

DANIAMANT LIMITED

Standard Terms and Conditions of Purchase

1. INTERPRETATION AND FORMATION OF CONTRACT

- 1.1. The Buyer means Daniament Limited and the Seller means the person, legal entity or company to whom all orders shall be addressed and includes the Seller's successors, heirs, executors or administrators. The Order means the written instruction placed by the Buyer for the supply of goods or services, the Contract means the Order and the Seller's acceptance of the Order and the Goods means any goods or services agreed in the Contract to be bought by the Buyer from the Seller.
- 1.2. Neither the Buyer nor the Seller shall be bound by any terms expressed or implied whatsoever other than those contained in this document except those that are agreed by both parties in writing and signed on their behalf. These conditions shall have precedence over any conditions appearing on any acceptance form, delivery form or other document or letter from the Seller and such conditions shall have no effect whatsoever except in so far as they confirm the terms and conditions of the Order and the Seller waives any right to which it otherwise might have to rely on such terms and conditions.
- 1.3. All requests for supply of Goods must be on the official order form of the Buyer and no Goods will be accepted or paid for unless ordered on the Buyer's official order form.
- 1.4. The official order number must be quoted on all relevant advice and release notes, invoices or other correspondence.

2. ACCEPTANCE OF ORDER

- 2.1. The Order and all its conditions must be accepted in writing within seven days showing the price of the goods to be delivered or the services to be provided and the expected date of delivery where these have not been previously specified, failing which the Buyer reserves the right to cancel the Order forthwith and terminate the Contract without any liability whatsoever.
- 2.2. The Buyer also reserves the right to cancel the Order in part or in whole should there be any subsequent variations in the acceptance of the Order regarding date of delivery, quantity or quality or any other material variation in the type of goods to be supplied or services to be rendered.

3. SPECIFICATIONS AND MARKINGS

- 3.1. The Goods ordered must be supplied exactly in accordance with the Order and any specification, drawing, process instruction or procedure defined therein, subject to Buyer's approval and if rejected shall lie at Seller's risk and expense. Any Goods rejected shall not be considered as having been delivered under the Contract. No variation from the requirements shall be permitted without the Buyer's approval.
- 3.2. Goods shall be marked in accordance with the Buyer's Order. No unauthorised markings shall appear on any part of the Goods.

4. PRICE AND PAYMENT

- 4.1. Prices chargeable for Goods under the Order shall not exceed prices charged by the Seller for the same or similar goods to any other Buyer. Price revision for further quantities of the Goods shall be in accordance with a formula agreed between the Buyer and the Seller.
- 4.2. Invoices shall be posted quoting Buyer's Order number, consignment quantity and release note number immediately after despatch of Goods. Payment will be made against Seller's monthly account statement at the end of the month following receipt of Goods but time for payment shall not be of the essence.
- 4.3. The price of the Goods shall be stated in the Order and unless otherwise agreed in writing by the Buyer shall be exclusive of value added tax but inclusive of all other charges.
- 4.4. No variation in the price nor extra charges shall be accepted by the Buyer.
- 4.5. Without prejudice to any other right or remedy, the Seller reserves the right to set off any amount owing at any time from the Seller to the Buyer against any amount payable by the Buyer to the Seller under the Contract.
- 4.6. The Seller is not entitled to suspend deliveries of the Goods as a result of any sums being outstanding.

5. PERFORMANCE

- 5.1. Time shall be of the essence of the Contract, except as expressly stated. The Goods shall be delivered at the time specified in the Order.
- 5.2. Seller shall receive an extension of time for delays in performance due to causes beyond Seller's negligence provided that Seller promptly notifies the Buyer of any delay or anticipated delay as soon as it becomes known and resumes performance using its best endeavours to minimise such delay. However, if the delay exceeds twenty-eight days the Buyer shall be entitled to cancel the uncompleted part of the Contract without liability.
- 5.3. If the Goods or any part thereof are not delivered within the time or times specified in the Order or any deferment or extension of such time or times, Buyer shall be entitled to recover from the Seller as liquidated damages and not by way of penalty at the rate of 1% per week, that part of the Contract price which is properly apportionable to the undelivered Goods and to any other Goods already delivered under the Contract but which cannot be used by reason of the non-delivery of the said undelivered Goods for each week during which the Contract remains uncompleted. Nothing under this clause shall exclude the Buyer from pursuing remedies available under law or equity for loss or damage suffered by the Buyer due to late delivery.
- 5.4. Buyer shall be entitled to deduct such damages from any monies otherwise due to be paid to the Seller. The deduction of such damages shall not relieve the Seller from any of its other obligations or liabilities under the Contract and to the Buyer where such special conditions were notified to the Seller at the time of Order placement.

