeited by AEROFLEX on account of the Supplier's failure:

10.1.1 To send on the day of dispatch for each consignment such advice(s) of dispatch and invoice(s) as may be indicated in the Order or

10.1.2 To send a monthly statement of account by the 10th of the month quoting the invoice numbers applicable to each item thereon or

10.1.3 To mark clearly AEROFLEX's order number on the consignment package, packing notes, advice notes, invoices, monthly statement and all other correspondence or

10.1.4 To provide any certificate or other documentation required under the order.

10.2 Payment will be made without prejudice to AEROFLEX's rights should the goods, materials or services prove unsatisfactory or not in accordance with AEROFLEX's order or instructions.

11 SUSPENSION

In the event of any interruption of AEROFLEX's business due to circumstances beyond AEROFLEX's control such as but not limited to any industrial dispute, fire, explosion or accident which would prevent or hinder the use of the goods or work which is the subject of the order AEROFLEX shall have the right to suspend the order until such circumstances have ceased.

12 TOOLS & MATERIALS

Where tools and/or test equipment and/or materials are supplied by AEROFLEX, the Supplier shall accept full responsibility for their proper storage, safe custody and method of use and shall accept the risk of loss and damage howsoever arising. Any such tools, test equipment and materials shall be used by the Supplier only for performing the work placed by AEROFLEX and

shall be returned at the Supplier's expense at the completion of the work unless otherwise agreed by AEROFLEX in writing. Surplus materials and/or scrap shall be disposed of in accordance with AEROFLEX's instructions.

13 CONFIDENTIALITY & PUBLICITY

The Supplier shall treat all information provided by AEROFLEX as confidential and use such information only for the purpose of performing AEROFLEX's Orders. Where drawings or other data are issued the Supplier shall exercise proper custody and control and return/dispose of such in accordance with the purchaser's instructions.

14 DEFECTIVE MATERIALS/WORKMANSHIP

The Supplier will keep AEROFLEX indemnified in respect of all loss and/or expense which results during proper use directly or indirectly from defective materials, goods, workmanship or design supplied by the Supplier and the Supplier will repair at AEROFLEX's request or replace the defective item or items free of charge. The Supplier will also keep AEROFLEX indemnified against any damage to AEROFLEX's property (including any materials, tools, or patterns sent to the supplier for any purpose) and against any claims for loss or injury to any person or death of any person or to the property of any person by reason of the Supplier's negligence or any act or omission on the part of the Supplier's employees, sub-contractors or agents arising out of the performance of the order.

15 HEALTH & SAFETY

In accordance with the requirements of the Health and Safety at Work Act 1974 and any re-enactment or amendment thereof, any safety precautions required for the handling of the material covered by the order are to be clearly indicated on each consignment.

16 GOVERNMENT & OTHER SPECIAL CONDITIONS

Where government or other special conditions are incorporated by reference in the order such special conditions shall apply.

17 INSOLVENCY

17.1 AEROFLEX shall be entitled at any time by notice in writing to terminate this contract without compensation to the Supplier in respect of the terminated portion in the event that:

17.1.1 The Supplier becomes insolvent or the Supplier makes any composition or arrangement with its creditors.

17.1.2 Any petition is presented for the Supplier's winding up.

17.1.3 The Supplier passes any resolution for the Supplier's winding up.

18 WAIVER

Any concession or indulgence made by AEROFLEX shall not be considered as a waiver of AEROFLEX's rights under the order unless specifically authorised in writing on AEROFLEX's printed order or amendment form.

19 SECURITY

Where a security classification appears on the face of the order the Supplier shall at all times comply with the relevant security procedures. Particular security aspects will be covered in an aspect letter issued by AEROFLEX's Security Controller which shall form part of the Order.

20 LAW

The construction validity and performance of the Order shall be governed by the law of England and subject to the exclusive jurisdiction of the English courts.