

**PRECISION CHAINS LTD.
CONDITIONS OF PURCHASE**

1. APPLICATION

This order shall subject to the terms and conditions stated below (including any supplementary conditions referred to therein) and shall be deemed to incorporate any Specification or other document referred to in this Order or any change notice pursuant hereto.

These conditions supersede and exclude all general or particular terms and conditions of contract imposed or sought to be imposed by the Supplier at any time and which are hereby cancelled. All goods, materials, works or services are accepted by the Purchaser on the terms of these Conditions only.

2. DEFINITIONS

For the purpose of these conditions, the company placing the Order is herein termed the Purchaser and the company, firm or persons to whom this Order is issued is herein termed the Supplier. Works shall mean all plant goods services of every kind and work to be done by the Supplier under this Order.

3. ACCEPTANCE

Acknowledgement of this Order must be made by the Supplier. Acceptance of this Order constitutes an acceptance by the Supplier of all terms and conditions in the Order. The Order shall be accepted upon receipt by the Purchaser of the acknowledgement or, if earlier, upon the acceptance of the Works by the Supplier following receipt of the Order.

4. VALIDITY

The Purchaser shall not be held liable for any Order unless issued on the Purchaser's official Order Form and duly signed by an authorised representative and no addition or alteration to any Order shall be valid unless confirmed by the Purchaser in writing.

5. PRICE

Unless otherwise agreed in writing all prices are fixed for the duration of the Order and are not subject to escalation charges of any description.

6. DELIVERY

All Works are to be delivered carriage paid to the place of delivery specified on the Order and all dues and charges are deemed to have been included by the Supplier in the price. All Works must be accompanied by advice notes quoting the Purchaser's Order Number and invoices must be rendered immediately upon despatch. The time stipulated for delivery of the Works or provision of work or services shall be the essence of the Order without prejudice to any other rights under this contract. Should the Supplier fail to deliver the Works or provide the necessary services within the period specified or, if not specified, within a reasonable period, the Purchaser reserves the right to:

- (a) Cancel that part of the Order which is uncompleted at the end of the specified period, without liability to the Purchaser;
- (b) Charge to the Supplier any costs, losses or expenses in which the Purchaser may be involved as a result of such a failure.

Works delivered in excess of specified requirements or services provided without the request of the Purchaser may be refused and/or returned to the Supplier at no risk or expense to the Purchaser. In addition the Supplier will report immediately to the Purchaser the occurrence of any event, either within or beyond its control, which is likely to affect delivery.

7. INSPECTION

The Purchaser reserves the right at any time, directly or through an agent, to inspect or test the Works under the Order, but such inspection or test shall not relieve the Supplier of any obligation under the order.

8. SUB-CONTRACTING

The Supplier shall not, without the prior consent in writing of the Purchaser, assign, sub-let or make over this Order or any part thereof to any person or company and any such consent shall not relieve the Supplier of any obligation under the Order.

9. PACKAGING

Returnable cases or packing of a durable nature shall not be invoiced on a separate invoice to be credited in full upon despatch by the Purchaser to the Supplier's works, such cases or packing to be clearly marked returnable and to show the Supplier's name.

In the event that the Supplier fails to comply with the requirements of this Clause, the Purchaser shall not be held liable or responsible for their return or for any debit for their value.

All works shall be carefully and properly prepared, secured and packed in a manner suitable to provide adequate protection against damage in transit to destination. Any damage attributable to the Supplier or its agents packing shall be made good by the Supplier or the Purchaser at the Supplier's expense and the Supplier shall be held entirely responsible for any costs incurred in making good such damage.

10. GUARANTEE

Unless otherwise stated in the Order, the Supplier hereby guarantees to replace or repair at no expense to the Purchaser, Works or any parts thereof which are faulty due to defective design, materials or workmanship for a period of 12 months from the date when the Works are first used.

Repaired or Replaced parts are also guaranteed for 12 months from the date of first use.

