

**Preminox Limited**  
**GENERAL CONDITIONS OF PURCHASE**

- 1.0 **FORMATION AND CONTENT OF CONTRACT**
- 1.1 Acknowledgement of an order or commencement of design, manufacture, delivery, start of invoicing or supply of the goods or services constitutes acceptance by the Supplier of the Distributor's order (the "Order") under these General Conditions of Purchase.
- 1.2 The Contract shall consist of and the order or precedent shall be:
- (i) Any special conditions written or referred to on the face of the Order (including the Specification)
  - (ii) The Supply Agreement
  - (iii) These General Conditions of Purchase.
- 2.0 **INSPECTION AND TESTING**
- 2.1 The Supplier shall not unreasonably refuse any request by the Distributor to inspect and test the goods during manufacture, processing or storage at any reasonable time and shall provide the Distributor with all facilities reasonably required for such inspection and testing. If as a result of inspection of testing the Distributor is not satisfied that the goods will comply in all respects with the Contract and so informs the Supplier within 7 days of inspection or testing, the Supplier shall take all such steps as are necessary to ensure compliance.
- 2.2 Inspection and testing in accordance with this clause shall not relieve the Supplier of any liability nor imply acceptance of the goods or services
- 3.0 **TITLE AND RISK**
- 3.1 Title to the goods shall pass the Distributor on delivery or if earlier upon payment to the Supplier of not less than 51% of the Contract price of those goods.
- 3.2 Risk in compliant goods delivered in accordance with the Contract shall pass to the Distributor on delivery.
- 3.3 Goods belonging to or provided by the Distributor which are in the Supplier's custody for any purpose shall be clearly marked and recorded by the Supplier as belonging to the Distributor and shall be at the Supplier's risk.
- 4.0 **DELIVERY DATE AND POSTPONEMENT OF DELIVERY**
- 4.1 The delivery date, date of completion of the works or services or, in the case of a service being performed at regular intervals, the period of the Contract, shall be that specified in the Order or otherwise agreed. The Supplier shall furnish such programmes of manufacture and delivery as the Distributor may reasonably require. If the Contract includes the carrying out of tests on the goods after their receipt by the Distributor, then delivery shall not be deemed complete until such tests have been passed to the unconditional satisfaction of the Distributor.
- 4.2 The Supplier shall notify the Distributor if any delivery or performance is likely to be delayed beyond the specified date. If delivery or performance is delayed beyond the Contract delivery dates, the Distributor shall be entitled to claim any liquidated damages provided for in the Contract (which shall then be its sole remedy for delay, though not for defects) or, if none are provided for, unliquidated damages.
- 4.3 The Distributor may by notice in writing to the Supplier given at any time before delivery of the goods in accordance with clause 4.1 postpone delivery of all or, some of the goods. It shall then be the duty of the Supplier as from the time when the goods are due and ready for delivery to:
- store the relevant goods or cause them to be stored;
  - give written notice to the Distributor stating where the relevant goods are stored and what terms; and
  - take all reasonable steps to safeguard the relevant goods and prevent their deterioration.
- 4.4 The Distributor shall be liable to the Supplier for the reasonable costs of storing the relevant goods including the cost of any insurance effected on the relevant goods for the benefit of the Distributor and the Supplier shall hold any insurance monies received by it in respect of such goods on trust for the Distributor.
- 5.0 **COMPLIANCE and QUALITY ASSURANCE**
- 5.1 Goods and services shall conform to the requirements of the Contract, be of satisfactory quality (as statutorily defined) and free of defects in design material or workmanship and be fit for any purpose of which the Supplier is or should be reasonably aware. They shall be made or performed in accordance with good engineering practice and all applicable standards and legislation. Goods shall be delivered complete with all instructions, warnings and other data necessary for safe and proper operation. Goods or services which do not comply with any of the above (except in respect of minor matters that do not affect performance) shall be deemed to be defective.
- 5.2 If for any reason the Supplier is uncertain as to whether the goods or services to be supplied by it will comply with any of the above, it must promptly and before despatch inform the Distributor in writing with full details of the possible non-compliance for consideration. Written acceptance or rejection of the Supplier's application will then be provided by the Distributor in as timely a manner as possible.
- 5.3 The Supplier shall have in force and maintain throughout its performance of the Contract an accredited quality assurance system and shall allow the Distributor, or any of its suppliers or any other party reasonably nominated by the Distributor to inspect the Supplier's quality assurance documents and procedures at any of the Supplier's premises, upon reasonable notice.
- 6.0 **VARIATIONS**
- 6.1 The Supplier shall accept any reasonable variation in scope, specification, quantity or delivery requested by the Distributor. The price shall be adjusted to reflect the variation having regard to the rates and prices used in the Contract or where these are not relevant to what is fair and reasonable.
- 6.2 Neither party shall be bound by any Contract variation unless and until it is confirmed by an official amendment to the Order issued by the Distributor.
