

CONDITIONS OF PURCHASE

1 INTERPRETATION

1.1 In these Conditions:

"Goods" means all articles materials or services specified in the Order (including any instalment of the Goods or any parts for them) which the Seller is to sell in accordance with these Conditions.

"Order" means any request to the Seller to supply the Buyer with Goods.

"Buyer" means the person, firm or company in whose name the Order is placed.

"Seller" means the person, firm or company to whom the Order is addressed.

"Contract" means the contract for the purchase of the Goods.

"Writing" includes telex, cable, facsimile transmission and comparable means of communication.

1.2 Any reference in these Conditions to any provision of a statute shall be construed as a reference to that provision as amended, re-enacted or extended at the relevant time

1.3 The headings in these Conditions are for convenience only and shall not affect their interpretation.

2 THE ORDER

2.1 These Conditions shall apply to the Order except to the extent that they may be inconsistent with any special conditions appearing on the face of or otherwise incorporated in the Order which shall have precedence over these Conditions. Such special conditions and these Conditions shall contain the complete and final agreement between the Buyer and the Seller and shall not be varied except with the written agreement of the Buyer and the Seller.

2.2 The Seller must accept the Order within 21 Days of the date it bears or such other period as the Buyer may agree in writing. Failure to do so will give the Buyer the right to cancel the Order.

2.3 The Buyer will not accept responsibility for any Goods unless supplied in accordance with an issued Order duly signed on behalf of the Buyer.

2.4 All correspondence and documents including advice notes, packing notes, and invoices shall bear the Order reference number.

3 DELIVERY CONDITIONS

3.1 Delivery of the Goods shall be made by the Seller at the place and to the time schedule specified in the Order

3.2 Any time or period for delivery despatch or completion shall be of the essence.

3.3 All Goods must be properly and securely packaged to survive transit to the place of delivery, storage, and delivery to the Buyer's customer and to resist pilferage, distortion, corrosion or contamination. All Goods must be clearly and legibly labelled and addressed. Packaging is not returnable unless otherwise agreed.

3.4 Where Goods are forwarded to the Buyer from outside the United Kingdom the interpretation of shipping terms shall be in accordance with the latest published Incoterms.

3.5 Where the Seller is located outside the United Kingdom the Buyer shall be responsible for obtaining all import licences and the Seller shall be responsible for obtaining all necessary export licences. In the event that either party fails to obtain any necessary licences the Contract shall be treated as frustrated with the consequences provided by the Law Reform (Frustrated Contracts) Acts 1943. If the Contract shall be so frustrated as to part only of the Goods, the Buyer shall be entitled at its option either to treat the contract as having been frustrated in whole, or as frustrated as to part only.

3.6 If so required the Seller shall provide a Certificate of Conformance to Specification with each delivery, and failure to supply such Certificate will entitle the Buyer to reject the delivery in whole or at its discretion in part.

3.7 A packing note shall accompany each consignment and shall state the Order reference number together with the number of packages in the consignment.

4 INSPECTION AND REJECTION

4.1 Unless otherwise agreed in Writing the Buyer shall be under no duty to carry out any form of inspection or tests to the Goods on or after delivery.

4.2 The Buyer's representatives shall be allowed to visit the Seller's premises at any reasonable time to check the progress of the work on the Goods and the Buyer's representative shall be entitled on the authority of the Buyer to inspect the Goods (including their tooling and raw materials in the course of manufacture of the Goods) which are the subject of the Order at any reasonable time at the Seller's premises or at the premises of permitted sub-contractors.

4.3 The Buyer reserves the right to reject any of the Goods/Services which do not comply with the specification or which are not of the best quality or do not reach approved standards of design, material, workmanship or quality or which are not in accordance with the Seller's samples approved by the Buyer. The Buyer may return such rejected Goods to the Seller at the Seller's expense and risk and the Seller shall at the Buyer's option credit the value of such Goods to the Buyer or supply replacement Goods free of charge within a reasonable time without prejudice to any further remedies by way of damage or otherwise which the Buyer may have against the

Seller. All costs in relation to rejection replacement and repair shall be paid by the Seller.

4.4 Where Goods are imported, in order to allow the Buyer to obtain a refund of any import duty paid, the Seller shall provide written acceptance of the rejection and shall state the refund replacement or repair action.

4.5 Payment by the Buyer in accordance with the agreed payment terms does not constitute any admission by the Buyer as to the performance by the Seller of its obligations.

5 TITLE AND RISK

Without prejudice to the seller's other obligations herein and unless otherwise agreed in writing title to the goods shall pass to the buyer upon delivery.

6 QUALITY CONDITIONS

6.1 Without prejudice to any other condition hereof the Goods and any packaging labelling or wrapping (including the descriptions instructions and other markings thereon) shall comply in all respects with any applicable British Standard, other International Standard and any relevant UK laws and regulations including (but without limiting the foregoing) the Consumer Protection Act 1987, the Consumer Safety Act 1978 and the Health and Safety at Work Act 1974 and regulations made under them.