This guarantee shall be given in addition to any other terms or conditions whether expressed or implied.

11. CONFIDENTIALITY

The Supplier shall maintain and respect the confidentiality of drawings and other information provided to him by the Purchaser and make use thereof only for the purposes of this Order. The Supplier shall not refer to the Works he has executed for the Purchaser in any kind of publicity unless so authorised by the Purchaser.

12. LIABILITY

(a) The Supplier shall indemnify the Purchaser against all action, costs, expenses, claims, demands and liabilities whatsoever which may be taken or made against or incurred by the Purchaser in respect of any loss or damage (direct or consequential) arising out of or in any way connected with any defects or alleged defect in or otherwise with the Works or any work executed by the Supplier in respect of this order provided that any such loss or damage is not directly attributable to any negligence of the Purchaser or any person employed by the Purchaser.

(b) The Supplier shall be responsible for ensuring that the Works are safe to use in the condition in which they are delivered and all such guards and protective equipment and instructions as shall be necessary to ensure that the Works are safe for use shall be supplied with the Works and be included in the price stated overleaf. No undertaking has been given or is given by the Purchaser and no person is authorised to give an undertaking on behalf of the Purchaser that the Purchaser shall take any steps sufficient to ensure that the Works will be safe and without risk to health when properly used.

(c) The Supplier shall be liable for the value of any Works which the Purchaser may send to it in connection with the Order and shall bear the cost of replacement of any such Works lost, damaged or destroyed from any cause whatsoever.

13. SUPPLIER'S DEFAULT

If, in the opinion of the Purchaser, the Supplier shall not have executed the Works in accordance with the Order, or shall not have conducted his work so as to be able to deliver or complete the Works at the time specified in the Order or shall otherwise be in the opinion of the Purchaser, be in default then without prejudice to any rights it may have the Purchaser may, by notice in writing, call upon the Supplier to remedy the fault by a date specified by the Purchaser. If the default be not so remedied, the Purchaser may cancel the Order in whole or in part and in such event the Purchaser shall be entitled to employ others to carry out the Works, and to retain any monies due or becoming due to the Supplier under this Order and apply the same in payment of the extra costs and damages incurred by the Purchaser arising out of the cancellation. If the extra costs and damages incurred by the Purchaser as above mentioned shall exceed the balance due from the Purchaser to the Supplier, the Supplier shall pay such excess forthwith upon presentation of the Purchaser's invoice.

14. BANKRUPTCY

Without prejudice to any other rights or remedies to which it may be entitled, the Purchaser may terminate the Order forthwith and without liability in the event that - the Supplier makes any arrangement or composite with its creditors, or becomes bankrupt, or enters into any liquidation whether compulsory or voluntary (other than solely and bona fide for the purposes of amalgamation or reconstruction) or has a receiver appointed for the whole or any part of its assets.

15. TERMINATION

Notwithstanding and without prejudice to the specific provisions of Clauses 6 and 13 or any other lawful right to determine, the Purchaser 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 done on the Order shall be discontinued and the Purchaser 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 Works delivered under the Order. In such event as aforesaid no further sum or sums shall be due from the Purchaser by virtue of such termination.

16. PROPERTY

Property in the Works shall pass to the Purchaser when any payment in respect thereof is made to the Supplier or the Works or any part thereof are allocated to the Purchaser or upon delivery, whichever is the earliest. The Supplier warrants that the title given to the Purchaser is free of any charge or encumbrance or defect whatsoever. The Supplier hereby indemnifies the Purchaser against any claim as to title to the Works passed or purported.

17. QUALITY

It is a condition of this Order that the Works shall be new and in strict compliance with relevant British Standards or those specified by the Purchaser in this Order and of the best quality so as to be fit for the purpose for which they are required.

18. LAW

These conditions are in addition to and without prejudice to all the Purchaser's rights at Common Law or by Statute.

This Order and these Conditions shall be construed in all respects in accordance with English Law.