- 7.0 **PRICE AND PAYMENT**

- 7.1 Where the Distributor was issued no variation in scope relating to specification, quantity or delivery the prices stated on the Order are fixed and firm for the duration of the Contract.
- 7.2 Unless otherwise stated in the Order, the Contract Price shall be inclusive of the costs of delivery to the delivery address stated on the face of the Order.
- 7.3 Unless otherwise stated in writing, payment shall be made by the Distributor against services performed in accordance with the Contract or delivery of compliant goods together with all documentation required under the contract within ninety days from the end of the month in which an acceptable invoice was submitted.
- 7.4 The Distributor may deduct from any payments otherwise due to the Supplier any reasonable estimate made in good faith of losses or damages that it is likely to suffer due to any breach of Contract by the Supplier. If any later assessment of such loss or damage requires any repayment to the Supplier, such repayment shall bear no interest and its previous deduction shall not be a breach of Contract by the Distributor.
- 7.5 Insofar as the Late Payment of Commercial Debts (Interest) Act 1998 applies to the Contract, the Supplier shall be entitled to simple interest on overdue payments at a rate of 1% above the UK clearing bank base lending rate.
- 8.0 REJECTION AND REMEDY OF DEFECTS
- 8.1 The Distributor shall be entitled to reject any goods delivered which are not in accordance with the Contract and shall not be deemed to have accepted any goods until the Distributor has had a reasonable time to inspect them following delivery or, if later, within a reasonable time after any latent defects in the goods have become apparent, without prejudice to which the Distributor may in any event reject the goods or services within six months of supply of the goods by the Distributor to its customer if they are defective. Rejected goods shall be collected by the Supplier promptly at its own cost. Upon rejection of any goods or services, the Distributor shall have the right to require the Supplier to replace them within such time as may be stipulated by the Distributor or terminate the Contract without prejudice to its other rights and remedies.
- 8.2 Without prejudice to any other rights of the Distributor the Supplier shall at its own expense upon request by the Distributor promptly repair or replace any goods which are discovered to be defective within 6 months of delivery. Repairs and replacements shall themselves be subject to the foregoing obligations from the date of delivery, reinstallation or passing of tests (if any) whichever is appropriate after repair or replacement.
- 8.3 If the Supplier fails within a reasonable time to remedy any defect as above provided, the Supplier shall return any money paid by the Distributor in respect of the defective items and the Distributor shall be entitled to terminate the Contract without prejudice to its other rights and remedies.
- 9.0 INTELLECTUAL PROPERTY RIGHTS
- 9.1 All information and know-how including drawings, specifications and other data provided by the Distributor in connection with the Contract shall remain at all times the Distributor's property and may be used by the Supplier only for the purpose of performing the Contract. The Supplier shall keep the information and know-how confidential and shall return them to the Distributor upon request.
- 9.2 The Supplier shall indemnify the Distributor against all claims arising from infringement or intellectual property rights in relation to the goods or services which are the subject of the Contract.
- 9.3 The Supplier shall neither quote nor supply parts made with the Distributor's tools or materials or to the Distributor's patterns, drawings, specification or designs, to any third party without the Distributor's prior written consent.
- 9.4 Any inventions, patents, copyrights, design rights and other intellectual property rights arising from the execution of the Order shall become the property of the Distributor and the Supplier shall not disclose the same to any third party. The Supplier shall do all things and execute such documents as may be necessary to assign such property to the Distributor.
- 10.0 FORCE MAJEURE
- 10.1 If performance of either party's obligations under the Contract are delayed by any act or omission or default of the other party or act of God, act of omission of government, war or similar event beyond either party's reasonable control ("Force Majeure") (but not acts defaults or omissions of a party's sub-contractor or supplier shall not be themselves be events beyond the reasonable control of that party) the time for performance shall be amended accordingly subject to the delayed party promptly informing the other of the event and taking all reasonable steps to reduce the delay.
- 11.0 TERMINATION
- 11.1 The Distributor may terminate the Contract without prejudice to any other of its rights and without liability to the Supplier if:
- 11.1.1 The Supplier's performance or delivery is delayed for 30 days or more (whether by Force Majeure or otherwise).
- 11.1.2 The Supplier, having failed to comply with any delivery dates, fails to comply with a further notice by the Distributor calling for immediate delivery.
- 11.1.3 The Supplier fails to deliver by the date that the maximum of any liquidated damages specified in the Contract have been incurred.
- 11.2 Either party may terminate the Contract if the other party becomes bankrupt or insolvent or (being a company) makes an arrangement with its creditors or has a receiver or administrator appointed or commences to be wound up or if the other party reasonably apprehends that any of the above is about to occur.
- 11.3 The Distributor may terminate the Contract if any related Contract between the Distributor and a third party is terminated for whatever reason. In such event the Distributor shall compensate the Supplier for costs reasonably and properly incurred until termination, subject to the Supplier taking all reasonable steps to minimise such costs and subject to reasonable proof being provided. Compensations shall not in any event exceed 50% of the Contract price. The remedies in this clause 11:3 shall be the Supplier's sole remedies for any termination under this clause 11:3.
