

GENERAL TERMS AND CONDITIONS OF PURCHASE (Feb 04)

1. Applicability

- (i) These General Conditions apply to all orders by the Purchaser for goods or services from the Seller. Where differences exist between any terms or conditions shown on the face of this order and these General Conditions (collectively referred to as the "Contract"), then for this order only, the terms and conditions on the face will supersede the relevant clause or clauses in these General Conditions.
- (ii) Any quotation by the Seller is incorporated in and made part of this Contract only to the extent of specifying the nature and description of the goods and/or services ordered and then only to the extent that such items are consistent with the other terms of this Contract.
- (iii) No other terms or conditions shall form part of this Contract except with the consent of the Purchaser. Such consent for the purposes of this Contract shall mean the consent of the Purchaser's purchasing department. This order constitutes an offer to purchase the goods or acquire the services subject to the terms of this Contract.

2. Sub-contracting and Assignment

- (i) Except in respect of goods and services bought or procured in the normal course of the Seller's business no work under the Contract shall be sub-contracted without the Purchaser's written consent. A copy of the Seller's sub-contract shall be supplied if requested.
- (ii) The Seller shall not assign any of its rights or obligations under the Contract without the Purchaser's written consent.

3. Inspection

- (i) The Purchaser and the persons authorised by the Purchaser, may, before delivery, inspect, test or identify (and reject if necessary) the goods and any drawings and specifications. Such inspection, test or identifications shall not constitute acceptance by the Purchaser of the materials and goods in question.
- (ii) The Purchaser is under no obligation to test or inspect the goods before or after delivery.

4. Delivery

- (i) The property and risk in the goods shall pass to the Purchaser on delivery to "Delivery Address" as specified overleaf. If payment for the goods is

made before the goods are delivered property but not risk shall pass when payment has been received.

- (ii) The time for delivery of goods and performance of services if stated in the Contract is of the essence.
- (iii) If goods are delivered or services performed in instalments the Contract will be treated as a single Contract and not severable.
- (iv) All goods should have gross weight and centre of gravity identified unless goods are symmetrical.
- (v) The Purchaser shall be entitled to reject goods or services not performed in accordance with this Contract.

5. Prices and Payment

- (i) Unless otherwise indicated the price overleaf includes packing and carriage to the Delivery Address including any duties, taxes or levies other than VAT (which shall be payable by the Purchaser on receipt of a VAT invoice).
- (ii) Payment of invoices (which must show Purchaser's Purchase Order and Item Number) will be made not later than the last day of the month following that in which the Contract is performed or the invoice is submitted, whichever is later. The Purchaser shall be entitled to set off any sums owed by the Seller to the Purchaser.
- (iii) No increase in price may be made (whether on account of increase material, labour or transport costs, fluctuation in exchange rates or otherwise) without the written consent of the Purchaser.

6. Warranty

- (i) The Seller warrants that the goods are new and free from defects in design material or workmanship, are of satisfactory quality, are fit for their general purpose intended and fit for any particular purpose made known to the Seller.
- (ii) If within 12 months from the date the goods are put to use (but not exceeding 18 months from the date of delivery), the Purchaser notifies the Seller of a defect (being a fault in workmanship, material or design, or a discrepancy from the Contract description or specification) the Seller will repair or replace the defective goods at the Seller's expense (including packing and carriage). The repaired or replacement goods shall be subject to a like warranty.

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(iii) If within 7 days of such notification the Seller does not undertake to affect such repair or replacement and complete the same within a reasonable time the Purchaser may do so and the costs and expenses incurred will be recoverable from the Seller.

(iv) The Seller warrants that all services shall be provided in a professional and diligent manner and to all industry standards or guidelines in force at the time.

(v) The Seller will be liable for and indemnifies the Purchaser and will keep the Purchaser indemnified against any breach of this Contract or any negligence by the Seller, its employees, agents or sub-contractors resulting in any loss, damage, cost or expense incurred by the Purchaser.

7. Insurance

(i) The Seller shall effect and maintain insurance with a substantial and reputable insurance company to cover its liabilities under this Contract or under statute for at least £2million in respect of any one occurrence, the number of occurrences being unlimited.

(ii) The Seller will on request produce evidence of any relevant policies held by the Seller to meet this obligation and in the case of default by the seller the Purchaser shall be entitled to effect the said insurance for which the Seller will pay and indemnify the Purchaser.

8. Changes and Cancellation

(i) The Purchaser may change any part or all of the specification, design, materials of manufacture or delivery date or may terminate this purchase order in its entirety by giving the Seller written notice to that effect.

(ii) No such changes may be made by the Seller without the Purchaser's prior written consent.

(iii) In such cases of change or termination the Purchaser and the Seller will enter into bona fide negotiations with the objective of reaching an agreement on a revised price. Where termination is involved, the Purchaser reserves the right to decide on the disposition of outstanding suborders of the Seller issued in direct connection with this order, part completed goods, raw materials etc.

(iv) Nothing in these General Conditions of Purchase shall limit or exclude the Purchaser's right to cancel the Contract or any part thereof if the

Seller fails to observe or perform any of its essential terms and in such event the Purchaser may procure the materials, goods or services from another source and the Seller will pay excess costs the Purchaser may incur thereby.

9. Third Parties

No rights for Third Parties are intended to be created by this Contract except where any goods or services are supplied to one of the Purchaser's associated companies in which event they are entitled, jointly and severally, to the benefit arising under this Contract.

10. Patents

The Seller warrants the goods and any wrappers or containers supplied comply with all appropriate statutory requirements and regulations applicable to their manufacture sale or other use and do not in any respect infringe intellectual property rights of third parties and that the goods are free from any lien, bill of sale or credit agreement and that the Seller has the right to sell the same.

11. Insolvency

The Purchaser shall be entitled to terminate the Contract without liability to the Seller at any time if:

- (i) The Seller makes an arrangement with its creditors, becomes bankrupt, subject to an administration order or goes into liquidation, or
- (ii) An encumbrancer takes possession or receiver is appointed, or the Seller ceases or threatens to cease trading, or
- (iii) The Purchaser reasonably apprehends any of these matters may occur.

12. Law

This Contract shall be construed in accordance with the laws of England and Wales and the parties agree to the exclusive jurisdiction of the English Courts.