6.2 Unless otherwise expressly stated the Buyer relies entirely on the skill and judgment of the Seller as regards all aspects of design and manufacture of the Goods and accordingly no knowledge of the same by the Buyer (whether resulting from inspection of the Seller's processes or otherwise) or acceptance or agreement of the same by the Buyer shall relieve the Seller of the sole responsibility therefore. The Seller shall notify the Buyer forthwith of any changes in applicable UK laws and regulations of which the Seller ought reasonably to be aware which affect or may affect the Seller's ability to supply and/or the Buyer's ability to purchase the Goods.

6.3 The Seller warrants that:

6.3.1 the Goods shall conform to the quality and specification stated in the Order; and

6.3.2 the Goods are free from defects in design, materials and workmanship; and

6.3.3 the Goods are of satisfactory quality and fit for the purpose for which they are required; and

6.3.4 any services shall be provided with the exercise of professional care and skill.

These warranties shall survive any termination of this Order and are not affected by inspection, delivery, acceptance or payment and shall enure to the benefit of the Buyer's successors, assigns, customers and users of the Goods.

6.4 Without prejudice to any other of these conditions or to any other rights and remedies of the Buyer, and whether or not such defect is revealed by the Buyer's

inspection, the Seller shall at the option of the Buyer promptly replace repair or refund the price of any Goods found to be defective within the period of 12 months from sale by the Buyer to a customer or 18 months from delivery to the Buyer whichever shall be the longer, whether such defect arises from faulty design, materials or workmanship or otherwise. All costs in relation to such replacement, repair and refund shall be paid by the Seller.

6.5 The Seller will indemnify the Buyer against:-

6.5.1 loss or damage or injury whatsoever and howsoever arising caused to the Buyer or for which the Buyer may be liable to third parties due to faulty design materials or workmanship of the Goods; and

6.5.2 claims in respect of death or injury howsoever caused to any agent, subcontractor or employee of the Seller while in or about the Buyer's premises; and

6.5.3 consequential loss or damage sustained by the Buyer as a result of the failure of the Seller to supply the Goods in accordance with this Order.

6.6 Nothing in these conditions shall prejudice any condition or warranty (express or implied) or any other right or remedy to which the Buyer is entitled in relation to the Goods by virtue of statute law common law or otherwise.

6.7 The Seller shall pass to the Buyer and agrees that the Buyer shall pass to its customers and/or users all warranties and service guarantees relating to the Goods

7 PRODUCT SUPPORT

7.1 The Seller will provide the Buyer with all present and future instructions relating to the use of the Goods including inter alia the free of charge supply of technical data, publications, modifications and spares data and in particular draw attention to any dangers which may be met with on their handling or application or in their use in processing.

7.2 Hazardous Goods shall be marked by the Seller with International Danger Symbols and display the name of the material in English. Transport and other documents must include a declaration of the hazard and the name of the material in English. Such Goods shall be accompanied by emergency information written in English in the form of written instructions, labels, or markings. The Seller shall observe the requirements of UK and International Agreements relating to the packing, labelling and carriage of hazardous Goods.

7.3 It is the Seller's duty to keep the Buyer informed of any matter which may affect the Buyer's exposure to liability on resale of the Goods. This will include, but not be limited to, legislation or the decision or order of any court having jurisdiction or advice from responsible or professional bodies such as the British Standards Institute and the Health and Safety at Work Executive in respect of raw materials, chemicals, components or the like used in the manufacture, assembly or within the Goods themselves, and the experience of the Seller and his customers in the handling, sale and use of the Goods. This duty shall include inter alia the Seller reporting what actions

he has taken and advising the Buyer on any and all actions it needs to take to comply with such advice.

7.4 Without prejudice to any other terms of the Contract, where the Buyer reasonably decides that a product recall is necessary, the Seller shall co-operate with the Buyer to ensure the effective recall of the relevant Goods without delay. The Seller shall be responsible for the full costs of that recall including without limitation any necessary press or media activity, replacement of products, refunds and any transport or storage costs.

8 PRICE

All prices are firm and unless otherwise agreed in Writing shall include VAT and all costs including packaging, carriage and insurance to the named place of delivery. No change in price shall be made without the written consent of the Buyer.

9 PAYMENT

9.1 Unless otherwise agreed:-

9.1.1 in the case of Goods ordered for delivery from within the United Kingdom payment therefore shall become due 30 days after the end of the month in which the relevant invoice is forwarded; and

9.1.2 in the case of Goods ordered for delivery from outside the United Kingdom payment therefore shall become due 60 days after delivery of the Goods to the Buyer.

9.2 Invoices should be submitted to the Buyer and should be accompanied by a copy of the Order.

9.3 No interest surcharge will be accepted by the Buyer.

10 CANCELLATION

10.1 In the event of a breach or non-observance of any of these Conditions by the Seller or if the Buyer reasonably anticipates such breach the Buyer may give the Seller written notice of such breach specifying the time after receipt of such notice in which to rectify the breach or non-observance. If in the event of such notice the Seller should fail so to rectify then the Buyer shall have the right to give the Seller notice forthwith terminating the Order and to obtain the Goods from another source. The Seller shall indemnify the Buyer from and against any excess cost resulting from the termination of the Order and the arrangement of another source of supply of the Goods.