- 12.0 LIABILITY FOR ACCIDENTS AND DAMAGE

- 12.1 The Supplier shall at all times during and after performance of the contract indemnify the Distributor against:
- 12.1.1 all loss or damage to property and all claims and expenses in connection therewith caused by the acts or omissions of the Supplier, its sub-contractors, employees and agents up to a maximum of five million pounds sterling per act of event giving rise to a claim: and
- 12.1.2 liability for death and personal injury and all claims and expenses in connection therewith caused by the Supplier, its sub-contractors, employees and agents.
- 12.2 Except for the payment of any liquidated damages specified in the Contract neither party shall have any liability whatsoever to the other (whether by way of indemnity or otherwise) for the other's loss of profit, production, business or revenues arising from any breach of Contract, negligence, breach of statutory duty or otherwise.
- 12.3 The Supplier shall take out and keep in force suitable public and products liability insurance against its liabilities under this clause and shall allow the Distributor to inspect at all reasonable times.
- 13.0 HAZARDOUS GOODS
- 13.1 If any of the goods to be supplied under the Contract contain any hazardous substances or require any special precautions to be taken to ensure safety in handling, transport, storage or use, the Supplier shall prior to their delivery furnish to the Distributor written details of the nature of those substances and the precautions to be taken and shall ensure that before despatch appropriate instructions and warnings are clearly and prominently marked on the goods or securely attached to them and on any containers into which they are packed.
- 13.2 In particular (but without limitation) the Supplier shall provide to the Distributor in writing all such data, instructions and warnings as are required to comply with applicable legislation relating to health and safety and shall indemnify the Distributor against any and all liabilities, claims and expenses which may arise as a result of the Supplier's failure to do so.
- 14.0 ASSIGNMENT
- 14.1 The Contract shall not be assigned or subcontracted by the Supplier as a whole. The Supplier shall not assign or subcontract any part of the work without the Distributor's prior written approval which shall not be unreasonably withheld or delayed, but the restriction contained in this clause shall not apply to subcontracts for materials, minor details, or any part for which the subcontracts is named by the Contract. The Supplier shall be responsible for all work done and goods supplied by all subcontracts.
- 15.0 RESTRICTIVE COVENANT
- 15.1 The Supplier, any subsidiary or holding company of the Supplier, and any associate of the Supplier shall not, without the prior written consent of the Distributor, whether directly or indirectly:-
- 15.1.1 during the course of negotiations with the Distributor and for a period of 18 months after the date of the Contract, for whatever reason, solicit or entice away or seek to entice away or employ any person who is, or was at the date of the Contract or within the period of 24 months prior to the date of the Contract, employed or engaged by the Distributor;
- 15.1.2 during the course of negotiations with the Distributor and for a period of 18 months after the date of the Contract, for whatever reason, solicit or endeavour to solicit in competition with the business of the Distributor the custom or, or orders from, any person who has been a customer of the Distributor at any time during the period of 12 months immediately preceding the date of the Contract; or
- 15.1.3 during the course of negotiations with the Distributor and for a period of 18 months after the date of the Contract, for whatever reason, accept orders from any person, firm or company who has been a customer of the Distributor at any time during the period of 12 months immediately preceding the date of the Contract.
- 16.0 DISPUTES
- 16.1 Unless settled amicably, any dispute or difference which arises between the Supplier and the Distributor out of or in connection with the contract shall be referred by either part to arbitration. The arbitrator shall be any person agreed by the Parties or, in the event of disagreement, by the body stated in the Special Conditions.
- 16.2 If a party is dissatisfied with decision of the adjudicator, or if not decision is given within 56 days, then the party shall within 28 days of the decision or the expiry of the 56 day period give notice of his dissatisfaction. If no notice is given within the specified period the decision of the adjudicator shall be binding.
- 16.3 If notice is given within the specified period, then the dispute shall finally be resolved by a single arbitrator nominated by the body stated in the Special Conditions. Any hearing shall be held in England in the English Language.
- 17.0 TAXES
- 17.1 The Distributor shall be entitled to deduct from payments to be made to the Supplier under the Contract or otherwise the Supplier shall indemnify the Distributor in respect to any taxes, duties, imposts, national insurance contributions and similar charges if the Supplier fails to provide the Distributor with proper certification or exemption from such deductions or payments.
- 18.0 NOTICES
- 18.1 All notices required to be issued in connection with the Contract shall be in writing and shall be served by sending by post, facsimile transmission, or delivery by hand to the addresses stated on the face of the Order.
- 19.0 WAIVER
- 19.1 Any waiver by the Distributor (whether with or without knowledge, and whether in whole or in part) of any term of this Contract shall not constitute a precedent, nor restrict the Distributor's rights in respect of any succeeding breach of the same or any other term of the Contract.
- 20.0 LAW
- 20.1 This Contract shall be governed by the Laws of England and Wales and subject to the non-exclusive jurisdiction of English Courts.