

Terms of Purchase

NO SERVANT OR AGENT OF THE COMPANY OTHER THAN A DIRECTOR OF THE COMPANY HAS AUTHORITY TO BIND THE COMPANY TO A DEPARTURE FROM THE COMPANY'S CONDITION OF PURCHASE.

1. DEFINITIONS

In these Conditions 'the Company' means the Company issuing the order (Diamond Engineering Services Limited) and the firm, body or company to which the order is issued.

2. ACCEPTANCE

This Order constitutes an offer and shall be accepted by written acknowledgement or by actual execution of the Order. It is expressly agreed that the contract so made is regulated by the Company's requirements as stated on the face of the Order and by these conditions and no deviation there from shall be recognised. Acceptance of the Order will be deemed to bind the Seller to the following terms and conditions and no goods or services shall be supplied or performed by the Seller, its employee's agents or representatives, except in accordance herewith.

3. DELIVERY

a) Time of delivery shall be of the essence of the contract, and if the goods or any portion thereof are not delivered within the time or times specified in the Order, the Company shall without redress by the Seller to cancel the whole part or part of the Order. In the event of such cancellation the Company shall be entitled to recover from the Seller any additional expenditure incurred replacement of those in respect of which the Order has been cancelled.

b) The quantity of goods as indicated on the face of the Order shall not be exceeded, without authority in writing being first obtained from the Company. Unless such authority in writing has been obtained, any excess may be returned at Seller's risk and expense.

c) No goods are to be delivered without an official order neither will they be accepted unless they are accompanied by an invoice or delivery note bearing the Company's Purchase Order Number.

d) Except by special arrangement with the Company, no deliveries outside the Company's normal working hours.

e) All goods must be delivered at the delivery point specified on the Order. If goods are incorrectly delivered, Seller will be held responsible for any additional expense incurred in delivering them to their correct destination.

4. PACKING AND CARRIAGE

a) Goods are to be delivered to the Company free of all carriage charges, unless otherwise specifically stated in the Order.

No responsibility will be accepted for packing cases, but these, where convenient to the Company, will be returned.

b) The Seller shall mark the outside of each package with his name, the name of the goods in English and full details of the destination, and shall include a packing note stating the contents, the Company's Order number and identifying references. In respect of hazardous goods, the Seller will comply with all applicable laws, regulations and international agreements relating to packing, labelling and carriage and will ensure that transport and other documents include declaration in English of all applicable hazards and dangers.

5. QUALITY AND DEFECTS

a) All goods and services supplied or carried out shall be of the best quality and shall conform to the quantity, quality,

standards and description as specified in the Order. In addition all goods shall be of sound material and workmanship, be equal in all respects to the samples, patterns, drawings or specifications provided or given by either party, be capable of

any standard of performance specified in the Order and, if the purpose for which the goods are required is indicated in the Order either expressly or by implication, be fit for that purpose.

b) In case of goods delivered by the Seller not conforming with the Order, whether by reason of quality or quantity or being unfit for the purpose for which they are required the Company shall without prejudice to any rights which it may have against the Seller have the right to reject such goods within a reasonable time after delivery and to purchase replacement items elsewhere. In the event of such rejection the Company shall be entitled to recover from the seller any additional expenditure incurred by the Company in obtaining other goods in replacement of those rejected.

6. WARRANTY PERIOD

Seller shall as soon as reasonably practicable and at his own expense make good, replace all goods which are or become defective during the period of twelve months from putting

into service or unless otherwise stated in the Contract eighteen months from delivery, whichever expires first, 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 expressed or implied. Repairs or replacements shall themselves be subject to the foregoing obligations for a period of twelve months from the date of delivery, reinstallation or passing of tests (if any) whichever is appropriate after repair or replacement.

7. CANCELLATION

The order may be cancelled at any time by the Company giving Seller notice in Writing. A fair and reasonable price shall be paid for all work in progress at the time of the cancellation and subsequently received by the Company. The Company shall not be liable in respect of such cancellation for any loss to the Seller, including consequential loss, howsoever arising.

8. INDEMNITY

The Seller shall, without prejudice to the Seller's liability under any warranty or condition implied by law, indemnify and save harmless the Company from and against the following:

- a) All claims, costs, losses, damages and expenses in respect of loss, damage or injury whatsoever and whensoever arising to property or persons (including claims by any workmen of the Company under the Workmen's Compensation Acts), in consequence of defective workmanship or design (other than a design made, furnished or specified by the Company) or the unsound quality of the goods or services supplied or of any negligence of the Seller his servants or agents in or about the execution of the Order.
- b) Consequential loss or damage sustained by the Company or for which the Company may be liable, as a result of the failure of the Seller to perform the work or supply the goods in accordance with the terms of the Order

9. PASSING OF PROPERTY AND RISK

- a) The property in goods to be supplied by the Seller under the Order shall pass to the Company upon payment therefore by the Company or upon the Company or its nominee taking delivery thereof at the place of delivery, whichever shall be the earlier.
- b) Where the Company pays part of the said agreed purchase price before taking delivery of the Goods, or any part thereof then such payments shall be regarded as part payments and not deposits of the said agreed purchase price and the property in any materials procured for or manufactured by Seller for the purposes of the Contract, or otherwise appropriated to the Contract, shall pass to the Company from the date of such payments up to the total value thereof.

c) The risk in the Goods including any free issue materials provided by the Company and any materials referred to in Clause 9b, the property in which has passed to the Company shall remain with the Seller until such are delivered at the point specified in the Purchase Order.