6. DELIVERY

- 6.1. All Goods must be properly packed and clearly labelled in accordance with the Buyer's delivery instructions and be delivered carriage paid unless otherwise agreed, at Seller's risk to the address shown on the Order. In the absence of any special arrangements, Goods must be delivered within the normal business hours of the Buyer.
- 6.2. The Buyer reserves the right to deduct from the invoice price the cost of carriage where that cost is included within the Contract price.
- 6.3. Advice notes shall be forwarded by post immediately on despatch of Goods from Seller's works, quoting Order number, quantity and description of packages, gross weights, carrier, route and quantity and description of goods. Advice notes must be supplementary to any delivery or packing notes which may accompany the consignment.
- 6.4. Buyer accepts no liability for acceptance of and payments for excess deliveries unless specifically agreed by variation of the Order.
- 6.5. The Seller shall offload the Goods at its own risk as directed by the Buyer.
- 6.6. The date for delivery shall be specified in the Order, or if no such date is specified then delivery shall take place within 28 days of the Order.
- 6.7. If the Goods are not delivered on the due date then, without prejudice to any other rights which it may have, the Buyer reserves the right to:
 - 6.7.1. cancel the Contract in whole or in part;
 - 6.7.2. refuse to accept any subsequent delivery of the Goods which the Seller attempts to make;
 - 6.7.3. recover from the Seller any expenditure reasonably incurred by the Buyer in obtaining the Goods in substitution from another supplier; and
 - 6.7.4. claim damages for any additional costs, loss or expenses incurred by the Buyer which are in any way attributable to the Seller's failure to deliver the Goods on the due date.
- 6.8. Where the Buyer agrees in writing to accept delivery by instalments the Contract shall be construed as a single contract in respect of each instalment. Nevertheless failure by the Seller to deliver any one instalment shall entitle the Buyer at its option to treat the whole of the Contract as repudiated.
- 6.9. The Buyer shall not be deemed to have accepted the Goods until it has had [7] days to inspect them following delivery. The Buyer shall also have the right to reject the Goods as though they had not been accepted for [30] days after any latent defect in the Goods has become apparent.

7. TITLE AND RISK

- 7.1. Title to and risk of loss of and damage to the Goods shall pass to Buyer when the Goods have been delivered and off-loaded at the destination specified in the Order.
- 7.2. In the event of any Goods being lost or damaged in transit the Seller shall repair or replace such Goods at his expense and delivery shall not be deemed to have taken place until the repaired or replacement Goods have been delivered.

8. PACKAGING

- 8.1. Unless specified in the Order, Buyer shall not be liable to pay for any packaging or containers in which the Goods are delivered but will return them to Seller if requested at the time of despatch of Goods at the Seller's risk and expense.

9. INSPECTION

- 9.1. Where the Goods are being made to the Buyer's design, drawings or specifications, or work or tests are being carried out to the Buyer's requirements then, where reasonable notice has been given, any accredited representatives of the Buyer shall be admitted to the Seller's premises to inspect any materials, processes, parts in manufacture, completed items or test procedures. The Seller shall when requested as soon as practicable, modify any process etc. at the request of the Buyer where they are not to the Buyer's requirements.
- 9.2. If the results of such inspection or testing cause the Buyer to be of the opinion that the Goods do not conform or are unlikely to conform with the Order or to any specifications and/or patterns supplied or advised by the Buyer to the Seller, the Buyer shall inform the Seller and the Seller shall immediately take such action as is necessary to ensure conformity and in addition the Buyer shall have the right to require and witness further testing and inspection.
- 9.3. Notwithstanding the results of any inspection carried out at Seller's premises, all goods shall be subject to the full inspection requirements identified in the Order. All Goods will be inspected on receipt by the Buyer and only the quantity received and accepted will be paid for.

