

1. Definitions in these Conditions:

- a. "Buyer" means the Buyer Company placing the Order.
- b. "the Vendor" means the person, firm or company to whom the Order is addressed.
- c. "the Goods" means the articles, raw materials or any other item described in the order.
- d. "the Services" means work and/or Services or any of them to be performed by the Vendor for Buyer pursuant to the Order.
- e. "the Order" means a Purchase Order in respect of goods and/or Services issued by Buyer to the Vendor on Buyer's official Purchase Order form together with all the other document referred to therein.
- f. "Affiliates" means, in relation to any Party, any company which is a subsidiary or holding company of such Party or a subsidiary of any such holding company where "subsidiary" and "holding company" shall have the meanings assigned to them under Section 736 of the Companies Act 1985 means the company, or division thereof within the group of companies which is specified on the face of this Purchase Order.
- g. "Site" means the site at which the goods, equipment or Services are to be delivered or performed which, unless otherwise stated in the Order, shall be the registered office of aforesaid.

2. Application: These conditions shall only apply to and be incorporated in the contract between the Vendor and Buyer for the supply of the goods and/or the Services and shall be in substitution for any oral arrangement made between Buyer and the Vendor and shall prevail over any inconsistent terms or conditions contained in or referred to in the Vendor quotation or acceptance of Order or correspondence or elsewhere or implied by trade, custom or practice or course of dealings. No addition to or variation of or exclusion or attempted exclusion of the Order and/or these conditions or any of them shall be binding upon Buyer unless specifically agreed to in writing and signed by a duly authorised representative of Buyer.

3. Acceptance of Order: All the terms of the contract between Buyer and the Vendor are contained in or referred to in the Order and in these conditions. The Vendor's execution or commencement of work or commencement of delivery pursuant to the Order constitutes acceptance of the order on the terms hereof by the Vendor. The acceptance of the Order is limited to and conditional upon acceptance by the Vendor of these conditions.

4. Compliance with Laws: The Vendor shall comply with all relevant requirements, guidelines, procedures and legal requirements of the country in which the goods are to be manufactured or used or the Services rendered with respect to the manufacture, packaging, checking and delivery of the goods or the performance of the Services and will supply prior to delivery all necessary authorisation documents and procure that all goods are marked with such authority as may be required for the operation of the goods.

5. Confidentiality: Any specification of piece of equipment supplied by Buyer to Vendor or specifically produced for Buyer by Vendor together with ideas, copyright, design rights, or any other intellectual property rights pertaining thereto shall be exclusive property of Buyer. The Vendor shall not disclose to any third party company such specification or the specification of such piece of equipment except to the extent that it becomes public knowledge through no fault of the Vendor, or as required for the purpose of the contract. All inventions, patentable or otherwise made during or as a result of research and development by the Vendor on behalf of Buyer are the sole property of Buyer.

6. Delivery:

- a. Time is of the essence in the performance by the Vendor of the Order. If delivery dates for the goods or the dates for the provision and/or performance of the Services cannot be met, the Vendor shall promptly notify Buyer of the earliest possible date for delivery of the goods or the provision of the Services. Notwithstanding such notice, and unless a substitute delivery date for the goods or date for the provision of the Services has been expressly agreed to by Buyer in writing, the Vendor's failure to effect delivery of the goods or the provision of the services on the date specified shall entitle Buyer to cancel the Order without liability to the Vendor, to purchase substitute items, or Services elsewhere, and to recover from the Vendor any loss and additional costs incurred.
- b. If delivery pursuant to the Order is incomplete, Buyer reserves the right (without prejudice to any of its other rights) to accept or reject the goods so delivered or Services performed and to cancel or vary the balance of the Order.
- c. The goods must be delivered to the delivery site specified in the Order. If the goods are incorrectly delivered, the Vendor will be liable for any additional expenses involved in handling them and delivering them to their correct destination.

7. Warranty:

- a. The Vendor warrants and it is a condition of the Order, that the goods supplied to Buyer under the Order shall be of first class materials and workmanship throughout and will meet the governing specifications referred to in the Order as to quantity, quality standards and descriptions; that the design, construction and quality of the goods will comply in all respects with applicable laws and regulations and with any samples furnished by the Vendor and accepted by Buyer; and that the goods will be fit and suitable for the purpose intended by Buyer, of merchantable quality and free from defect.
- b. The Vendor warrants, and it is a condition of the Order that the Services shall be supplied in full accordance with the terms of the Order and shall be executed with reasonable care and shall be properly qualified and experienced persons; and that the provision of the Services will comply in all respects with applicable laws and regulations.
- c. The warranties and remedies provided for in the Condition 6 shall be in addition to those implied by or available at law or in equity and shall continue in force notwithstanding the acceptance by Buyer of all or part of the goods or the Services.

