

Standard Terms and Conditions of Purchase

1. General

The following conditions apply to all orders for materials placed by the Company with its suppliers. Each of those suppliers is automatically deemed to accept these conditions upon acceptance of the Company's orders. No variation of or addition to these terms shall be valid unless authorised in writing by the CEO of the Company.

2. Formal placement of orders

The contract does not become binding upon the Company until the Company has issued a formal purchase order and supplier has returned a written confirmation of that order. To be valid a purchase order must contain an order number and be signed by an authorised signatory of the Company. The Company reserves the right to refuse payment for any materials not ordered and confirmed in this way.

3. Price

- (i) The price paid by the Company for any materials shall not exceed the total price set out on the Company's formal purchase order. Where relevant the order shall be deemed to have been placed by the Company within any validity period contained in the supplier's tender.
- (ii) The Company will not pay for any quantity of materials supplied in excess of that specified in its purchase order. Excess materials remain at the supplier's risk and will only be returned to the supplier at his request and expense.

4. Payment

The supplier's invoice should be submitted to the Company by the second day of the month following the month of despatch. Payment will be made on a Nett monthly account basis provided that the Company shall not be obliged to make payment until such time as the materials and relevant certification have actually been delivered in accordance with the provision of clause 5 (i) hereof. Payments will only be made against statements of account submitted to the Company by the tenth day of the month following the month of despatch.

5. Delivery

- (i) The supplier shall be responsible for the delivery of its materials to the place or destination indicated on the purchase order and on the date specified in that order. Time shall be of the essence of the Contract for this purpose. Delivery shall be made free of charge and carriage paid unless otherwise agreed by the Company prior to the date of the Contract. The risk of damage to any materials does not pass to the Company until delivery has been completed in accordance with its instructions and accordingly it is the supplier's responsibility to arrange in-transit insurance for materials. Title to materials passes to the Company upon delivery.
- (ii) The Company reserves the right to cancel any order either wholly or in part if the supplier fails to deliver any materials on the due date or fails to deliver them in accordance with the Company's instructions. The Company also reserves the right to recover any damages costs or losses that it suffers or sustains as a result of the supplier's failure to so deliver.
- (iii) The Company shall not be liable to pay for any packaging, boxing or crating delivered with any materials and in the absence of any prior intimation to the contrary shall not be obliged to return the same.
- (iv) The supplier must send advice notes to the Company bearing the Company's official order number and reference number on the same day that materials are despatched for delivery to the Company. Copies of those advice notes must be enclosed with the materials.

6. Quality and description

- (i) Without prejudice to any of the Company's statutory rights, the supplier warrants that its materials will be fit and sufficient for the purpose for which they are intended to be used and that they will be of merchantable quality and free from defect in both material and workmanship. The supplier also warrants that its materials will accord strictly with the quality required by the Company and with any specifications, drawings, descriptions, samples or other data contained or referred to in the purchase order or otherwise furnished or adopted by the Company.
- (ii) The Company shall be entitled to reject any materials within 3 months of delivery in the event that the supplier is in breach of the Company's statutory rights or of either or both of the above warranties. Expenses incurred in returning defective materials will be for the supplier's account. The supplier shall also indemnify the Company against all claims, proceedings, awards, damages, losses and costs whatsoever sustained by it as a result of the supplier's negligence and/or any such breach or breaches (including but without limiting the generality of the foregoing:-
 - a) Any claims, proceedings awards, damages, losses and costs sustained in connection with the death of or injury to any person; and
 - b) Any extra expense or cost incurred by the Company in ordering materials elsewhere.
- (iii) Without prejudice or forbearance to any of the Company's rights herein set out or to any of its other rights, the Company may at its sole discretion provide the supplier with an opportunity to rectify defects. In that event the supplier is responsible to carry out the required remedial work as expeditiously as possible and to bear all related costs and expenses.

7. Inspection and Testing

The Company reserves the right to inspect and test any materials supplied the production processes of the supplier and any goods and materials used in those processes during any stage of manufacture and to attend at any pre-despatch tests save that any such inspection testing or attendance shall not be construed in any way as an acceptance of materials. The supplier undertakes to allow the Company its servants and agents access to its premises for this purpose and to give the Company reasonable notice of any pre-despatch tests.

