

DARCHEM ENGINEERING LTD. -TERMS & CONDITIONS OF PURCHASE

1 General

This Order is to be construed and have effect in accordance with English Law and shall be subject to the exclusive jurisdiction of the English Courts to which the parties submit. Unless expressly accepted by us in writing, no modification or addition to these conditions by you or which you apply or purport to apply will form part of the Order. By taking action on this Order you are deemed to and do accept these conditions.

2 Authorisation

We accept no liability for any Goods delivered or services provided unless the Order has been placed or amended on our behalf by a duly authorised officer of our Buying Department.

3 Delivery

Time of delivery is of the essence of this Order. Delivery will be at your expense to the address and within the stated time specified in the Order or any other location or time specified to you prior to delivery of the Goods. Without prejudice to any other rights we may have we reserve our right to cancel this Order in whole or in part if delivery is not made within the time stated or (at our discretion) to buy the same or similar Goods from another seller and recover from you the element of the cost of buying the Goods from another seller which exceeds the price paid for the Goods subject to this Order. Any acknowledgement made on our behalf that Goods have been delivered shall not constitute an acceptance that the Goods comply with the terms of this Order.

4 Despatch

A separate Advice of Despatch must be posted to us on or before the day on which any of the Goods are despatched.

5 Invoice

Detailed invoices must be sent direct to Ironmasters Way, Stillington, Stockton-on-Tees TS21 1LB (or to such other address notified by us) within 1 week of despatch of the Goods.

6 Packages

No charge is to be made for packaging and none will be allowed for packages or cases. We will make all reasonable endeavours to ensure the return of packages at your expense if requested. You will comply with such handling, packaging and labelling instructions as we may specify from time to time.

7 Price

The price as stated on this Order is fixed, unless otherwise stated or agreed by us.

8 Payment

Payment will be made within 60 days of receipt of the invoice by us.

9 Guarantee

You warrant, undertake and guarantee that the Goods will be free from defects in material, design or workmanship, that the Goods will conform in every respect with the specifications, drawings, samples, descriptions and requirements as regards tests and inspection provided by us, be suitable for the purposes intended by us and with the conditions and warranties expressly or implicitly imposed by statute, common law or otherwise.

10 Inspection and Testing

Unless otherwise agreed by us you will supply, free of charge, certified copies of records of tests and inspections, and will grant to our nominated representatives a right of access at all reasonable times to check progress, carry out or witness tests or inspection procedures.

11 Performance

Any performance characteristics specified by you in any tender or literature prepared by you or in the Contract shall be of the essence and relied upon by us. You will inform us immediately of any modification affecting performance or specified characteristics. We shall not be bound to accept any modification unless we have agreed to do so in writing.

12 Defects

Without prejudice to any other rights we might have, if the Goods are defective on delivery or inspection, or prove defective after they have been put into service in normal usage, you will remedy the defect by repair or replacement free of charge. These conditions will apply to any Goods repaired or replaced.

13 Rejection

If the Goods do not comply with the Order or the conditions herein are not complied with or broken by you or in our opinion it is clear that you will be unable to perform fully your part of the Order, we may reject the Goods or cancel this Order or any part thereof at our option by giving written notice. Any rejected Goods will be returned at your risk or expense, whether the title has passed or not. You will repay to us any money paid in respect of rejected or undelivered Goods. We reserve the right to recover from you such expense as we may incur occasioned by your default.

14 Variations

You will execute and comply with such variations within the scope of this Order as shall be ordered by us and shall be paid such prices and extra costs as may be reasonable and agreed by us.

15 Passing of Property

You warrant that you have full clear and unencumbered title to all the Goods.

Title and property in the Goods shall pass upon delivery and in the case of delivery by instalments upon delivery of each instalment. Risk in the Goods shall pass upon delivery and when the Goods have been found by us to be in accordance with this Order. Where the Goods are ready for delivery but retained by you pending delivery instructions, title shall pass upon payment but risk in the Goods shall only pass upon delivery.

16 Force Majeure

We shall not be liable to you for failure to accept delivery and when the Goods have been found by us to be in accordance with this Order resulting from any breakdown of plant or fire, explosion, accident, strike or any other event of any kind beyond our control. If you are prevented from effecting delivery by such cause we may cancel the Order and recover from you any sums expended in connection herewith.

17 Confidentiality

This Order and its subject matter is to be treated as confidential and you shall not publicise, refer to or divulge to any third party without our consent any details hereof, nor any matter related hereto.

18 Insurance

You will maintain at your expense a policy of insurance to cover to their full value any Goods, drawings or articles of any kind submitted by us to you in connection with this Order against damage by theft, fire or other natural hazard or wilful injury.

19 Indemnity

Without prejudice to any rights we have under these conditions or otherwise, you shall be liable for all direct, indirect and consequential loss arising from any breach of the provisions of this Order. You will indemnify us and keep us indemnified against any claims, costs, expenses, loss or damage caused to any persons arising directly or indirectly out of defect in the Goods, the subject of this Order, or from your (or your agents) wilful default or error or omission.

20 Patents

You will pay all royalties on patents, and will be solely responsible to the patentees in case of any infringement of patent rights or goods or processes employed in connection with the Goods, the subject of this Order.

21 Bankruptcy

If you shall become bankrupt or insolvent or have a receiving order or administration order made against you or shall make any composition or arrangement with creditors or if a resolution

shall be passed or an order of the Court be made that you would be wound-up (save for the purpose of reconstruction or amalgamation) or a receiver or manager be appointed we shall be entitled without prejudice to any other right or action which we may have, to cancel this Order.

22 Sub-contract Control

No part of this Order may be further sub-contracted without prior permission from our Quality Department who reserve the right to carry out inspection at any stage of manufacture, on your premises or those of your sub-contractors.

23 Waiver

No act or omission or admission made by us shall constitute a waiver of or release you from any liability under these conditions.

24 Free Issue Materials

It is essential that material sent to you free issue for further workmanship, is readily identifiable on return to this company. To this end you must ensure that marks of identification are correctly carried forward at all stages of your production.

25 Right of Access

As the supplier you will grant to us, our customer, their customer or any nominated regulatory body a right of access to your premises at all reasonable times to check progress, carry out or witness tests or inspection procedures.

26 Process Changes

You will inform us immediately of any anomalies, changes in definition and any changes to the approval of your processing that may affect the product or service provided.

27 Organisational Changes

You must inform us of any changes within your organisation that may affect the products or services you provide.

28 Quality Assurance Requirements

Unless otherwise instructed you will Manufacture / Inspect and / or Release / Supply with the Quality requirements stated on this Order. Any queries regarding Quality and Release requirements shall be directed to the Central Quality function within our Technical Services Department.

29 Anti-Bribery Compliance You warrant and undertake that neither you nor any of your officers or employees has done, or permitted to be done, or will do or will permit to be done, anything which:

- (a) is in breach, or is likely to have been in breach, of The Bribery Act 2010 (or any re-enactment or modification of such Act) or any and all anti-corruption and/or anti-bribery laws and regulations now or from time in force in any jurisdiction which may be applicable to the respective parties to, or the terms or implementation of, this contract or any agreement to be entered into pursuant to this contract; or
- (b) will result, or is likely to result, in us being in breach of any law or regulation referred to in clause 29 (a) above.