

GENERAL TERMS OF PURCHASE

1. Definition

"CONTRACT" shall mean this ORDER when accepted by SUPPLIER. The terms set out below will be incorporated into the contract. No terms and conditions provided by the supplier to the purchaser shall form part of this contract and such terms provided by the supplier shall stand automatically rejected by the purchaser.

"ORDER" shall mean this purchase order and includes any mutually agreed amendments hereto.

"PURCHASER" shall mean Mettix Electric Company Limited.

"SUPPLIER" shall mean the person (including Company, partnership, etc.) on whom this order is placed.

"GOODS" shall mean the supplies to be delivered under this ORDER or CONTRACT and shall be deemed to include any Service/s.

"These conditions shall apply to the CONTRACT 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 SUPPLIER and the PURCHASER and shall not be varied except with the written agreement of the SUPPLIER and the PURCHASER".

2. Price

i) No alteration to prices may be made without the consent of the PURCHASER in writing where prices have been agreed. Where prices are still to be agreed at the time the order is placed, quotations must be submitted by the SUPPLIER and confirming amendments be issued by the PURCHASER before invoices are rendered.

ii) If during the period of the CONTRACT the SUPPLIER quotes or charges lower prices to customers purchasing comparable quantities of similar goods, then we the PURCHASER may claim the same treatment.

iii) The PURCHASER reserves the right to cancel the ORDER unless it is accepted by the SUPPLIER within a period of 21 days from the time the ORDER is placed.

3. Packing and Delivery

i) All GOODS shall be delivered suitably packaged to the destination on the face of the ORDER.

ii) The PURCHASER is under no obligation to return any packaging materials used for the supply of this ORDER, should the SUPPLIER wish the PURCHASER to do so, then it will be at the SUPPLIER'S own risk and expense.

iii) The property in the GOODS we purchase will pass to the PURCHASER upon delivery.

iv) It is a condition of this CONTRACT that each delivery to the destination specified shall be strictly in accordance with the CONTRACT delivery requirements. If SUPPLIER fails to meet such delivery requirements or expects to so fail, SUPPLIER shall promptly notify the PURCHASER in writing. Time of delivery is of the essence of the CONTRACT.

v) In the event of strike, lockout, fire, explosion, flood, accident or other occurrence beyond the PURCHASER'S control which may prevent or hinder delivery, acceptance or use of the GOODS, PURCHASER may suspend delivery of the GOODS and payment thereof until PURCHASER notifies SUPPLIER that PURCHASER is in a position to accept the GOODS.

4. Advice Notes etc.

i) Where the point of delivery is other than PURCHASER'S factory a complete copy of all despatch documents shall be sent to the PURCHASER on the day of despatch. If U.K. import duty is chargeable on any GOODS, the SUPPLIER shall notify the PURCHASER in sufficient time for Customs arrangements to be made such that import of items required for re-export may be made duty free.

ii) Packing lists, Release Notes and Certificates of Conformity shall accompany delivery of the GOODS where appropriate, and except for packing lists, separate documents must be included for each ORDER number with each consignment of GOODS, stating clearly the description, quantity, weights, serial, part, drawing, specification and ORDER numbers; together with the issue numbers applicable to the manufacturing standard of the GOODS, (the specification referred to being the technical requirements as stated in the ORDER. If no specification is referenced, the British Standard specification(s) appropriate to the GOODS and SUPPLIER'S proprietary specification shall apply).

5. Invoices and Statements of Account

Unless otherwise agreed, goods delivered and invoiced up to and including the last day of the calendar month will be paid for on the sixtieth day of the following calendar month. Invoices and monthly Statements of Account quoting the Invoice numbers for each delivery are to be sent to the PURCHASER to be received on or before the 7th of the month following despatch. Invoices not received by the 7th of the following month will be entered into the month of receipt of invoice and paid according to our terms. Invoices must state clearly the ORDER number, part, drawing and advice note number, description, quantities, weights, and VAT. SUPPLIERS VAT registration number must be shown on the invoice. A separate invoice must be supplied for each individual advice note received.

