



HYDROBOLT GROUP HOLDINGS LIMITED
(Hereinafter referred to as "the Company")
CONDITIONS OF PURCHASE

All Purchase Orders placed by the Company are subject to the following conditions of purchase, to the exclusion of all other conditions contained or referred to in the Supplier's quotation, tender, acceptance or invoice, unless otherwise specifically agreed by the Company in writing.

- 1. ORDERS**

The company or its Agents will not be liable for any orders, unless given or confirmed on the Company's official printed Purchase Order forms, duly signed by an authorised official of the Company. The Company shall not be bound by any variation, waiver or addition to these Conditions, or the terms of any order, except at specifically agreed to in writing by means of an amendment to such Purchase order.
- 2. QUANTITIES**

The quantity of goods supplied must equal the exact amounts indicated on the Purchase Order, or any subsequent delivery schedule, unless otherwise agreed to in writing by the Company in accordance with Clause 1 hereof. Quantities supplied in excess of those indicated on the Purchase Order may be returned to the Supplier by the Company at the expense of the Supplier and the Company shall accept no responsibility for any such goods.
- 3. DELIVERY**
 - (a) Any time of delivery stated on the Purchase Order shall be the essence of the contract, and if the supplier fails to deliver goods in sufficient quantity or the quality specified within the stated time, or on the stated date, the Company shall reserve the right to cancel such order and/or obtain the goods from elsewhere, any extra costs whatsoever incurred by the Company being payable by the supplier, irrespective of whether the company cancels the Purchase Order or otherwise.
 - (b) Any failure by the Company to exercise this option with respect to any instalment of goods supplied under a Purchase Order, shall not be deemed to constitute a waiver with respect to any subsequent instalments of the goods to be supplied under that order.
 - (c) It shall be the responsibility of the Supplier to advise the Company without delay any production difficulties or any other circumstances which may result in delivery of the Order being delayed. Such communications in writing only.
- 4. DOCUMENTS**
 - (a) The Supplier shall send to the Company, at the address shown on the Purchase Order, an Advice Note on the same day that goods are despatched and a Priced Invoice as soon as is reasonable thereafter. A copy of the Advice Note should also be despatched with the goods, either securely fastened to the goods or enclosed in any packing cases. All Advice Notes and Invoices must show the Company's Purchase Order number, the part number of each item, and specify the means of transport, weight, number or volume, the point and date of despatch, and any other information called for in the Purchase Order. Wheresoin conflicting information exists it is a condition of the purchase order that Advice Note/Invoice quantities be considered valid at only the lowest figure stated on either document and that the company must reserve the right to dispute quantities delivered or collected on arrival at our works provided that this occurs within 48 hours of receipt of goods. Quantities then being subject only to verification by the supplier at our works.
 - (b) Invoices submitted without the full references required under Sub-Clause (a) above will be returned to the Supplier for identification and orders will not be considered to have been fully performed and payment will be withheld until the correct documents referred to in this clause have been received by the Company.
- 5. PACK, MARKING AND DESPATCH OF GOODS**
 - (a) All goods supplied shall be properly packed, marked and despatched at the Supplier's expense in accordance with the requirements set out in the Purchase Order.
 - (b) The Company count will be accepted as final and conclusive in relation to all deliveries not accompanied by an itemised packing list.
- 6. PASSING OF PROPERTY AND RISK**

Property and risk in the goods supplied shall pass to the Company on delivery, without prejudice to any right of rejection which may accrue to the Company under these Conditions upon rejection, property and risk shall pass to the Supplier on notice of such rejection being given to the Supplier by the Company.
- 7. DAMAGE OR LOSS IN TRANSIT**

The Supplier will replace free of charge, as the Company so elects, goods deemed to have been lost until replacement or repaired goods have been delivered.
- 8.** Unless otherwise stated on the Purchase Order, the prices charged shall include the cost of packing, insurance, delivery and all taxes, dues and charges. No charges for Test Certificates will be accepted. Charges for cases, stillages or other containers will not be accepted.
- 9. TERMS OF PAYMENT**

