

# CONDITIONS OF PURCHASE

1. DEFINITIONS	<p>(i) The term 'Buyer' shall mean the Person, Firm or Company so named in the purchase Order.</p> <p>(ii) The term 'Seller' shall mean the Person, Firm or Company to whom the Purchase Order is issued.</p> <p>(iii) The word 'goods' includes all the goods covered by the Purchase Order whether raw materials, processed materials or fabricated products.</p> <p>(iv) The term 'Purchase Order' shall mean Buyer's Purchase Order which specifies that these conditions apply to it.</p> <p>(v) 'The Contract' shall mean the Contract between Buyer and Seller consisting of the Purchase Order which specifies that these conditions apply to it. Other documents (or part thereof) specified in the Purchase Order. Should there be any inconsistency between the documents comprising the Contract they shall have precedence in the order herein listed.</p>	13. BUYER'S RIGHTS IN SPECIFICATIONS, PLANS DRAWINGS, PATTERNS, ETC.	Any specifications, plans, drawings, patterns or designs supplied by Buyer to Seller in connection with the Contract shall remain the property of Buyer, and any information derived therefrom or otherwise communicated to Seller in connection with the Contract shall be regarded by Seller as secret and confidential and shall not, without the consent in writing of Buyer, be published or disclosed to any third party, or made use of by Seller except for the purpose of implementing the Contract.
2. QUALITY	In the absence of a specification or sample, all goods supplied shall be within the normal limits of industrial quality.	14. RESPONSIBILITY FOR INFORMATION	Seller shall be responsible for any errors or omissions in any drawings, calculations, packing details or other particulars supplied by him, whether such information has been approved by Buyer or not, provided that such errors or omissions are not due to inaccurate information furnished in writing by Buyer.
3. DELIVERY DATE	The date of delivery of the goods shall be that specified in the Purchase Order unless agreed otherwise by the Buyer and the Seller. Seller shall furnish such programmes of manufacture and delivery as Buyer may reasonably require and Seller shall give notice to Buyer as soon as practicable if such programmes are or are to be delayed.	15. ASSIGNMENT AND SUB-LETTING	The Contract shall not be assigned by Seller nor sub-let as a whole. Seller shall not sub-let any part of the work without Buyer's written consent, which shall not be unreasonably withheld, but the restriction contained in this clause shall not apply to sub-contracts for materials, for minor details, or for any part of which the makers are named in the Contract. Seller shall be responsible for all work done and goods supplied by all sub-contractors.
4. INCORRECT QUALITY	All goods must be delivered at the delivery point specified in the Purchase Order. If goods are incorrectly delivered, Seller will be held responsible for any additional expense incurred in the delivering them to their correct destination.	16. COPIES OF SUB-ORDERS	When Buyer has consented to the placing of sub-contracts copies of each sub-order shall be sent by Seller to Buyer immediately they are issued.
5. PASSING OF PROPERTY AND RISK TO BUYER	The property and risk in the goods shall remain with the Seller until they are delivered at the point specified in the Purchase Order.	17. DETERIORATION	Except where stated otherwise in Buyer's Purchase Order, Seller shall protect any item or part that might deteriorate during transportation or storage.
6. TERMS OF PAYMENT	Unless otherwise stated in the Purchase Order, payment will be made within 42 days following the end of the month in which delivery was affected with the exception of discount invoices. Value Added Tax, where applicable, shall be shown separately on all invoices as a strictly nett extra charge.	18. FREE ISSUE MATERIALS	Where Buyer for the purpose of the Contract issues materials free of charge to Seller such materials shall be and remain the property of Buyer. Seller shall maintain all such materials in good order and condition subject, in the case of tooling, patterns and the like to fair wear and tear. Seller shall use such materials solely in connection with the Contract. Any surplus materials shall be disposed of at Buyer's discretion. Waste of such materials arising from bad workmanship or negligence of Seller shall be made good at Seller's expense.