10. REJECTION

- 10.1. The Buyer may by notice in writing, cancel the Contract or reject the whole or any part of the Contract without liability and return the Goods to the Seller at Seller's risk and expense in the following circumstances:
 - 10.1.1. where the Goods to be supplied are not received by the Buyer by the specified delivery date,
 - 10.1.2. the Goods supplied do not comply with the description, specification and drawings relating thereto,
 - 10.1.3. the Goods or services are not of a standard specified in the Order or do not conform to generally accepted standards, or
 - 10.1.4. if the Goods are found after delivery to be damaged.
- 10.2. The Buyer will specify the reasons for the rejection and where Goods are returned after rejection the Seller shall rectify or replace such Goods within a reasonable time. If this means that the delivery date will be extended beyond the original delivery date required, then the Buyer reserves the right to cancel the Contract or the balance of the Contract without liability, notwithstanding any other remedies available under the Contract.

11. QUALITY AND DESCRIPTION

- 11.1. Seller warrants to Buyer that Goods supplied under the Contract shall perform without defect for a period of one year from first operational use when used as intended and shall:
 - 11.1.1. conform with the specifications, drawings and other descriptions supplied or adopted by the Buyer;
 - 11.1.2. be free from defects (including latent defects) in design and materials and of good workmanship;
 - 11.1.3. be of new manufacture and of suitable quality fit for the purpose for which they are intended.
- 11.2. Seller at its expense, including without limitation costs of removal, packing, transportation and re-installation, shall promptly repair or replace any Goods or services furnished to the Buyer which become defective within the warranty period or which otherwise fail to conform to the requirements of the Contract.
- 11.3. Seller will at any time be liable for the cost of repairs made by the Buyer to correct any failure to meet this warranty when Seller has been given notice of such failure and thereafter has failed to take prompt and effective action.
- 11.4. Seller shall be liable for damages resulting from failure of the foregoing warranty. The above warranties are in addition to all other warranties, or remedies express or implied, at law or equity.
- 11.5. The Buyer's rights under these Conditions are in addition to the statutory conditions implied in favour of the Buyer by the Sale of Goods Act 1979 and the Supply of Goods and Services Act 1982.

12. QUALITY ASSURANCE AND SURVEILLANCE

- 12.1. The Order may be subject to the Government Quality Assurance Procedures for purchase contracts and such other related Government Conditions or instructions as may be applicable and which may be incorporated from time to time. The Order may be subject to quality assurance activity at the Sellers works by the Buyer or the Buyer's customer, or other Buyer nominated representative.
- 12.2. Purchases of sub-contract materials and services in performance of the Contract shall be in accordance with the requirements of the Seller's quality assurance (as applicable). The Seller may not sub-contract the Contract or any part of it without the Buyer's approval in writing. A type 2.1 certificate, or declaration of compliance or other equivalent is required with every delivery.
- 12.3. Goods to be delivered under the Contract shall be released to Sellers own Quality Approval (ISO 9001:2000 or equivalent). In the absence of such validated quality approval, Seller shall provide and maintain a quality control and inspection system approved by the Buyer's quality department. Seller must notify the Buyer if the Order requirement is outside the scope of his registration approval prior to acceptance of the Order.

- 12.4. The original signed copy of the release certificate, together with relevant chemical analysis and mechanical test data must accompany the goods and a copy shall be forwarded to the Buyer's goods inwards inspection department at the time of forwarding the posted advice note.

13. BUYERS PROPERTY

- 13.1. All Buyer specifications, drawings, jigs, tools and samples associated with the Contract will remain at all times the property of the Buyer and must be returned in good condition on completion of the Contract. Whilst in the safekeeping of the Seller, he shall be responsible for them and shall indemnify the Buyer against their loss or damage, other than for fair wear and tear whilst being used for performance under the Contract.
- 13.2. Buyer supplied material is private and confidential, must be safeguarded whilst at the Seller's premises and used only for the purpose of the Contract. They must not be copied or communicated to any other party without the Buyer's express consent.
- 13.3. Goods returned for servicing, refurbishment and repair or life extension for re-use by the Buyer shall be expeditiously processed by the Seller. In the event that Goods cannot be processed for re-use within eight weeks from receipt at the Seller's premises, the Seller shall be obliged to provide free-of-charge replacement Goods until such time as the non-returned Goods are made available by the Seller for use by the Buyer.

14. DESIGN RIGHTS

- 14.1. In so far as any work to be performed by the Seller under the Contract may consist of design, all rights in such design shall belong to the Buyer and the same shall not be used except for the purposes of this Contract, nor copied or communicated to any other person without Buyer's consent. All drawings and other records delineating or recording such design shall likewise become the property of the Buyer and shall be handed to the Buyer immediately on completion of the Contract.