Payment of invoice will be made ninety days from the end of the month in which such invoices are received by the Company.
- 10. CANCELLATION**
 - (a) A Purchase Order may be cancelled by the Company at its option in whole or in part at any time by written notice to the Supplier.
 - (b) Immediately upon receipt of any such notice of cancellation the Supplier will:-
 - (i) cease work under the relevant order.
 - (ii) deliver to the Company on the day following cancellation all completed work which conforms to the quality requirements of such order and does not exceed in quantity the amount authorised by the Company. These items will be paid for only at the company's discretion.
 - (iii) at the Company's request, deliver work in progress (but not in excess of amounts authorised by the Company) and material produced or acquired in the course of performance or work terminated, which are of a type and quality suitable for producing supplies which conform to the requirements of the relevant purchase order.
 - (iv) return to the Company all goods or articles belonging to it and in possession of the supplier for the purposes of the contract.
 - (c) The Company shall pay for all goods delivered pursuant to paragraph (b) at its discretion above at the agreed price and shall pay for completed items only delivered pursuant to paragraph (b) (iii) at the company's discretion only above at such rate as may be reasonable, but the Company shall have no further liability to the Supplier as a result of such termination.
- 11. INSPECTION**
 - (a) All goods supplied under a Purchase Order may be subject to inspection and test by the Company, the Company's client and/or third party inspection authorities, who shall have the right, at the Supplier's expense, to reject such goods as shall be defective in materials or workmanship, or otherwise fail to meet the requirements of the Purchase and if necessary return such goods to the Supplier, at the Supplier's expense and risk. Threads must be un-bruised on receipt.
 - (b) The Company, the Company's client and/or third party inspection authorities may inspect and test goods during their manufacture, processing and storage and shall be entitled to give notice to the Supplier that the goods do not comply with the Purchase Order, whereupon the Supplier shall take such steps as may be necessary to ensure such compliance.
 - (c) The Company reserves unto itself at its own discretion the right to cancel any purchase order where defective goods are received, without prejudice or liability.
 - (d) Inspection of the goods to be supplied under the Purchase Order by the Company, the Company's client and/or third party inspection authorities will not relieve the Supplier of its responsibilities to furnish satisfactory material under the Purchase Order.
 - (e) The waiving of inspection by the Company, the Company's client and/or third party inspection authorities, at any point during manufacture, will not prejudice the right of any of the said parties to reject defective or incorrect goods after delivery.
- 12. EXPEDITING**

When deemed desirable by the Company and/or the Company's client the Purchase Order shall be subject to physical expediting by the Company's representative, who shall be granted free access at all reasonable times to any and/or all parts of the Suppliers or Sub Suppliers premises or plant involved in the manufacture or processing of the goods to be supplied under the Purchase Order. Three unpriced copies of the Suppliers order to its Sub-Suppliers (if any) raised in connection with the Purchase Order, are to be forwarded to the Company.
- 13. GUARANTEE**

The Supplier represents and warrants that all goods supplied pursuant to the Purchase Order, comply with the specifications, drawings, samples or other description furnished, specified or approved by the Company. Such goods shall also be new, fit and sufficient for the purpose for which they were intended, of good material, design and workmanship and free from defects. If a standard or performance is specified, goods supplied must be capable of the required performance.
- 14. DEFECTIVE ARTICLES**

If the goods supplied under the Purchase Order, or which replaced by the Supplier pursuant to the terms of this clause, prove defective under normal conditions of use, within 36 months of delivery or 12 months from commencement of use whichever is the sooner, the Supplier will replace such goods at no cost to the Company, notwithstanding the indemnity provided by the Supplier under Clause 13 hereof, and make payment of any consequential losses.
- 15. INDEMNITY**

The Supplier shall indemnify the Company against any loss or damage to the Company or its property arising out of, or in connection with, the goods supplied under the Purchase Order (including goods which are replaced pursuant to Clause 14 hereof) and shall save the Company harmless from all actions or other demands by any third party.
- 16. COMPANY MATERIALS**

