

# Piddington Engineering Ltd

## Purchase Order Terms & Conditions

### Purchase Order Conditions

The Supplier shall be subject to the following terms and conditions as specified below:

- i. Representatives of Piddington Engineering Ltd, their customers and any other regulatory authority connected with the main contract, shall be allowed to visit the Suppliers' premises, and shall be afforded all necessary facilities at any reasonable time, to verify at source, that the product / service conforms to the order requirements.
- ii. Our order number must be shown on all packages, shipping documents, invoices, advice notes and correspondence.
- iii. Invoice must be sent as soon as goods are despatched.
- iv. We reserve the right to cancel any part, or all of the order if not fulfilled promptly.
- v. No charge allowed for boxing, crating or cartage unless by agreement.

### Quality Assurance Conditions.

- i. The Supplier shall ensure that the order is carried out in conformity with the quality requirements stated on the purchase order.

### **Code of Ethics**

All Suppliers of Piddington Engineering Ltd are responsible for acting ethically. The Piddington Engineering Ltd name and reputation depends on individual actions and decisions.

All Suppliers must:

- Read, understand, and comply with the Code of Ethics below.
- Be responsible for the accuracy and integrity of our work, the documents, records, and business information we work on and have access to.
- Immediately bring potential violations of the Code of Ethics, legal requirements, to Piddington Engineering Ltds' attention.
- Cooperate fully in any investigation of alleged violations of the Code of Ethics, applicable laws, and regulations.

Piddington Engineering Ltd, operate business in a responsible manner. At Piddington Engineering Ltd, the way we conduct business is as important as the products and services we provide. Accordingly, Piddington Engineering Ltd will only do business with Suppliers, contractors, and consultants (collectively herein referenced as "Suppliers") that comply with applicable and controlling laws, rules, and regulations (collectively herein referenced as "applicable laws") and at a minimum, with standards of business conduct consistent with those set forth in this Supplier Code of Ethics ("Code").

It is Piddington Engineering Ltd 's expectation that Suppliers, their employees, sub-Suppliers and any other parties involved with the execution of Piddington Engineering Ltd work, similarly comply with the applicable laws and the standards set forth in this Code.

Piddington Engineering Ltd expects the following, without limitation, including respecting the human rights of employees from all its Suppliers:

### **HUMAN RIGHTS AND LABOUR STANDARDS**

#### **Forced Labour, Human Trafficking and Slavery**

Supplier shall not use any form of forced labour including prison, indentured, bonded, military, slave or any other forms of forced labour. Supplier shall not participate in the recruitment, transportation, transfer, harbouring or receipt of any persons by means of threat, use of force, or any other forms of coercion, abduction, fraud, deception, abuse of power or

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position of vulnerability, or the giving or receiving of payments or benefits to achieve the consent of a person having control over another person for the purpose of exploitation.

Supplier shall not retain an employees' government-issued identification, passports or work permits as a condition of employment and shall allow employees to resign from their positions at any time.

### **Child Labour**

Supplier shall ensure that no underage labour has been used in the production or distribution of their goods or services. Employees must not be younger than the minimum employment age established by the respective country or local jurisdiction. In the event no minimum employment age is established, employees must not be younger than the age of compulsory education; or if no minimum age for compulsory education is established, employees should not be younger than age 14.

### **Working Hours**

Supplier employee working hours must be in compliance with all applicable laws and regulations. Suppliers should encourage employees to receive at least one day off every seven days in compliance with all applicable laws.

### **Wages and Benefits**

Supplier must have a system in place to verify and accurately record payroll, deductions and the hours worked by legally authorised employees. Supplier must comply with all applicable wage and compensation requirements as defined under applicable labour laws for regular work, overtime, maximum hours, piece rates, and other elements of compensation and employee benefits.

### **Freedom of Association and Collective Bargaining**

Supplier must adhere to all applicable laws regarding the right to affiliate with lawful organisations without interference.

### **Non-discrimination**

Employment by Supplier shall be based solely on persons' ability and not personal characteristics. Supplier shall maintain a workplace free of unlawful discrimination, which includes, but is not limited to, race, gender, sexual orientation, age, pregnancy, caste, disability, union membership, ethnicity, religious belief or any other factors protected by applicable law.

Employees shall not be subject to verbal, physical, sexual or psychological abuse or any other form of mental or physical coercion and shall be treated with respect and dignity.

## **HEALTH AND SAFETY**

Supplier shall provide safe and healthy working and housing environments (if Supplier provides housing) to prevent accidents and injury to health.

Supplier shall minimise employee exposure to potential safety hazards by identifying, assessing and minimising risks by developing and implementing plans and procedures.

## **ENVIRONMENT**

Supplier shall be sensitive to its impact on the environment (including but not limited to air emissions, water discharge, toxic substances and hazardous waste disposal) and local communities.

Supplier shall comply with the environmental laws and standards within its facilities. Supplier must use care in handling hazardous materials or operating processes or equipment that use hazardous materials to prevent unplanned releases into the workplace or the environment.

## **BRIBERY AND CORRUPTION**

Supplier shall not engage in any form of corrupt practices including without limitation to, extortion, fraud, impersonation, false declarations, bribery, money laundering, supporting or involved with terrorist or organised crime organisations or activities.

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Supplier shall not offer bribes, kickbacks, illegal political contributions or other improper payments to any Piddington Engineering Ltd representative or agency, any customer, government official or third party, with the intention of obtaining or retaining a business or other improper advantage.

Supplier must have a written anticorruption / anti-bribery policy that includes an annual review with its employees of such policy. No matter where we operate around the world, we are steadfast in our dedication to service and integrity.