10. CONFIDENTIALITY

a) The Seller shall keep secret and confidential and shall not without the written consent of the Company which if given shall be subject to conditions as the Company may direct, divulge to any third party any information (whether oral or in writing) drawings and other technical documentation furnished by or on behalf of the Company in connection with the Order or which become known to the Seller through its performance of the contract and such information drawings and documentation shall be used by the Seller for the purpose only of the execution Order.

b) The Seller shall not without the Company's prior consent in writing disclose the existence of the Order in any publicity release advertisement or public announcement.

11. STATUTORY REQUIREMENTS

The Seller warrants that the design construction and quality of goods to be supplied under the contract comply in all respects with all relevant requirements of any statute, statutory rule or order, or other instrument having the force law which may be in force at any time when the same are supplied.

12. HEALTH & SAFETY AT WORK

The Seller undertakes with the Company:

a) that he has carried out all testing, examinations and other work including where appropriate the fitting of guards and/or protective devices if necessary to minimise and so far as reasonably practicable eliminate any risk to health and safety resulting from use of the goods for any purpose for which they were designed.

b) that where conditions exist under which there will or may be any risk to health or safety, the Seller shall immediately on acceptance of the Order bring such conditions to the attention of the Company in writing and shall provide free cost of adequate information about such conditions and the safeguards which should be observed to ensure that the goods can be handled and used safely and without risk to health.

13. PATENTS

The Seller shall indemnify and hold harmless the Company and its successors, assignees, vendees and users of the goods hereby ordered from and against any or all claims, demands, losses, costs and liabilities arising out of or resulting from any actual or alleged infringement or violation of letters patent, registered designs or other proprietary rights by use or by sale of the goods provided always that this indemnity shall

not apply to any infringement which is due to the Seller having followed a design or instruction furnished by the Company or to the use of goods in a manner or for a purpose not reasonably to be inferred by the Seller or disclose to the Seller prior to the making of a contract.

14. FREE ISSUE MATERIALS

Where the Company for the purposes of the Contract provides free issue materials to Seller for incorporation into the goods such materials shall be and remain the property of the Company. Seller shall maintain all such materials in good order and condition subject, in case of tooling patterns and the like, to fair wear and tear. Seller shall use such materials economically and solely in connection with the Contract. Surplus free issue materials shall be disposed of at the Company's direction. Waste or loss of such materials arising from bad workmanship or failure of Seller to maintain such materials in good order and condition shall be made good at Seller's expense.

15. PROGRESS AND INSPECTION The Company's representative shall have the right to progress and inspect all Goods at Seller's works and the works of sub-contractors at all reasonable times and to reject Goods or any part thereof that do not comply with the Contract. Seller's sub contracts shall be made and endorsed accordingly. Any inspection, checking, approval or acceptance given on behalf the Company shall not relieve Seller or his sub-contractors from any obligation under the Contract.

16. FORCE MAJEURE In the event of any unforeseen circumstances arising beyond the Company's control such as strikes, lockouts, fires, accidents etc, which prevent or hinder the use of the Goods and/or services forming the subject of the Order, deliveries of such goods and/or the performance of such services and payment may vary at the Company's option be suspended until such time as any such circumstances shall cease.

17. SUB-CONTRACTING

a) This order shall not be assigned or sub-contracted either wholly or partially without the consent in writing of the Company.

b) In any matter between the Seller and its sub-suppliers and between the Seller and any other third party, the Seller shall be an independent contractor and in no way whatsoever shall be the agent or representative of the Company.

18. PRICE/INVOICING/PAYMENT

a) Unless otherwise agreed, the price expressly stated in the Order, or if none is so stated, in any quotation to which the Order relates, shall not be subject to increase.

b) Where goods or services are subject to any tax or duty the amount of such tax or duty legally demandable by the Seller shall be stated separately on all invoices.

c) An advice note, quoting the Company's order number, must be posted the same day that the goods are despatched and the invoice must be rendered promptly otherwise the Company cannot undertake to prevent delays in the payment of accounts.

d) Where a special discount is allowed for prompt cash, this must be clearly stated on the invoice. Unless otherwise arranged, all accounts are paid monthly.

e) Unless statements are received by the 10th of the month following delivery payment may be held over until the month after.

19. TERMINATION

Without prejudice to any right the Company may have, the Company shall be at liberty to terminate the contract forthwith in the event;

a) of breach or non-observance of any of these conditions by the Seller.

b) if the Seller shall become bankrupt or insolvent or go into liquidation or have a receiving order made against him or shall make any composition with his creditors.

20. LAW

The Order shall be governed by and construed in accordance with English Law.