8. Quantity, Quality and Description:

- a. If the Vendor operates to an approved Quality Management System, i.e. ISO 9000 series, products and Services must be supplied within the controls defined for that system.
- b. The Vendor agrees to allow a representative of Buyer to enter Vendor's premises on reasonable prior notice to inspect the goods and/or Services.
- c. Buyer reserves the right at any time to change the relevant Order by written instruction, in which event the Vendor shall notify Buyer of any consequent change in price within seven (7) days of receipt of such change Order, which Buyer shall then accept or reject. No increase in price shall be allowed if the supplier fails to give timely notification to Buyer.

9. Acceptance of Goods and Services:

- a. The goods and the provision of the Services shall be subject to inspection and testing by Buyer prior to acceptance. In any case where the goods, the Services or any part thereof (whether or not inspected or tested by Buyer) do not comply with the requirements of the Order, Buyer shall give written notice to the Vendor. If the Vendor does not rectify the matter within three (3) working days after receipt of the notice, Buyer shall have the right to repair such goods and rectify such Services at the expense of the Vendor or to reject the goods and Services concerned and shall thereafter return any goods concerned to the Vendor at the Vendor's risk and expense. In case of rejection, Buyer may either cancel the Order forthwith or demand that the Vendor within a reasonable time replace such rejected goods or Services with goods or Services which are in all respects in accordance with the Order. If the Vendor shall fail to replace any rejected goods or Services within such time, Buyer shall have the right to purchase replacement goods or Services from another source and any money paid by Buyer to the Vendor in respect of the rejected goods or Services together with any additional expenditure over and above the contract price reasonably incurred by Buyer in obtaining replacement goods or Services shall be paid by the supplier to Buyer.
- b. The rights and obligations of the parties hereto shall apply to all defects appearing in goods or Services or any part thereof during the eighteen (18) consecutive months (or in the case of any latest or inherent defect, the period of eighteen (18) consecutive months after the same could first reasonably have been discovered) commencing on the date of acceptance.

10. Packing and Documentation:

- a. The goods shall be properly packed, and delivered at the Vendor's expense. Packaging and method of delivery shall be the responsibility of the Vendor. The Vendor is to ensure that goods are packed in suitable packaging or containers for carriage from the Vendor's premises to Buyer, Aberdeen and also for onward carriage to the customer's locations. Equipment must be suitably packed giving attention to detail of moisture elimination, exclusion of light (where appropriate). Equipment requiring special protection or procedures during transportation must be identified as such by the Vendor and the necessary precautions taken during packing. All packing of hazardous materials must comply with the appropriate regulations (IMO, IATA, COSHH).
- b. Each advice note, bill of lading and invoice shall bear the applicable Order Number, delivery date and /or date of completion of Services and the location to which the goods are to be delivered or at which the Services are to be provided.
- c. Certificate of conformity should be supplied with a consignment when the following circumstances apply:
 - i. As requested on the order.
 - ii. As part of standard documentation package supplied.

11. Indemnity: The Vendor agrees to indemnify and to hold Buyer, its agents, employees, officers, subsidiaries, associated companies and assigns harmless from and against any and all liability and damage, loss, cost or expense including without limitation any liability arising from any injury or loss to any person or persons or any damage to or loss of any property, directly or indirectly arising out of or in connection with:

- i. Any alleged or actual infringement of any patent, registered design, copyright, trade mark or other rights of property vested in any other person, firm or company resulting from the purchase, use or resale by Buyer, its servants, agents or clients of the goods or Services or any part thereof.
- ii. Any act or omission in the performance of or in connection with any or all of the obligations undertaken by the Vendor, its agents, employees or subcontractors or their agents or employees or otherwise.
- iii. Any alleged fault or defect howsoever arising in the goods (whether in materials, workmanship, or otherwise) except to the extent that any such liability was only incurred because the Vendor delivered the goods or provided the service solely in accordance with designs, plans or specifications supplied by Buyer. Buyer shall not be liable to the Vendor for any consequential or indirect loss or damage, including but not limited to loss of profits or business interruptions.

12. Inspection: The Vendor shall not unreasonably refuse any request by Buyer to inspect and test the Goods at any time during their manufacture, testing or subsequent storage under the control of the Vendor. The Vendor shall provide such facilities as Buyer may reasonably require for inspection and testing. If the contract provides for inspection at any stage or stages, then the Vendor shall give Buyer seven (7) days notice of readiness for inspection. If, as a result of the said inspection, Buyer is not satisfied that the goods comply with the terms of the contract and Buyer informs the Vendor in writing within seven (7) days of inspection or testing, the Vendor shall take such steps as are necessary to ensure compliance. Such inspection and testing or failure to inspect shall not be deemed to be a waiver by Buyer of any of the Vendors obligations or Buyer right under the contract.