### **COUNTERFEIT PARTS**

Suppliers are responsible for having policies and procedures in place to ensure that they do not supply “suspect and/or counterfeit parts” and to the best of their knowledge no such “suspect and/or counterfeit parts” have been or are being supplied to Piddington Engineering Ltd.

“Suspect and/or counterfeit parts” are parts that may be of new manufacture, but are misleadingly labelled to provide the impression they are of a different class or quality or from a different source than is the case. They also include refurbished parts, complete with false labelling, that are represented as new parts or any parts that are designated as suspect. Parts supplied to Piddington Engineering Ltd should be directly from the Original Component Manufacturer.

Suppliers shall maintain documented systems (policies, procedures, or other documented methods) that provide for notification to Piddington Engineering Ltd (and to obtain Piddington Engineering Ltds’ written consent) before parts or components are procured from sources other than the Original Component Manufacturer. Suppliers shall provide copies of such documentation for its system upon Piddington Engineering Ltds’ request.

Supplier systems shall be consistent with applicable industry standards for the detection and avoidance of counterfeit parts, including flowing down requirements to subcontractor. If Piddington Engineering Ltd reasonably determines that a supplier has provided suspect and/or /counterfeit parts, Piddington Engineering Ltd shall promptly notify the supplier who shall immediately replace the suspect and/or counterfeit parts with parts acceptable to Piddington Engineering Ltd.

Notwithstanding any other provision contained herein, suppliers shall be liable for all costs incurred by Piddington Engineering Ltd to inspect, remove and replace the suspect and/or counterfeit parts, including without limitation Piddington Engineering Ltds’ external and internal costs of removing such counterfeit parts, of reinserting replacement parts and of any testing necessitated by the reinstallation of the seller’s goods after counterfeit parts have been exchanged. In addition, Piddington Engineering Ltd may unilaterally terminate orders for convenience depending on the impact of the delivery.

Specific requests for product traceability, or the requirement for material and certificates of conformity will be specified via PO.

### **MATERIAL**

Latest BS specification material is to be supplied at all times. Certificate of Conformity and Mill Certs are required at the time of delivery to ensure that material is fully traceable (see below).

### **TRACEABILITY**

All parts/materials shall be clearly traceable back to the original manufacturer/supplier. Where the supplier has purchased a component or assembly, they shall have a copy of the original manufacturer’s certificate of conformance. All components and assemblies shall be traceable to the original material identification. The traceability system must facilitate the rapid identification of any part delivered and suspected of being defective. Containment action must be implemented immediately to protect the customer on any defects found that affect quality of product. All records in relation to Piddington Engineering Ltd must be kept indefinitely and shall be made available to Piddington Engineering Ltd upon request.

### **CONFLICT MINERALS**

Suppliers shall cooperate with any required conflict minerals reporting requirements and perform appropriate due diligence on its supply chain in order to fulfil reporting obligations. Suppliers agree to communicate to its sub-suppliers its own commitment to responsible sourcing and legal compliance, and to cooperate with them to ensure traceability of

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conflict minerals (i.e. Tungsten, Tin, Tantalum, Gold). Supplier will maintain all traceability documentation and provide such documentation to Piddington Engineering Ltd upon request.

### CHANGE CONTROL

Uncontrolled change within the supply chain is the major cause of inefficiency: it is therefore crucial that all change, no matter how trivial it may appear, is assessed for potential risk and then subject to mitigating actions and control.

Changes can occur in three ways:

1. Change to the manufacturing location, either within a supplier or between suppliers.
2. Changes to Components.
3. Changes within the company's stores department, storage and dispatch method, including machines, personnel etc.

The control mechanism for these is as follows:

Changes to the manufacturing location shall be notified to Piddington Engineering Ltd. Supplier must notify Piddington Engineering Ltd of changes to processes, products or services, including changes to their external providers or location or manufacture.

Changes in components shall be raised with the buyer responsible for the purchase order. The buyer shall take the appropriate action within Piddington Engineering Ltd and inform the customer. The supplier must not progress with any changes to the component without written agreement from Piddington Engineering Ltd.

All changes to components storage location shall be subject to a documented risk review prior to being carried out. Staff changes within the company's stores department must be fully trained and supervised until level of competence is assessed and approved as competent. Changes to the stock control system, must be documented, risk assessed, audited and checked after changes for example; new operational software is introduced or updated.

Following an NCR with relation to supply quality problems, all documentation relating to changes within the company must be kept indefinitely and made available to Piddington Engineering Ltd on request in writing with reasonable notice.

Strong Supplier partnerships are a cornerstone of Piddington Engineering Ltds' business and a vital link in setting and achieving expectations for ethical sourcing and corporate social responsibility.

At Piddington Engineering Ltd, the way we conduct business is as important as the products and services we provide. In the event Piddington Engineering Ltd determines that a Suppliers' efforts to comply with this Code have been deficient and the Supplier fails to cooperate in developing and implementing reasonable remedial steps, Piddington Engineering Ltd reserve the right to take appropriate actions up to, and including, discontinuing purchases from the Supplier.

Nothing in this Code is intended to in any way, grant any additional rights or expectations to a Piddington Engineering Ltd Supplier or in any way, modify or otherwise limit any of Piddington Engineering Ltds' contractual or legal rights.

Accepting a Piddington Engineering Ltd Purchase Order confirms Supplier compliance with this document.

### Warning

Printed copies of this document remain uncontrolled - Check issue number against the Purchase Order before using - if in doubt ask.