10.2 The Order and Contract may be terminated at any time by the Buyer giving the Seller notice in writing. A fair and reasonable price shall be paid for all work in progress or completed at the time of termination and subsequently supplied to the Buyer. The Buyer shall not be liable to make any other payment to the Seller (including payments in respect of economic or consequential loss or loss of profit) as a result of such termination.

10.3 Any termination of the Order shall not prejudice any rights which may have accrued to either party.

11 INSOLVENCY

11.1 This clause applies if:

11.1.1 the Seller makes any voluntary arrangement with its creditors or becomes subject to an administration order or (being an individual or firm) becomes bankrupt or (being a company) goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction); or

11.1.2 an incumbrancer takes possession, or a receiver is appointed, of any of the property or assets of the Seller; or

11.1.3 the Seller ceases, or threatens to cease, to carry on business; or

11.1.4 the Buyer reasonably apprehends that any of the events mentioned above is about to occur in relation to the Seller and notifies the Seller accordingly.

11.2 If this clause applies then, without prejudice to any other right or remedy available to the Buyer, the Buyer can cancel the Contract or suspend any outstanding obligation to take delivery of Goods without any liability to the Buyer.

12 BUYER'S PROPERTY

All items such as tools, gauges, fixtures, materials, parts and drawings provided by the buyer to the seller shall be and remain the property of the buyer. The seller shall maintain all such items in good order and condition (fair wear and tear excepted) and insure them against all risks whilst in his custody and on request shall return them to the buyer. The seller shall not use or permit the use of such items other than in connection with this order. The seller shall not be entitled to any lien over such items and shall not allow them to be charged or to become subject to any distraint.

13 INTELLECTUAL PROPERTY

13.1 The Seller warrants that neither the sale nor the use of the Goods will infringe any British or foreign patent, copyright, trade mark, trade name, registered design, or other intellectual property right of any third party. The Seller will indemnify the Buyer from all actions, costs, claims, demands, expenses and liabilities whatsoever resulting from any actual or alleged infringement of any such right or alleged right and at his own expense the Seller shall defend or assist in the defence of any proceedings which shall be brought in that connection.

13.2 All patents, registered designs, trade marks, copyright, and other intellectual property rights in or resulting from any design or development work carried out by the Seller at the request of the Buyer in the execution of any Order shall vest exclusively in the Buyer.

14 CONFIDENTIALITY

14.1 All information designs, specifications and drawings provided by the Buyer to the Seller shall be treated by the Seller as confidential and shall not be disclosed to any third party. The Seller shall not sell or supply directly or indirectly to any third party any item made in accordance with the Buyer's information, designs, specifications or drawings.

14.2 The Contract is confidential and shall not be disclosed in whole or in part by the Seller to any other party without the Buyer's written consent.

15 GIFTS

The seller undertakes not to offer any gift or inducement whether financial or other to any employee or agent of the buyer.

16 SUB-CONTRACTS BY THE SELLER

No work on this Order may be sub-contracted by the Seller (except as is customary in the trade) nor shall the Seller assign any of its obligations herein without first obtaining written approval of the Buyer. All sub-contracts shall be the responsibility of the Seller and shall where applicable be placed subject to the same terms and conditions as those contained in the Order.

17 FORCE MAJEURE

If delivery is delayed by some cause totally outside the control of the seller, then he must give written notice of this within 7 days after the cause of delay arises and the buyer may then (but without prejudice to its other rights) allow such extra time for delivery as is reasonable in the circumstances.

18 GENERAL

18.1 Notices

Any notice given under the provisions of this agreement shall be in writing and shall be deemed to have been sufficiently served if delivered personally or sent by fax or telex or (within the U.K.) by first class post or (outside U.K.) by airmail, and the address of service shall be that shown in this agreement or such other address as the relevant party shall notify from time to time. Any notice served by first class post shall be deemed to have been served 48 hours after the date of despatch, any notice served by airmail shall be deemed to have been served 10 days after the date of despatch and any notice served by telex or fax shall be deemed to have been served at 10 o'clock on the business day of the recipient next following the date of despatch. Notices or other communications sent by the Seller to the Buyer shall be sent to the address given for the Buyer on the face of the Order.

18.2 Waiver

Any concession latitude or waiver allowed by the Buyer to the Seller in respect of any term hereof at any time shall not prevent the Buyer from subsequently enforcing that term and shall not be deemed a waiver of any subsequent breach.

18.3 Severance

In the event that any term condition or provision of the Contract shall be nullified or made void by any governmental law, decree, regulation or order or by the decision or order of any Court having jurisdiction the remaining terms, conditions and provisions of the Contract shall remain in full force and effect.

18.4 Jurisdiction

These conditions shall be governed by construed and shall take effect in accordance with the Laws of England and shall be subject to the sole jurisdiction of the English Courts.