6. Changes

i) The PURCHASER may from time to time, by written notice, make changes within the general scope of this CONTRACT, including, but not limited to:- drawings, designs, specifications, degree of completion of part machined GOODS, data and delivery requirements, the amount of property supplied by the PURCHASER or the Government.

ii) Except as is otherwise provided herein, where such changes increase or decrease the cost or time required for the performance of the CONTRACT, a fair adjustment shall be negotiated, and in the event that no agreement is reached between the parties on what is a fair adjustment then (and then provisions for the appointment of an expert to break the deadlock). No claim by the SUPPLIER for such adjustment shall be valid unless submitted to the PURCHASER within 30 (thirty) days from date of receipt of such notice. Substantiating evidence will be required before any payment will be made against such claim. The PURCHASER shall have the right to prescribe the manner of disposal of excess or obsolete property where the cost is included in such claim.

7. Approval

The SUPPLIER shall provide and maintain Quality Control and Inspection systems acceptable to the SUPPLIER.

8. Health & Safety

i) The SUPPLIER shall observe all the conditions of Section 6 Part 1 of the Health & Safety at Work Act 1974. Clear indication and instructions shall appear on all packages containing GOODS that require special handling or protection before delivery is accepted by the PURCHASER. If the PURCHASER so requests the SUPPLIER shall submit to the PURCHASER the SUPPLIER'S Safety Certificate stating that the SUPPLIER has complied with the requirements of Section 6 Part 1 of the Act with regard to the GOODS supplied with this ORDER and that the SUPPLIER has ensured as far as is reasonably practical, that the GOODS are safe and without risk to health when properly used and that the SUPPLIER has provided the PURCHASER with adequate instructions regarding the use for which the GOODS have been designed and tested and regarding conditions necessary to ensure that when so used the requirements of the Act will be satisfied.

ii) Any SUPPLIER personnel, whilst on Mettix's premises shall comply with the instructions detailed in Mettix's "Safety and Security of Visitors and Contractors". The SUPPLIER shall be responsible for ensuring they have the latest issue of this document which shall be freely available at the Mettix reception at all times.

9. Inspection

i) It is a condition of this CONTRACT that all GOODS may be inspected by the PURCHASER during manufacture.

ii) The SUPPLIER shall render every assistance to the PURCHASER'S authorised representative/s visiting the SUPPLIER'S works for the purpose of inspecting the GOODS during manufacture. Such inspection shall not constitute acceptance or approval of the GOODS.

10. Guarantee

i) The SUPPLIER warrants that the GOODS supplied are not defective in materials, workmanship and (to the extent that such GOODS are not manufactured to detailed designs furnished by the PURCHASER) design, are of merchantable quality, suitable for the purpose for which they were intended, conform with all CONTRACT requirements including any applicable descriptions, samples, specifications or drawings and are free from any charge or encumbrance not known or disclosed to the PURCHASER before the CONTRACT was made.

ii) The PURCHASER reserves the right to reject and/or return at the SUPPLIER'S own risk and expense, the whole or any part of any delivery in which goods or any part of them are found to be defective or otherwise not in conformity with the CONTRACT requirements. Additionally, the PURCHASER may terminate this CONTRACT for default in accordance with Clause 14 hereof, and/or replace or otherwise correct such GOODS and charge to the SUPPLIER the cost thereof. Upon receipt of a rejection notice the SUPPLIER shall issue a Credit Note to the PURCHASER for the price of the rejected GOODS.

11. Free Issue Material, Articles on Loan, Confidentiality

i) Where GOODS are manufactured from material supplied by the PURCHASER unless agreed otherwise, replacements for any spoiled material shall be ordered from the PURCHASER at the SUPPLIER'S liability and expense.

ii) Any articles or documentation loaned to the SUPPLIER by the PURCHASER in connection with the CONTRACT will remain at all times the property of the PURCHASER and be surrendered to the PURCHASER upon demand in good serviceable condition, and are to be used solely in connection with the CONTRACT. Such loaned articles shall be at the risk of the SUPPLIER and insured by the SUPPLIER at SUPPLIER'S expense against loss or damage. Where the CONTRACT price includes the cost of making or purchasing tooling and/or inspection equipment, these articles become the property of the PURCHASER on completion of the CONTRACT or earlier termination and shall be held in safe custody properly identified and maintained until disposal instructions are issued by the PURCHASER. Such articles shall only be used by the SUPPLIER in connection with CONTRACTS from the PURCHASER. The SUPPLIER shall provide copies of drawings of such articles to SUPPLIER on request and at no extra charge.

iii) The SUPPLIER shall maintain in strict confidence all information acquired from the PURCHASER in connection with the CONTRACT and undertakes not to disclose the same to any third party except as is solely necessary for fulfilling the CONTRACT.

iv) The SUPPLIER shall insert the substance of these terms in its purchase orders with the intent that the rights and benefits of the PURCHASER hereunder shall not be adversely affected.

