

W LUCY & CO. LTD., AND ITS UK SUBSIDIARY COMPANIES

STANDARD CONDITIONS OF PURCHASE

Definitions

- 1.1 "The Company" means W. Lucy & Co Ltd and its UK Subsidiary Companies.
- 1.2 "The Supplier" means the supplier to whom the order is issued.
- 1.3 "The Order" means the Company's order specified overleaf to the Supplier in respect of the Goods.
- 1.4 "The Goods" means the Goods specified in the Order and all parts and components of them and/or all work to be done and services to be provided by the Supplier as specified in the Order.
- 1.5 "The Contract" means any contract for the purchase of the Goods by the Company from the Supplier and shall incorporate the Order any specifications drawings or conditions referred to in it the conditions set out below and all terms and conditions implied by law.

Existence of Contract

- 2.1 The Order is liable to cancellation unless accepted by the Supplier within fourteen days of the date of the Order and acceptance shall be by means of any written acknowledgement whether or not it seeks to impose new conditions (unless clearly stated on its face to be a counteroffer) or delivery of the Goods.
- 2.2 These conditions shall be incorporated in the Contract to the exclusion of any terms or conditions stipulated or referred to by the Supplier.
- 2.3 The Company shall not be legally liable for or in respect of any Order or amendment to an Order unless such Order or amendment has been signed by a person authorised in that behalf.

Terms of Payment

- 3.1 The agreed price shall remain fixed throughout the period of the Contract.
- 3.2 Terms of payment are by cheque on the last day in the second calendar month following the month of invoice after receipt of a properly prepared invoice, unless otherwise agreed.
- 3.3 Without prejudice to any other remedy the Company may delay payment without loss of prompt payment discount if the Supplier fails to comply with the provisions of condition 4.

Marketing of Goods, Invoices etc.

- 4.1 The Supplier shall on despatch of the Goods or completion of any work or services send to the Company detailed advice notes and invoices in which value added tax will be shown as a strictly net item.
- 4.2 The Supplier shall send to the Company by the fourteenth day of each calendar month a statement of all advice notes and invoices rendered during the previous calendar month.
- 4.3 The supplier shall mark the Company's order numbers and any part numbers on all invoices advice notes statements correspondence packages and packing.

Delivery

- 5.1 If the Goods are ordered by reference to a trade name the Goods supplied must, unless otherwise agreed, bear that trade name.
- 5.2 The Supplier shall adequately pack and protect the Goods against damage and deterioration and deliver them at its own expense, unless otherwise agreed not earlier or later than the time or times and at the delivery point or points specified in the Order or as the Company directs and time shall be of the essence provided that delivery shall not in any event take place at times other than on working days between 7.30am and 3.30pm Monday to Thursday inclusive and between 7.30am and 12noon on Friday unless otherwise agreed.
- 5.3 The supplier shall furnish such programmes of manufacture or completion as the Company may from time to time require and shall promptly advise the Company in writing if such programmes are or are likely to be delayed.
- 5.4 The Supplier shall be responsible for any expenses incurred by the Company in returning any items delivered in excess of the quantity specified in the Order or which do not conform to the Contract.

Inspection and Testing

- 6.1 The Company's representative or any representatives of a purchaser or sub-purchaser from the Company and any government department shall be entitled on the Company's authority to inspect or test the Goods or any of them at any reasonable time at the premises of the Supplier.
- 6.2 The Supplier shall give adequate notice of all tests and furnish such test certificates as the Company requires.
- 6.3 The Company reserves the right to audit the Suppliers quality system controls as required by ISO 9001.
- 6.4 No inspection test or audit or failure to inspect test or audit shall constitute acceptance of the Goods or affect any liability of the Supplier under the Contract.

Passing of titles and risk

- 7.1 Title to and risk of the Goods passes on the date (if any) specified in the Order and if none is specified on the physical delivery of the Goods in accordance with the Order.