7. LOSS OR DAMAGE IN TRANSIT	<p>7.1 Buyer shall advise Seller and the Carrier (if any) in writing, otherwise than by the qualified Signature on any Delivery Note, of any loss or damage within the following time limits:-</p> <p>(i) Partial loss, damage, defects or non-delivery of any separate part of a consignment shall be advised within 7 days of the date of delivery of the consignment or part consignment.</p> <p>(ii) Non-delivery of whole consignment shall be advised within 21 days of notice of despatch.</p> <p>7.2 Seller should make good free of charge to Buyer any loss of or damage to or defect in the goods where notice is given by Buyer in compliance with this condition provided that the Buyer shall not in any event claim damage in respect of loss of profit.</p>	19. WARRANTY	Seller shall as soon as reasonably practicable repair or replace all goods which are or become defective during the period of 12 months from putting into service or 18 months from delivery, whichever shall be the shorter, where such defects occur under proper usage and are due to faulty design, Seller's erroneous instructions as to use or erroneous use data, or inadequate or faulty materials or workmanship, or any other breach of Seller's warranties, express or implied. Repairs and replacements shall themselves be subject to the foregoing obligations for a period of 12 months from the date of delivery, reinstallation or passing of tests (if any) whichever is appropriate after repair or replacement. Seller shall further be liable in damages (if any) in respect of each Purchase Order up to the limit of the price of the goods covered by that Purchase Order provided that the Buyer shall not in any event claim damages in respect of loss of profits. The foregoing states the entire liability in contract and in negligence of Seller in respect of goods which are defective, other than liability arising under Clause 7 (Loss or damage in transit), and Seller shall not, save as expressly provided herein, be liable for any other claim in regard to defects in the goods.
8. ACCEPTANCE	In the case of goods delivered by Seller not conforming with the Contract whether by reason of being of quality or in a quantity measurement not stipulated or being unfit for the purpose for which they are required where such purpose has been made known in writing to Seller, Buyer shall have the right to reject such Goods within a reasonable time of their delivery and to purchase elsewhere as near as practicable to the same Contract specifications and conditions as circumstances shall permit but without prejudice to any other right which Buyer may have against Seller. The making of payment shall not prejudice Buyer's right of rejection. Before exercising the said right to purchase elsewhere Buyer shall give Seller reasonable opportunity to replace rejected goods which confirm to the Contract.	20. INSOLVENCY	If the Seller becomes insolvent or (being a Company) makes an arrangement with its creditors or has a receiver appointed or commences to be wound up (other than for the purpose of amalgamation or reconstruction), Buyer may, without prejudice to any other of his rights, terminate the Contract forthwith by notice to Seller or any person in whom the Contract may have become vested.
9. VARIATIONS	<p>Seller shall not alter any of the goods, except as directed in writing by Buyer: but Buyer shall have the right from the time during the execution of the Contract, by notice in writing to direct Seller to add to or omit, or otherwise vary, the goods, and Seller shall carry out such variations and be bound by the same conditions, so far applicable, as though the said variations were stated in the Contract.</p> <p>Where Seller receives any such direction from Buyer which would occasion an amendment to the Contract Price Seller Shall, with all possible speed, advise Buyer in writing to that effect giving the amount of any amendment, ascertained and determined at the same level of pricing as that contained in Seller's tender.</p> <p>If, in the opinion of Seller, any such direction is likely to prevent Seller from fulfilling any of his obligations under the Contract he shall so notify Buyer and Buyer shall decide with all possible speed whether or not the same shall be carried out and shall confirm his instructions in writing and modify the said obligations to such an extent as may be justified. Until Buyer so confirms his instructions they shall be deemed not to have been given.</p>	21. GENERAL CONDITIONS IN THE TENDER	No condition submitted or referred to by Seller when tendering shall form part of the Contract unless otherwise agreed to in writing by Buyer.