15. CONFIDENTIALITY

- 15.1. The Seller shall keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to the Seller by the Buyer or its agents and any other confidential information concerning the Buyer's business or its products which the Seller may obtain and the Seller shall restrict disclosure of such confidential material to its employees, agents or subcontractors as needed to know the same for the purpose of discharging the Seller's obligations to the Buyer and shall ensure that employees, agents or subcontractors are subject to like obligations of confidentiality as bind the Seller.

16. CONFIGURATION CONTROL

- 16.1. The Seller shall not make any alteration affecting Form, Fit or Function (including without limitation performance, interchangeability (including component part number changes), safety, reliability, maintenance or operation) of the Goods. The Seller shall provide a technical modification proposal to the Buyer for approval prior to implementation of any change to the specification. Alterations necessary to enable compliance to the agreed specification (including the replacement of obsolete or unobtainable parts/components, safety or European legislation compliance) shall be introduced at Seller's expense.

17. INDEMNITIES

- 17.1. The Seller shall indemnify and hold harmless the Buyer from any loss, damages or injury to any person or to any property, all direct, indirect or consequential liabilities (all three of which terms, include, without limitation, loss of profit, loss of business, interruption of goodwill) and the loss, damages, injuries, costs and expenses (including legal and other professional fees and expenses) and against all actions suits, claims, demands, costs, charges and expenses arising in connection with the goods or services supplied or work carried out under the Contract due to:
 - 17.1.1. defective design (other than a design made specifically to the Buyer's instructions), defective materials, defective workmanship or the supply of a defective product within the meaning of the Consumer Protection Act 1987; or
 - 17.1.2. the negligence or wilful act of the Seller or its employees, agents or sub-contractors.

18. PATENT INDEMNITY

- 18.1. Except where the Buyer requires Goods to be made to its own specifications the Seller warrants that all royalties and fees on patented and unpatented processes and registered designs have been paid and shall indemnify the Buyer against all claims which may arise from any breach of such warranty and against all costs, damages, losses or expenses whatsoever incurred or suffered by the Buyer as a result of the infringement or alleged infringement by the Goods supplied or any part thereof of any third party patent, registered design, trademark or copyright.
- 18.2. In the event of any claim being made or action brought against the Buyer arising from such matters the Seller shall be promptly notified thereof and may at his own expense conduct all negotiations for the settlement of the claim or action.
- 18.3. If any Goods shall be enjoined from use, the Seller will at its own expense either procure for the Buyer the right to use or sell the Goods free of any liability for patent infringement or replace the Goods with a non-infringing substitute otherwise complying with all the requirements of the Contract.

19. FORCE MAJEURE

- 19.1. The Buyer reserves the right to defer the date of delivery or payment or to cancel the Contract or reduce the volume of the Goods ordered if it is prevented from or delayed in the carrying on of its business due to circumstances beyond the reasonable control of the Buyer including, without limitation, acts of God, governmental actions, war or national emergency, acts of terrorism, protests, riot, civil commotion, fire, explosion, flood, epidemic, lock-outs, strikes or other labour disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials.

20. CONTINUATION OF SUPPLY

- 20.1. In the event that the Seller is unable or unwilling to continue to supply the Goods under the Contract for whatever reason including change of ownership, insolvency or because of bankruptcy proceedings, the Supplier shall undertake to ensure the continuation of manufacture and supply using all necessary technical data, drawings designs, tooling, know-how, stock and work-in-progress completed or in the course of manufacture and owned by the Supplier by arranging an alternate source of manufacture acceptable to the Buyer.

21. TERMINATION

- 21.1. Without prejudice to any rights and remedies available under the Contract, the Buyer may terminate the Contract in whole or in part at any time by giving the Seller notice in writing, whereupon all work on the Contract shall be discontinued by the Seller. The Buyer shall pay the Seller, in full and final settlement of all claims arising out of such termination, the price of all Goods justifiably completed and delivered in full compliance with the terminated Contract together with the cost of any delivered work-in-progress in respect of the terminated Contract. Such compensation shall not include loss of anticipated profits or any consequential loss.
- 21.2. The Buyer shall without prejudice to its other rights and remedies cancel the whole or any part of the Contract without compensation by giving notice in writing to Seller if:
 - 21.2.1. any distress, execution or other process is levied upon any of the assets of the Seller; or
 - 21.2.2. the Seller has a bankruptcy order made against him or makes an arrangement or composition with his creditors, or otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, or (being a body corporate) convenes a meeting of creditors (whether formal or informal), or enters into a liquidation (whether voluntary or compulsory) except a solvent voluntary liquidation for the purpose only of reconstruction or amalgamation, or has a receiver or manager, administrator or administrative receiver appointed of its undertaking or any part thereof, or documents are filed with the court for the appointment of an administrator of the Seller or notice of intention to appoint an administrator is given by the Seller or its directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986), or a resolution is passed or a petition presented to any court for the winding-up of the Seller or for the granting of an administration order in respect of the Seller, or any proceedings are commenced relating to the insolvency or possible insolvency of the Seller; or
 - 21.2.3. the Seller ceases or threatens to cease to carry on its business; or
 - 21.2.4. the financial position of the Seller deteriorates to such an extent that in the opinion of the Seller the capability of the Seller adequately to fulfil its obligations under the Contract has been placed in jeopardy.

