

**Hadley Industries PLC and Associated and Subsidiary Companies.**  
**TERMS & CONDITIONS OF PURCHASE - U.K. (HI/1/FEB 06/UK)**

**CONDITIONS OF PURCHASE**

In these Conditions "the Company" means either Hadley Industries PLC or any subsidiary or associated Company of Hadley Industries PLC as stated in the order for the goods and "the Order" means the order or orders made by the Company. "Goods" means and includes Goods of any description including but without limitation plant, machinery, equipment, vehicles and materials whether raw or partly or wholly manufactured.

1. **Application of these Conditions**
    - 1.1 The Company only enters into contracts of purchase which are subject solely to these Conditions of Purchase which can only be altered or qualified by a document signed by a director of the Company and setting out in full the relevant alterations and qualifications and no other servant or agent has any authority to alter or qualify these Conditions in any way.
    - 1.2 Delivery by the Supplier shall of itself constitute an acceptance of the terms and conditions of the Order where acceptance shall not previously have been communicated to the Company.
  2. **Delivery/Advice Notes**

A detailed delivery/advice note is required for each consignment and Goods not so covered by such a note may be refused and not paid for.
  3. **Special Conditions**

All terms of the Company's order as to quantity, description, specification, price, weight, quality or otherwise shall be conditions of the contract and any breach thereof shall entitle the Company to rescind its obligations hereunder.
  4. **Time**
    - 4.1 Where time is specified such provision shall be of the essence of the contract.
    - 4.2 Failure by the Supplier to adhere to any provision as to time contained in the Order shall entitle the Company at its option to treat the contract as rescinded in whole or in part. The Company shall be entitled to exercise its option at any time notwithstanding that it has acquiesced in any delay unless a written extension of time has been given to the Supplier by a director of the Company and the time of any extension has not elapsed and the Company shall be entitled to recover from the Supplier any loss, damage or expense incurred by the Company by reason of such delay.
  5. **Price and Payment**
    - 5.1 Unless otherwise specified by the Company all prices are fixed and are not subject to escalation.
    - 5.2 The Company shall not be responsible for the payment of any charges for work done or Goods supplied in excess of work or Goods required by the Order or any variation thereof unless authorised by a further priced Order in writing. Where an Order is placed on a price by weight basis the quantity delivered shall be within 5% of the specified quantity.
    - 5.3 No payment of or on account of the contract price shall constitute any admission by the Company as to the performance by the Supplier of his obligations.
    - 5.4 No payment will be made for crates or packing materials of any description except by special arrangement in writing.
    - 5.5 All invoices for Goods supplied must be rendered bearing the Company's Order number. Unless otherwise agreed in writing no invoices shall be payable until 60 days from end of month in which delivery is effected.
    - 5.6 All suppliers who are registered for Value Added Tax are required to issue a proper tax invoice before the Company shall be required to make payment for Goods and/or services supplied in accordance with this order.
  6. **Delivery**

Delivery of Goods shall be made to the Company's premises or as otherwise directed by the Company. Delivery shall be effected when the Goods have been unloaded and the delivery has been accepted by a duly authorised officer, employee or representative of the Company. Where there is a failure on the part of the Supplier to conform to agreed delivery, Goods shall be sent by a more expeditious method than would normally be employed and the Supplier will be responsible for the extra costs involved.
  7. **Packaging**
    - 7.1 The Company shall only be responsible for returning cases or other durable packaging to the Supplier if such responsibility is accepted by the Company in its order in which event the price agreed in respect of packaging shall be invoiced on a separate invoice to be credited in full upon despatch of the said cases or packaging by the Company to the Supplier, such cases or packaging to be clearly marked "returnable" and to show the Supplier's name. All costs incurred by the Company in the return of packaging as herein provided shall be for the account of the Supplier. In the event that the Supplier fails to comply with the requirements of this Clause, the Company shall not be held liable or responsible for any damage to or for the return of or for any debit for the value of cases or packaging.
    - 7.2 All Goods shall be carefully and properly prepared, secured and packed in a manner suitable to provide adequate protection against damage in transit to destination.
  8. **Title and Risk**

The property in the Goods purchased shall pass to the Company upon the earlier of delivery or payment.

    - 8.1 Risk of damage to or loss of the Goods shall pass to the Company once utilised in the performance of services. The Supplier will replace free of charge any Goods in which risk has passed to the Company if they are damaged or lost due to the neglect or default of the Supplier, its employees or other representatives.