10. PATENT RIGHTS	<p>Seller shall not alter any of the goods, except as directed in writing by Buyer: but Buyer shall have the right from the time during the execution of the Contract, by notice in writing to direct Seller to add to or omit, or otherwise vary, the goods, and Seller shall carry out such variations and be bound by the same conditions, so far applicable, as though the said variations were stated in the Contract.</p> <p>Where Seller receives any such direction from Buyer which would occasion an amendment to the Contract Price Seller Shall, with all possible speed, advise Buyer in writing to that effect giving the amount of any amendment, ascertained and determined at the same level of pricing as that contained in Seller's tender.</p> <p>If, in the opinion of Seller, any such direction is likely to prevent Seller from fulfilling any of his obligations under the Contract he shall so notify Buyer and Buyer shall decide with all possible speed whether or not the same shall be carried out and shall confirm his instructions in writing and modify the said obligations to such an extent as may be justified. Until Buyer so confirms his instructions they shall be deemed not to have been given.</p>	22. ARBITRATION	The construction, validity and performance hereof shall be governed by the Laws of England and all disputes which may arise under, out of or in connection with or in relation to the Contract shall be submitted to the arbitration of the London Court of Arbitration under and in accordance with its Rules at the date hereof. The parties hereto agree that service of any notice in the course of such arbitration at their address as given in the Purchase Order shall be valid and sufficient.
11. FORCE MAJEURE	<p>Seller shall not alter any of the goods, except as directed in writing by Buyer: but Buyer shall have the right from the time during the execution of the Contract, by notice in writing to direct Seller to add to or omit, or otherwise vary, the goods, and Seller shall carry out such variations and be bound by the same conditions, so far applicable, as though the said variations were stated in the Contract.</p> <p>Where Seller receives any such direction from Buyer which would occasion an amendment to the Contract Price Seller Shall, with all possible speed, advise Buyer in writing to that effect giving the amount of any amendment, ascertained and determined at the same level of pricing as that contained in Seller's tender.</p> <p>If, in the opinion of Seller, any such direction is likely to prevent Seller from fulfilling any of his obligations under the Contract he shall so notify Buyer and Buyer shall decide with all possible speed whether or not the same shall be carried out and shall confirm his instructions in writing and modify the said obligations to such an extent as may be justified. Until Buyer so confirms his instructions they shall be deemed not to have been given.</p>	23. INDEMNITY	Seller shall take every practicable precaution not to damage or injure any property or persons. Seller shall satisfy all claims founded on any such damage or injury which arise out of or in consequence of any operations under the Contract whether such claims are made by Buyer or by third party against Buyer, and Seller shall indemnify Buyer against all actions, demands, damages, costs, charges and expenses arising in connection therewith provided, however, that nothing in this condition shall render Seller liable for any injury or damage resulting from any negligent act or omission of Buyer, his servants or agents, or any other contractor employed by Buyer and Buyer shall indemnify Seller against all demands and expenses arising in connection with any such damage or injury.