13. Price and Payment:

- a. All prices for the goods and Services shall be as stated in the Order, and unless otherwise provided cover cost of packaging, insurance and freight. Only variations agreed in writing by the parties as a result of change in the Order will be accepted. If no such price is stated, the price of the goods or the Services shall be the lowest price currently quoted or charged at the date of the Order by the Vendor for those goods or Services, but in no event higher than the price most recently charged to Buyer by the supplier for those goods or Services.
- b. Where goods or Services are subject to purchase tax, value added tax, or any other similar taxation, the amount legally payable by Buyer is to be rendered as a separate item of account on a valid tax invoice and, if required by Buyer, the Vendor will produce bona fide evidence of the amount paid or to be paid in respect thereof.
- c. Buyer reserves the right to deduct from any monies due or becoming due to the Vendor any monies due from the Vendor to Buyer in connection with the Order.
- d. Upon receipt of an invoice, Buyer shall review the same and should the goods and Services described therein be deemed to have been carried out in accordance with the Terms and Conditions, payment shall be made sixty (60) days after the end of the month in which the invoice is received by Buyer.

14. Insurance:

- a. The Vendor will at all times insure and keep itself insured with a reputable insurance company in compliance with local legislation against all insurable liability under the Order and in respect of the Goods or the Services including without limitation all the Vendors liabilities under Conditions 11. The Vendor will promptly advise Buyer of any claim made against the Vendor arising out of the Vendor's performance of the Order. The Vendor will provide all facilities, assistance, and advice required by Buyer or Buyer's insurers for the purpose of contesting or dealing with any action, claim or matter arising out of the Vendors performance of the Order.
- b. The Vendor shall upon request by Buyer, cause its insurers to furnish Buyer with certificates of the above mentioned insurance policies giving evidence of the limits and the dates of effect and renewal of each insurance, and a statement that no insurance will be cancelled or maternally changed during the term of the Order without thirty (30) days prior written notice to Buyer at the address shown on the Order.

15. Title and Risk: The property and risk in the Goods shall pass to Buyer on delivery of the Goods in accordance with the Order, without prejudice to any right of rejection which may accrue to Buyer under these conditions or otherwise. The Vendor shall be liable for, and indemnify Buyer against, any and all liens, charges, claims and other encumbrances in respect of any and all Goods or Services provided hereunder.

16. Assignment: Sub Contracting: Neither the Order nor any part thereof shall be assigned, subcontracted or transferred in any other manner

to a third party without Buyer's prior written consent. Any such consent to subcontractors shall not relieve the Vendor of any obligation to comply with these Conditions or the Order.

17. Termination:

- a. Without prejudice to any other rights or remedies to which it may be entitled, Buyer may by written notice to the Vendor terminate the Order immediately and without liability in the event that:-
 - i. The Vendor refuses or fails to make deliveries of the goods or to perform the Services within the time specified in the Order or refuses or fails to perform any other provisions of the Order and fails to remedy such breach within ten (10) days after receipt of written notice from Buyer requiring remedy thereof; or
 - ii. The Vendor enters into a Deed of Arrangement or commits an Act of Bankruptcy or compounds with its creditors; or if the Vendor takes or suffers any similar or analogous action in consequence of debt or commits any breach of this or any other contract between Buyer and the Vendor, or if Buyer reasonably apprehends that any of the above is likely to occur.
- b. Without prejudice to any other rights or remedies to which it may be entitled. Buyer shall have the right to terminate the Order in whole or in part at any time by giving the Vendor notice in writing. The Vendor shall upon receipt of such notice immediately discontinue the manufacture or supply of Goods or the provision of Services. Buyer shall pay a fair and reasonable price for such work-in-progress properly performed and the Vendor shall afford Buyer every assistance to ascertain the extent of, and to minimise expenses and costs in relation to such work-in-progress and shall submit all final invoices to Buyer within two (2) months of notice of termination. Such payment by Buyer shall constitute full and final satisfaction of any claims arising out of such termination and upon such payment the Vendor shall deliver to Buyer all work completed or in progress. In no event shall the amount payable by Buyer under this condition (b) exceed the amount that would have been payable had the Order not been terminated.

18. General:

- a. The Vendor acts solely as an independent contractor in supplying the goods and Services hereunder.
- b. Any Provision or terms of this Order which is or may be void or unenforceable shall to the extent of such invalidity or unenforceability be deemed severable and shall not affect any other provision hereof.
- c. Any notice hereunder shall be deemed to have been given if sent by electronic email with read receipt, recorded first class mail or recorded courier delivery to the party concerned at, in the case of the Vendor, its last known address, and in the case of Buyer, the address appearing on the Order. Notices sent by first class post shall be deemed to have been given on the date of despatch.
- d. Failure by Buyer to exercise or enforce any rights under this contract or at law shall not be deemed to be a waiver of any such right nor operate to bar its exercise or enforcement in the future.
- e. In the case of conflict between the English text of this contract and translation into other languages, the English text shall prevail.
- f. These conditions and the Order shall be governed by and construed in accordance with the law of England, and the parties hereby submit to the jurisdiction of the English Courts.