If as a result of any inspection or test the Company is of the opinion that any materials are not or will not when completed be of a quality or condition consistent with the warranties contained in clause 6 (i) hereof, the supplier shall upon notice by the Company remedy any defects at its own expense and within the time originally prescribed for the performance of the Contract failing which the Company shall be entitled to determine the Contract forthwith without penalty or liability to it.

8. Free Issue materials

All materials supplied by the Company on a free issue basis shall pending their return to the Company be kept fully insured by the supplier stored safely and kept in such a way that they can be clearly identified as the Company's property. All such materials shall be returned to the Company upon request at the supplier's expenses.

9. Intellectual Property

The supplier guarantees that the materials (in so far as they are not designed by the Company) may be used and sold anywhere in the world without infringing any patent registered design or other intellectual property rights and that it will hold the Company indemnified from and against any damages, compensation, costs and expenses resulting from any such infringement whether paid or incurred in consequence of an Order of Court or by way of voluntary settlement of a claim which the Company is advised not to contest. Should the Company at any time be advised or have good reason to believe that any of the materials infringe any such patent registered design or other intellectual property rights the Company may determine the Contract forthwith without incurring any penalty or liability.

10. Confidentiality

- (i) Any drawings, designs and technical data provided by the Company to the supplier are to be treated as confidential and shall be used only to assist the performance of the Contract and shall not be reproduced in whole or part for any other purpose. Such drawings, designs and technical data are to remain the property of the Company and shall be returnable to it on demand.
- (ii) The supplier shall also treat as confidential all information supplied by the Company and shall use its best endeavours to ensure that such information is not divulged to any third party except where necessary for the performance of the Contract and in such cases subject to any such third parties first undertaking a similar obligation of confidentiality. This obligation does not apply to information which at the time of disclosure is in the public domain or in the supplier's lawful possession without restriction on disclosure.
- (iii) Any patentable inventions registerable designs copyright and other intellectual property rights pertaining to any of the materials which are produced specially for the Company shall be the property of the Company and the Supplier shall whenever called upon by the Company so to do formally assign or take such steps as are necessary to have formally assigned to the Company any such patentable inventions registered designs copyright and other intellectual property rights.
- (iv) The Company shall have the free right to reproduce and use any of the supplier's drawings technical information and other documents which relate to the materials or their manufacture or assembly of them as part of the Company's products or which are useful in compiling spare parts manuals of the Company's products.
- (v) The terms of the Contract and of the Company's order are strictly confidential and shall not (without the Company's prior written consent) in any way either directly or indirectly be used by the supplier for its own benefit or that of any third party.

11. Cancellation and Termination

- (i) The supplier may not cancel the Company's order or otherwise determine the Contract in any circumstances whatsoever once it has issued the written confirmation referred to in clause 2 hereof.
- (ii) In addition to the provisions for termination herebefore contained, if the supplier shall make default in or commit a breach of the Contract or any of its obligations to the Company or if any distress or execution shall be levied upon the supplier's property or assets, or if the supplier shall make or offer to make any arrangement or composition with its creditors or commit any act of bankruptcy, or if any petition or receiving order in bankruptcy shall be presented or made against it, or if the supplier is a limited company and any resolution or petition to wind up such Company's business (other than for the purpose of amalgamation or reconstruction) shall be passed or presented, or if a receiver of such company's undertaking, property or assets or any part thereof shall be appointed, the Company shall have the right forthwith to determine the Contract and upon written notice such determination being given to the supplier the Contract shall be deemed to have been determined.

12. Assignment

The supplier shall not without the Company's prior written consent which the Company may give or withhold in its absolute discretion directly or indirectly assign the benefit or burden of the Contract or assign, transfer or sub-contract the Company's order or any part thereof.

13. Force Majeure

In the event of the normal course of the Company's business being prevented, interrupted, hindered, delayed or rendered impossible by any cause whatsoever beyond its control, the Company shall promptly give notice thereof to the Supplier and shall have the right to require the Supplier to suspend the manufacture and delivery of the materials and to defer the payment of the price for as long as such force majeure shall continue.

14. Proper Law

The construction, validity and performance of the Contract shall be governed by English Law and all disputes or questions which may arise out of or in connection with or in relation to the Contract shall be decided by the English Courts.

15. Where applicable services/materials supplied to Purchase Order shall be in accordance with the quality system international to be applied to the product, i.e. BS EN ISO 9001 latest edition.