The Supplier shall be responsible for transport and unloading costs and insurance of Goods to their full value against all risks of damage or loss prior to completion of delivery by whomsoever effected.
  9. **Inspection**

Any inspector or representative authorised by the Company shall be entitled to inspect the Goods at any reasonable time at the Supplier's work or where applicable at the works of any sub-contractor and require all defects or deficiencies to be made good and alterations made where the Supplier or sub-contractor as the case may be has failed in the opinion of the Company to comply with the terms of the Company's Order provided nevertheless that such inspection or right to inspect shall not of itself constitute acceptance or approval of the Goods.
  10. **Drawings and Design**
    - 10.1 For the purposes of this contract "Intellectual Property Rights" means any patent, copyright, database right, design right (registered and/or unregistered), trade mark (registered and/or unregistered), know how, confidential information or other industrial or intellectual property right subsisting anywhere in the world and any application for any of the foregoing.
    - 10.2 All Intellectual Property Rights in all drawings and designs of the Goods or any part thereof and in all specifications and data relating thereto provided to the Supplier by the Company, or prepared or made by the Supplier, its employees, agents or sub-contractors for the express purpose of fulfilling this contract shall be assigned to the Company and be held in trust by the Supplier for the Company until assignment takes place.
    - 10.3 All Intellectual Property Rights in all drawings and designs of dies, tools patterns and other appliances used in the manufacture of the Goods or part thereof provided to the Supplier by the Company or prepared or made by the Supplier, its employees, agents or sub-contractors for the express purpose of fulfilling this contract shall be assigned to the Company and be held in trust by the Supplier for the Company until assignment takes place.
    - 10.4 The Supplier shall at the request of the Company and the entire cost of the Supplier:
      - 10.4.1 execute any further documents and/or deeds and do any such things as the Company may require to enable the Company to secure the delivery of information and the benefit of the rights assigned or held in trust in accordance with clauses 10.2 and 10.3 above; and/or
      - 10.4.2 take such action as the Company may reasonably require to assist the Company in bringing or defending any proceedings relating to the Intellectual Property Rights.
    - 10.5 The Supplier hereby agrees that in circumstances where drawings and designs referred to in this Condition are prepared by it or by persons employed, commissioned or otherwise engaged by the Supplier for the purpose of fulfilling this contract with the Company then it will without charge upon request execute an assignment of all necessary existing intellectual property rights or procure that an assignment of all necessary intellectual property rights is obtained from the author of the drawing or design as the case may be in favour of the Company.
    - 10.6 The Supplier agrees to procure that all of its employees, agents, subcontractors and any third parties waive, unconditionally, irrevocably and absolutely any and all moral rights in the drawings and designs and in or associated with any Intellectual Property Rights in accordance with the Copyright Designs and Patents Act 1988 and/or any other legislation anywhere in the world.
    - 10.7 Drawings and designs referred to in this Condition shall under no circumstances be used, copied, loaned or otherwise made use of by the Supplier save in the fulfilment of this contract or any other order placed by the Company upon the Supplier for Goods of the same specification.
    - 10.8 The Supplier shall forthwith upon request at any time and without charge deliver to the Company all drawings, specifications, data and other documentation relating to the Goods or any part thereof or used in the manufacture thereof then in the possession of the Supplier or in the possession of any other person, firm or Company who has possession of such documentation through under or by direction of the Supplier.
    - 10.9 The Supplier shall be responsible for any discrepancies, errors or omissions in the drawings and other particulars supplied by him, whether such drawings and particulars have been approved by the Company or not. The Supplier confirms that all designs and specifications originated or developed by it or any other person, firm or company at its direction are such that Goods supplied in conformity therewith will be safe and without risk to health when properly used.
    - 10.10 The Supplier shall take all reasonable steps to ensure that its directors, officers, employees to whom it shall disclose any of the drawings, designs, specifications and data of the Company as hereinbefore provided shall not disclose the same or any part thereof to any unauthorised persons.
    - 10.11 The Supplier shall not disclose to any other Supplier or person any of the drawings, designs, specifications and data of the Company without the Company's written permission.
  11. **Dies and Tools**