12. PROGRESS AND INSPECTION	<p>Seller shall not alter any of the goods, except as directed in writing by Buyer: but Buyer shall have the right from the time during the execution of the Contract, by notice in writing to direct Seller to add to or omit, or otherwise vary, the goods, and Seller shall carry out such variations and be bound by the same conditions, so far applicable, as though the said variations were stated in the Contract.</p> <p>Where Seller receives any such direction from Buyer which would occasion an amendment to the Contract Price Seller Shall, with all possible speed, advise Buyer in writing to that effect giving the amount of any amendment, ascertained and determined at the same level of pricing as that contained in Seller's tender.</p> <p>If, in the opinion of Seller, any such direction is likely to prevent Seller from fulfilling any of his obligations under the Contract he shall so notify Buyer and Buyer shall decide with all possible speed whether or not the same shall be carried out and shall confirm his instructions in writing and modify the said obligations to such an extent as may be justified. Until Buyer so confirms his instructions they shall be deemed not to have been given.</p>	24. INSURANCE	<p>1. Seller shall have in force and shall require any Sub-Contractor to have in force:-</p> <p>(i) Employer's Liability Insurance and</p> <p>(ii) Publicity Liability Insurance for such sum and range of cover as Seller deemed to appropriate but not less than £1,000,000 for any accident unless agreed by the Buyer in writing.</p> <p>All such insurance shall be extended to Indemnify Buyer against any claim for which Seller or any Sub-Contractor may be legally liable.</p> <p>2. The Policy of Insurance shall be known to Buyer whenever he/she requests, together with satisfactory evidence of payment of premiums.</p> <p>3. Buyer shall maintain Employer's Liability and Public Liability Insurance in respect of his own liabilities.</p>
	<p>Seller will indemnify Buyer against any claim for infringement of Letters Patent, Registered Design, Trade Mark or Copyright by the use or sale of any article or material supplied by Seller to Buyer and against all costs and damages which Buyer may incur in any such action for such infringement or for which Buyer may become liable in any such action. Provided always that this indemnity shall not apply to any infringement which is due to Seller having followed a design or instruction furnished or given by Buyer or to the use of such article or material in a manner or for a purpose or in a foreign country not specified by or disclosed to seller, or to any infringement which is due to the use of such article or material in association or combination with any other article or material not supplied by Seller. And provided also that this indemnity is conditional on Buyer giving to Seller the earliest possible notice in writing of any claim being made or actioned threatened or brought against Buyer and on Buyer permitting Seller at Seller's own expense to conduct and litigation that may ensure and all negotiations for a settlement of the claim. Buyer on his part warrants that any design or instruction furnished or given by him shall not be such as will cause Seller to infringe and Letters Patent, Registered Design, Trade Mark or Copyright in the execution of the Purchase Order.</p>	25. HAZARDOUS GOODS	<p>25.1 Hazardous goods must be marked by Seller with International danger symbol(s) and display the name of the materials in English. Transport and other documents must include declaration of the hazard and name of the material in English. Goods must be accompanied by emergency information in English in the form of written instructions, labels or markings. Seller shall observe the requirements of UK and International Agreements relating to the packing, labelling and carriage of hazardous goods.</p> <p>25.2 All information held by, or reasonably available to, Seller regarding any potential hazards known or believed to exist in the transport handling or use of the goods supplied shall be promptly communicated to Buyer.</p>
	<p>If delivery by Seller, or the acceptance by Buyer of a delivery, is delayed or prevented because the manufacture of the goods or their delivery to Buyer's works by usual route has been or is being prevented by circumstances beyond reasonable control of Seller, including any form of Government intervention, strikes and lockouts relevant to the Contract, delays by Sub-Contractors (but only where such delays were beyond the control of the Sub-Contractor concerned), such delivery shall be suspended, and if it cannot be made within a reasonable time after the due date, the delivery maybe cancelled by either party, by letter or cable to the other. When more than one delivery is to be made against the Purchase Order, deliveries not cancelled will be resumed as soon as the circumstances causing the delay cease, but, except where both parties otherwise agree, the period during which deliveries are to be made will not be extended. Buyer shall pay Seller such a sum as may be equitable in respect of work performed prior to cancellation.</p>	26. PACKAGES	<p>26.1 Where Buyer has an option to return packages and does so, Buyer will return such packages empty in good order and condition (consigned "carriage paid" unless otherwise agreed) to Seller's supplying Works or depot indicated by Seller, and will advise Seller the date of despatch. Packages returned promptly in the manner aforesaid shall be subject to an allowance at Seller's standard rate operating at the time of delivery to Buyer.</p> <p>26.2 Where goods are delivered by road vehicle, available empty packages may be returned by the same vehicle.</p> <p>26.3 Where goods are delivered by tank wagons these will be emptied and returned without delay.</p>