22. DEFAULT

- 22.1. Without prejudice to any other right or remedy which the Buyer may have, if any Goods are not supplied in accordance with, or the Seller fails to comply with, any of the terms of the Contract the Buyer shall be entitled to avail itself of any one or more of the following remedies at its discretion, whether or not any part of the Goods have been accepted by the Buyer:
 - 22.1.1. to rescind the Order;
 - 22.1.2. to reject the Goods (in whole or in part) and return them to the Seller at the risk and cost of the Seller on the basis that a full refund for the Goods so returned shall be paid forthwith by the Seller;
 - 22.1.3. at the Buyer's option to give the Seller the opportunity at the Seller's expense either to remedy any defect in the Goods or to supply replacement Goods and carry out any other necessary work to ensure that the terms of the Contract are fulfilled;
 - 22.1.4. to require the Seller to accept any further deliveries of the Goods but without any liability to the Seller;
 - 22.1.5. to carry out at the Seller's expense any work necessary to make the Goods comply with the Contract; and
 - 22.1.6. to claim such damages as may have been sustained in consequence of the Seller's breach or breaches of the Contract.

23. GOVERNMENT CONDITIONS

- 23.1. All terms of any principal contract relating to this Order (including any Government costing clause) are incorporated herein so far as the same are applicable hereto. Particulars of the relevant conditions will be supplied to you upon demand and, upon acceptance of the Order, you are accordingly deemed to accept and to be bound by such conditions as fully as if the same had been expressly set out herein.
- 23.2. In the event of any conflict or inconsistency between the conditions of any principal contract and those herein contained, the conditions of the principal contract shall prevail.

24. UNITED KINGDOM HEALTH AND SAFETY AT WORK ACT 1974

- 24.1. The Seller shall comply in respect of the Goods with the duties laid down in section 6 of the Health and Safety at Work Act 1974 and shall indemnify the Buyer against all costs, losses, charges, expenses or liabilities whatsoever caused by or arising out of any breach of those duties.
- 24.2. The Seller shall provide Material Safety Data Sheets and other documentation as required with each delivery in accordance with the Regulations.

25. MONTREAL PROTOCOL

- 25.1. The Seller shall provide upon acceptance of the Order a list of those substances contained in the Goods, or in their packaging, and listed in the list of substances that deplete the ozone layer and which are to be controlled under the Montreal Protocol or confirm a nil return as may be applicable. The list of substances will be provided upon request if not already held by the Seller.

26. LAW AND SEVERABILITY

- 26.1. The formation, existence, construction, performance and validity and all aspects of the Contract to which these conditions apply shall in all respects be governed by English Law and be subject to the exclusive jurisdiction of the English Courts.
- 26.2. If any provision of the Contract is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partially invalid, void, voidable, unenforceable or unreasonably, be deemed severable and the remaining provisions of the Contract and the remainder of such provision shall continue in full force and effect.

27. ASSIGNMENT AND WAIVER

- 27.1. The Seller shall not be entitled to assign the Contract or any part of it without the prior written consent of the Buyer.
- 27.2. The Buyer may assign the Contract or any part of it to any person, firm or company.
- 27.3. Any failure of either party to enforce any provision of this Contract shall not constitute a waiver of such provision at any subsequent time.

28. RIGHTS OF THIRD PARTIES

- 28.1. The parties to the Contract do not intend that any term of the Contract shall be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person that is not a party to it.

Quality Assurance Requirements

- QA1 ISO9001:2000 - Daniament Limited must be notified if requirements are outside the scope of registration.
- QA2 A certificate of Analysis/Test must accompany each delivery.
- QA3 Packing & Marking must meet Transport of Dangerous Goods Regulations where appropriate.
- QA4 Supplementary QA requirements may apply - see attached.