    - 11.1 In the event that the Supplier manufactures, fabricates or otherwise obtains from any source whatsoever dies, tools and patterns specifically for the purpose of manufacture of the Goods or any parts thereof or in the case of general utility dies, tools and patterns where they are to be charged to the Supplier as a specified priced item then:
      - 11.1.1 Title in such dies, tools and patterns (if not previously vested in the Company) shall upon the happening of such event become vested in the Company absolutely.
      - 11.1.2 Any price quoted by the Supplier for the Goods shall include for the full price of dies, tools and patterns where required by the Supplier for the performance of this contract and if no separately priced items are included in the quotation then the Supplier shall not after the contract has been concluded be entitled to make any separate or further charge therefore.
  - 11.2 The Supplier shall at any time upon request forthwith deliver up to the Company all dies, tools and patterns belonging to the Company and which are in the possession of the Supplier or any other person, firm or Company who has possession of such dies, tools and patterns through under or by direction of the Supplier. No lien, set-off, claim or counterclaim of the Supplier against the Company (but without prejudice thereto) shall entitle the Supplier to withhold delivery up of dies, tools and patterns as herein provided.
  - 11.3 Under no circumstances whatsoever shall the Supplier use the dies, tools and patterns referred to in this Condition otherwise than in the fulfilment of the Company's order or any other order placed by the Company upon the Supplier for Goods of the same specification.
  - 11.4 The Supplier shall be responsible to ensure the safe-keeping and proper maintenance of all dies, tools and patterns belonging to the Company whether or not the same be in the possession of the Supplier or some other person, firm or company having possession through under or by the direction of the Supplier until such time as the same are returned to the Company.
12. **Title Quality and Guarantee**
    - 12.1 Goods shall be of first class quality and shall be supplied strictly in accordance with the quantities, specifications and stipulations contained in the Order and all work and services performed by the Supplier shall be in accordance with best practice.
    - 12.2 The Supplier guarantees that Goods will be free from defects in design, materials and/or workmanship for a period of 6 months from the later of delivery of the Goods to the Company or when the Goods are first used by the Company.
    - 12.3 Unless the Goods are proprietary Goods of the Supplier's design intended for sale generally the Supplier shall not without the written consent of the Company mark the Goods with any trade name or device whatsoever.
    - 12.4 The Supplier warrants his expertise and confirms the accuracy of all statements and representations made in respect of the Goods, work or services prior to the Order.
    - 12.5 Nothing contained in these Conditions shall in any way detract from the Supplier's obligations under Common Law or Statute or any express warranty or condition contained in the Order.
    - 12.6 Notwithstanding that:
      - 12.6.1 the Company has accepted the Goods or part thereof, or
      - 12.6.2 where the contract is for the sale of specific Goods, the property in the Goods has passed to the Company the breach by the Supplier of any express or implied condition to be fulfilled by it may (subject to sub-clause (12.7) of this condition) be treated as a ground for rejecting the Goods and treating the contract as rescinded.
    - 12.7 The Company shall be entitled to require the Supplier to perform the obligations contained in sub-clause (12.8) of this condition or at its option reject the Goods and treat the contract as rescinded at any time prior to the expiration of the following periods:
      - 12.7.1 where the defect is apparent on a cursory visual inspection of the Goods as delivered without unpacking them, three months after delivery to the Company, or
      - 12.7.2 in any other case three months after the Company has discovered the defect in question.
    - 12.8 Without prejudice to the Company's right to treat the contract as rescinded:
      - 12.8.1 where the Company notifies the Supplier of any defective or damaged Goods or faulty workmanship the Supplier shall instruct the Company within 14 days with regard to the disposal storage or return of such Goods or rectification or workmanship as the case may be and in default all such matters shall be in the Company's discretion. All costs and expenses hereunder shall be borne by the Supplier.
      - 12.8.2 the Supplier shall be responsible for making good including full replacement, all costs of delivery to site and installation with all possible speed necessary to rectify any defects or damage in the Goods supplied or work performed (fair wear and tear excepted) together with all costs incurred by the Company in relation to the premises at which the Goods are situated or other plant and machinery in order to enable or facilitate such replacement by the Supplier due to faulty design materials or workmanship or any act or omission by the Supplier.
  13. **Licences and Permits**