12. Indemnities

i) The SUPPLIER indemnifies the PURCHASER against any infringements or alleged infringements of Letters Patent, Registered Design, Trade Mark or Copyright arising out of the CONTRACT and against all costs and damages which the PURCHASER may incur for such infringement or for which the PURCHASER may become liable. This term shall not apply to CONTRACTS where GOODS are required to be made to designs originated or furnished by the PURCHASER or by a process or method directed by the PURCHASER.

ii) Any loss, damage, injury or death resulting from the performance of the CONTRACT shall be the SUPPLIER'S responsibility and the SUPPLIER accepts the same and indemnifies the PURCHASER from all claims, suits, liabilities and expenses arising therefrom, except to the extent that there is contributory negligence on the part of the PURCHASER.

iii) The SUPPLIER indemnifies the PURCHASER against the consequences of the SUPPLIER'S failure to exercise a reasonable duty of care in the design, construction, manufacture, testing, examination, supply, packaging, labelling and delivery of the GOODS.

13. Termination

The PURCHASER may by written notice of termination to the SUPPLIER, terminate the CONTRACT in whole or from time to time in part. After receipt of such notice, and except as otherwise directed by the PURCHASER, the SUPPLIER shall stop work under the CONTRACT on the date and to the extent specified. The SUPPLIER shall submit its termination claim in the form and with any certification requested by the PURCHASER not later than thirty days after the date of termination, after which time unless specified otherwise in the notice, any claim received under this Clause will not be considered nor paid.

14. Default

i) The PURCHASER may by a written notice of default to the SUPPLIER, terminate the CONTRACT without any liability on the part of the PURCHASER if the SUPPLIER fails to perform any of the other requirements of the CONTRACT or through any act or failure to act endangers the performance of the CONTRACT in accordance with its terms, and in any case does not remedy such failure within twenty eight days after receipt of warning notice from the PURCHASER specifying such failure. Such termination shall not prejudice any other rights available to the PURCHASER under CONTRACT or at Law, including the right to recover damages.

ii) Should the SUPPLIER default in its obligation with regard to the performance of this CONTRACT, the PURCHASER without prejudice to any other rights and remedies available, shall have the right to use alternative sources for the completion of the SUPPLIER'S obligations hereunder. In the event that the PURCHASER elects to use alternative sources in accordance with this Clause the SUPPLIER shall promptly provide the PURCHASER with all information which may reasonably be required to facilitate such change of SUPPLIER as well as delivering to the PURCHASER immediately upon request any material, dies, tool, drawings etc. the property of the PURCHASER whether produced under the ORDER or "free issued". Furthermore, the SUPPLIER shall be liable to pay to the PURCHASER any amount by which the aggregate of the cost of purchasing and/or manufacturing the GOODS in this way exceeds the amount which would have been payable to the SUPPLIER in respect of all the GOODS so replaced if they had been delivered in accordance with the CONTRACT.

15. Liquidation or Bankruptcy

Should the SUPPLIER (being an individual) commit any act of bankruptcy or a receiving order be made against him, or if the SUPPLIER (being a COMPANY) shall enter into an arrangement or composition with its creditors or go into liquidation whether voluntary or otherwise (except for the purposes of amalgamation or reconstruction not detrimental to the PURCHASER), or in any event should the PURCHASER be satisfied that the SUPPLIER is insolvent, then the PURCHASER may forthwith terminate the CONTRACT and the PURCHASER shall have no liability to the SUPPLIER other than payment for completed GOODS delivered to and accepted by the PURCHASER prior to the date of termination.

16. Waiver

The failure of the PURCHASER to enforce at any time any of the terms of the CONTRACT shall in no way be construed to be a waiver of such terms, nor in any way to affect the validity of the terms or any part thereof, or the rights of the PURCHASER hereafter to enforce each any every such term.

17. Applicable Law

The legal construction, validity and performance of the CONTRACT shall be governed by the law of England and any disputes between the parties hereto shall be litigated in the English civil courts to the jurisdiction of which the contracting parties submit.