The Supplier shall be liable for the value of any materials which the Company may send to the Supplier in connection with the Purchase Order, and shall replace any that may be lost, damaged or destroyed, free of charge to the Company, or pay any invoice tendered by the Company amounting to the same. This also applies to scrapped goods.
- 17. DRAWINGS, SPECIFICATIONS ETC.**

All specifications, drawings, samples and information are provided on a confidential basis by the Company to the Supplier, and shall remain the property of the Company, to whom they shall be returned on completion of the Purchase Order, and the Supplier shall not disclose them to any third party without the express written consent of the Company.
- 18. ASSIGNMENT OR SUB-CONTRACTING**

The supplier shall not assign or sub-contract the Purchase Order or any part of it without the previous written consent of the Company, except as regards sub-contracts for raw materials or minor detail.
- 19. INDUSTRIAL PROPERTY RIGHTS**

Save to the extent that the goods to be supplied under the Purchase Order are designed by the Company, the Supplier warrants that such goods and their sale or use will not infringe any patent, trade mark or copyright, and the Supplier will indemnify the Company, and anyone selling, or using any of the Company's products, against all judgements, costs and expenses resulting from any infringement or alleged infringement, and the Supplier shall at the Company's request assist in the defence of any proceedings which may be brought against the Company, or those selling or using goods provided by the Supplier. The Supplier's representations and warranties contained herein shall survive delivery of the goods to the Company and the sale, use or incorporation into other products of such goods and shall be in addition to all representations and warranties implied by or available at law.
- 20. SUPPLIERS DEFAULT**

If the Supplier shall neglect to execute the Purchase Order with due diligence and expedition, or shall refuse or neglect to comply with any reasonable instructions given by the Company in writing to the Supplier, in connection with the Purchase Order, or shall contravene these Conditions or the Conditions of the Purchase Order, the Company may give notice in writing to the supplier to make such good failure, neglect or contravention. If the Supplier fails to comply with the notice within seven days from the date of service thereof, the Company shall have the right to take the work wholly or in part out of the Supplier's hands to re-contract with any other supplier to complete the work or any part thereof.

The company shall be entitled to retain and apply any balance which may otherwise be due on the Purchase Order by the Company to the Supplier, or such part as may be necessary, to the payment of the cost of executing the said part of the work or part thereof as aforesaid shall exceed the balance due to the Supplier, the Supplier shall pay such excess. Provided that nothing in this clause shall prejudice any other rights which the Company may have under these Conditions.

Where failure of the supplier to deliver to the company in time necessitates the cancellation of the purchase order and subsequent manufacture on an emergency basis, the supplier shall indemnify the company from related losses. The company shall duly mitigate such losses as it may and in consideration of the fact that time shall always be of the essence the source of processing of such re-manufacture shall be solely at the discretion of the company. A schedule of said losses will be communicated to the supplier in writing and deducted in full from monies owed, or payment required by issue of an invoice for the appropriate amounts. Losses caused by late delivery or poor quality of services or materials which may result consequentially due to late delivery including loss of profits due to our customers cancellation may be charged to the supplier. Time is always of the essence.
- 21. BANKRUPTCY OR LIQUIDATION**

If the Supplier shall become bankrupt, or have a receiving order made against it, or compounds with its creditors, or being a corporation shall commence to be wound up (except for the purpose of amalgamation or reconstruction), or carry on its business under a Receiver for the benefits of its creditors, the Company may terminate the Purchase Order by notice in writing to the Supplier or its Receiver or Liquidator at which juncture the supplier shall be deemed to have granted to the company the right of forced entry and removal over all work in hand, materials and equipment having once at any time previously been the property of the company.
- 22. NOTICES**

Any notice under the Purchase Order shall be given by post or facsimile addressed to the address stated on the Purchase Order for the Company and Supplier, or such address as either may notify to the other in writing for the purpose.
- 23. LAW OF CONTRACT**

The Contract will be governed by English Law.