If the performance of the order requires the Company to have any licence or other permit from any government or other authority at home or overseas, the order shall be conditional upon such licence or other permit being available at the required time.
  14. **Publicity**

Neither the Order nor the name of the Company shall be used by the Supplier for advertisement or publicity purposes without the Company's prior written consent.
  15. **Sub-Contractors**
    - 15.1 The Supplier shall not without the written consent of the Company sub-contract or assign all or any part of the Order.
    - 15.2 Any authority given by the Company for the Supplier to sub-contract the Order or any part thereof shall not impose any duty on the Company to ensure as to the competency of any authorised sub-contractor but the Supplier shall ensure that any authorised sub-contractor is competent and that the work is properly done.
    - 15.3 The Company may assign, charge, sub-contract, delegate, transfer or dispose of this contract and/or any of its rights or obligations under it.
  16. **Health and Safety**
    - 16.1 The Supplier warrants that:
      - 16.1.1 in the design, manufacture, supply and installation of the Goods (including all work on site) and the provision of information relating thereto that it will comply with the duties imposed on it by the Health and Safety at Work Act 1974 or any amendment thereto or re-enactment thereof and of all other statutory provisions, bye-laws, rules and regulations so far as they are applicable to the site or the Goods and that it will perform this contract such that no liability is incurred by the Company under such statutory provisions, bye-laws, rules and regulations.
      - 16.1.2 that all Goods supplied will be supplied with all necessary safety guards and devices sufficient to comply with current statutory requirements. Where Goods are to be supplied without guards or safety devices then the Supplier must:
        - 16.1.2.1 state such to be the case in writing in its quotation or acknowledgement order, and
        - 16.1.2.2 specify in writing such guards and devices as will be required to be purchased by the Company.
  17. **Indemnity**
    - 17.1 For the purposes of this contract "Liabilities" means actions, awards, costs, claims, damages, losses (including without limitation any direct or indirect consequential losses), demands, expenses, fines, loss of profits, loss of reputation, judgments, penalties and proceedings and any other losses and/or liabilities.
    - 17.2 The Supplier shall indemnify the Company and keep the Company indemnified without set-off, counterclaim and/or reduction against:
      - 17.2.1 all Liabilities including increased administration and professional and legal costs on a full indemnity basis suffered or incurred by the Company which would not have been caused or made had the Supplier fulfilled its express or implied obligations in the time and in the manner agreed in this contract;
      - 17.2.2 any claims for infringement or any Intellectual Property Rights by reason of the use or sale of the Goods supplied (save where the same shall have been manufactured in accordance with specifications or designs supplied by the Company) and against all Liabilities including increased administration and professional and legal costs which the Company may incur have to bear or for which the Company may become liable as a result of such claims for infringement;
      - 17.2.3 all claims in respect of royalties payable by the Supplier in respect of the Goods;
      - 17.2.4 all claims made against the Company arising out of the acts and omissions of the Supplier or its sub-contractors; and
      - 17.2.5 all Liabilities including increased administration and professional and legal costs on a full indemnity basis which the Company may suffer or incur as a result of any breach of this contract by the Supplier, whether or not such losses were foreseeable or foreseen at the date of this contract.
  18. **Supplier's Default**
    - 18.1 Without prejudice to any other rights or remedies to which it may be entitled the Company may immediately terminate this contract by written notice and without liability if the Supplier:
      - 18.1.1 breaches the terms of this contract (and if remediable the breach has not been remedied within 7 days of receiving written notice requiring it to be remedied);
      - 18.1.2 persistently breaches any one or more terms of this contract;
      - 18.1.3 ceases or threatens to cease to carry on business; and/or
      - 18.1.4 is declared or becomes insolvent or bankrupt, has a moratorium declared in respect of any of its indebtedness, enters into administration, receivership, administrative receivership or liquidation or threatens to do any of these things, takes or suffers any similar action in any jurisdiction or any step is taken (including, without limitation, the making of an application or the giving of any notice) by it or by any other person in respect of any of these circumstances.
  19. **Changes and Termination**
    - 19.1 The Company may at any time make written changes within the general scope of this order and Supplier shall comply with such changes. If a change affects the time for or cost of performance, a mutually agreed equitable adjustment shall be made in delivery schedule, purchase price, or both. All claims for adjustment by Supplier under this clause must be asserted in writing within thirty (30) days from date of notification of the change in default of which such claims shall be waived. Nothing herein shall excuse the Supplier from proceeding with the order as adjusted.
    - 19.2 Notwithstanding and without prejudice to the specific provisions of Conditions 3, 4, 12 and 19 hereof or any other lawful right available, the Company shall have the right to terminate the order in whole, or in part at any time by giving written notice to the Supplier whereupon all work on the order shall be discontinued and the Company shall pay to the Supplier such portion of the order price as may be fair and reasonable having regard to the value of the work done, services provided and of the Goods delivered under the order. In such event as aforesaid no further sum or sums shall be due by way of damages, loss of profits or otherwise from the Company to the Supplier by virtue of such termination.
  20. **English Law**
    - 20.1 This contract is governed by and interpreted in accordance with English law and the parties agree to submit to the non-exclusive jurisdiction of the English courts.