Termination/rejection

- 8.1 If the Supplier defaults in any of its obligations, under the Contract becomes insolvent has a receiver appointed of its business or its compulsorily or voluntarily wound up or if the Company bona fide believes that any of such events may occur the Company shall be entitled at its discretion without prejudice to any other remedy to suspend the performance of or terminate the contract and in the event of termination to keep or take possession of any Goods or of any items belonging to the Company and to enter any premises of the Supplier for that purpose.
- 8.2.1 If any Goods do not conform to the Contract on any Grounds at all including without limitation by reason of quality or being unfit for the purpose for which they are required the Company shall be entitled at its discretion without prejudice to any other remedy to exercise any one or more of the following rights,

- 8.2.2 Reject the Goods in whole or in part
- 8.2.3 Require the Supplier to replace or reinstate the Goods so that they conform to the Contract
- 8.2.4 Carry out or have carried out at the Suppliers expense such work as is necessary to conform the Goods to the contract, and
- 8.2.5 Be entitled to compensation in full for any loss incurred by the Company.
- 8.3 If the Company terminates the Contract the Supplier shall return to the Company all payments made and if the Company rejects any Goods the Supplier shall return all payments already made for the rejected Goods. Where upon termination the Company elects to keep or take any Goods it shall account to the Supplier for them at a proportion of their price or their value to the Company whichever is less but otherwise no compensation shall be payable to the Supplier on termination or rejection.
- 8.4 No failure or delay on the part of the Company to exercise any of its rights in respect of any default under the Contract by the Supplier shall prejudice its rights in connection with the same or any subsequent default.

Warranty

- 9.1 The Supplier shall at its own expense make good any defects which under proper use appear in the Goods either during a period beginning on their delivery and ending twelve months after their delivery or during such other defects period stipulated by the Company in the Order.

Indemnity

- 10.1 The Suppliers shall indemnify the Company against any loss damage or injury to the Company or its property, any claim in respect of loss damage injury or death made against the Company by any third party and all costs and expenses arising in connection with them which result from the Supplier's failure to comply with the Contract (whether negligent or otherwise) and in particular resulting from any defects in the Goods or their materials construction, workmanship or design or any claim that any Goods prepared or supplied under the Contract otherwise than exclusively in accordance with a design or instruction given by the Company infringe or are alleged to infringe the rights of any third party claimed under or in connection with any patent registered design copyright or breach of confidence.
- 10.2 The Supplier shall be at all times adequately insured with a reputable insurer against all insurable liability under the Contract.
- 10.3 The Supplier shall provide all facilities, assistance and advice required by the Company or its insurers for the purpose of contesting or dealing with any action, claim or matter arising out of the Suppliers performance or purported performance or of failure to perform the Contract.

Designs

- 11.1 The Goods and copyright designs drawings and other documents prepared in connection with the Order or the Contract or supplied to the Company shall belong to the Company.
- 11.2 The Supplier shall use those documents only for the purposes of the Contract and shall return them carriage paid to the Company upon the Company's request at any time or if no request is made upon completion of the Contract.
- 11.3 The Supplier shall be responsible for any errors or omissions in any drawings calculations or particulars supplied by it whether or not such information has been approved by the Company.

Confidentiality

- 12.1 The Contract and its subject matter are confidential and shall not be disclosed or used for any unauthorised purpose.

Statutory and other requirements

- 13.1 The Supplier undertakes that the Goods are safe and without risk to health when properly used and comply in all respects with all relevant statues regulations orders bye-laws standards and codes of practice in force at the date of delivery including without prejudice to the generality of the foregoing the Factories Act 1961 and the Health and Safety at Work etc. Act 1974. The Supplier shall supply in respect of the Goods such information about the use of them as complies with the Health and Safety at Work etc. and proper evidence of all tests and examinations and research made in compliance with the provisions of that Act.

Assignment and subletting

- 14 The Supplier shall not assign or without the written consent of the Company sub-let the contract in whole or in part and it shall be a condition of any such consent to any sub-letting of the Contract that the Supplier shall:
 - 14.1 ensure and be responsible for the compliance by any sub-contractor with the terms of the Contract
 - 14.2 include in the sub-contract provisions consistent with these conditions for the benefit of and enforceable by the Company; and
 - 14.3 furnish the Company with copies of any sub-contract upon the Company's request at any time.

Laws and Construction

- 15.1 The contract shall be governed by English law and the Supplier consents to the exclusive jurisdiction of the English courts in all matters regarding the Contract except to the extent that the Company invokes the jurisdiction of the courts of any other country
- 15.2 The headings of conditions are for convenience of reference only and shall not affect their interpretation

Notice

- 16 Any notice to be given under the Contract shall be in writing and telexed sent by facsimile transmissions or forwarded by first class prepaid (registered or recorded delivery), letter post to the receiving part of its business address as last notified in writing to the other party and shall be deemed to have been given on the date of the telex or facsimile transmission or on the day following that on which the notice was posted.