

TERMS AND CONDITIONS OF PURCHASE

1. <u>Definitions</u>

- 1.1 'Buyer' means Eurosonic Group Limited whose registered office is at Brightgate House, 1 Brightgate Way, Manchester. M32 0TB UK.
- 1.2 'Conditions' means the terms and conditions of purchase set out in this document and any special terms and conditions agreed in writing by the Buyer and/or required by the Buyer.
- 1.3 'Delivery Date' means the date specified by the Buyer when the Goods are to be delivered.
- 1.4 'Goods' means the articles which the Buyer agrees to buy from the Seller.
- 1.5 'Price' means the price for the Goods, carriage, packing and insurance but excluding vat less such sums as the Buyer may be entitled to deduct/set off in accordance with these conditions.
- 1.6 'Seller' means the person who sells or agrees to sell the Goods to the Buyer.
- 1.7 'Supplier Manual' means the Buyer's supplier manual updated from time to time.

Conditions applicable

- 2.1 These Conditions shall apply to all contracts for the purchase of Goods by the Buyer from the Seller to the exclusion of all other terms and conditions including any terms or conditions which the Seller may seek to apply under any sales offer, quotation, order confirmation or similar document.
- 2.2 Despatch or delivery of the Goods by the Seller shall be deemed conclusive evidence of the Seller's acceptance of these Conditions.
- 2.3 Any variation to these Conditions (including any special terms and conditions agreed between the parties) shall be inapplicable unless agreed in writing by the Buyer.
- 2.4 The Buyer shall be entitled to rely upon any advice, recommendation or representation given by the Seller or its employees or agents to the Buyer or its employees or agents including without limitation as to the delivery, storage, application, fitness for purpose, compliance with relevant standards or use of the Goods or otherwise.
- 2.5 The Supplier Manual is incorporated into these Conditions by reference.

Price and payment

- 3.1 The Price shall be the Seller's quoted price as agreed by the Buyer less any applicable discount or any sums otherwise due from the Seller pursuant to these Conditions. The price is exclusive of VAT which, if applicable, shall be due at the rate ruling on the date of the Seller's invoice.
- 3.2 The Buyer may set off against the Price (including any applicable VAT) any amounts due or claimed from the Seller whether under the applicable contract of sale, these Conditions or otherwise.

4. The Goods

- 4.1 The Seller warrants that the Goods will at the time of delivery correspond to the description given by the Seller.
- 4.2 The Seller shall ensure that all the Goods shall be manufactured, stored, tested and packed in accordance with all British/European or other Standards ("standards") applicable to them and that all the Goods are of merchantable quality and fit for purpose or purposes for which the Buyer intends to use such Goods.
- 4.3 The Seller shall comply with the specification and all applicable Standards and legal requirements concerning the design, manufacture, processing, storage and testing of the Goods.
- 4.4 The Seller shall permit the Buyer to inspect and test the Goods during their manufacture and processing.
- 4.5 If the Buyer is not reasonably satisfied that the Goods or their manufacture or processing comply in all material respects with the contract the Seller without extra cost to the Buyer shall take all steps necessary to ensure due compliance.
- 4.6 All packaging and labelling or relabelling and repackaging charges will be to the account of the Seller and deductible from the Price.

5. Warranties & Liability

5.1 The Seller warrants that the Goods will at the time of delivery correspond to the description given by the Seller.

6. Delivery

- 6.1 The Delivery Date is of the essence of this contract. Eurosonic Group Ltd reserving the right to charge up to 5% of the Price if shipments are delayed.
- 6.2 The Seller will be responsible for ensuring that delivery is effected promptly and without cost to the Buyer and will be responsible for any additional costs incurred by the Buyer including air freight without limitation.
 - 6.2.1 All demurrage and associated costs will be to the account of the Seller.
 - 6.2.2 The Buyer shall be entitled to set off against the Price any consequential losses, financial or otherwise incurred by the Buyer to its customers as a result of any delay or any other breach of these conditions.
- 6.3 If the Seller fails to deliver all of the Goods in accordance with the contract on the Delivery Date then without prejudice to the Buyer's rights for the breach of contract:
 - 6.3.1 The Buyer may terminate the contract. In this event without prejudice to the Buyer's other remedies the Seller shall at the buyer's election promptly collect any Goods which have been delivered or accept their return.
 - 6.3.2 Where a delivery of a quantity of the Goods which correspond to the contract which is less than the agreed quantity has been tendered and the Buyer has not exercised its rights of termination under this clause the Buyer may accept the Goods which correspond to the contract and recover for the Seller's breach in respect of the failure to deliver the remainder of the Goods.
 - 6.3.3 The Buyer may require the Seller promptly to deliver sufficient goods which correspond to the contract to comply with the quantity required.
- 6.4 The Buyer may exercise these rights by written notice to the Seller.

6.5 The Buyer shall be entitled to require delivery of the Goods by instalments and where the Goods are so delivered, each delivery shall constitute a separate contract and failure by the Seller to deliver any one or more of the instalments in accordance with these conditions or any claim by the Buyer in respect of any one or more instalments shall entitle the Buyer to treat any other related contracts as repudiated.

Acceptance

- 7.1 The Seller agrees to permit the Buyer to return any of the Goods which are not in accordance with the contract at any time after delivery notwithstanding that the Goods may have already been accepted by the Buyer or sold on.
- 7.2 The Buyer may by notice to the Seller prior to acceptance reject any Goods which are not in accordance with the contract. The Buyer may set off against any payment due to the Seller (whether under this contract or otherwise) the Price of such Goods. Unless within a reasonable time of receipt of notice of rejection the Seller collects such goods the Buyer may dispose of them as the Buyer shall think fit (provided that if the Buyer sells such Goods the Buyer shall account to the Seller for the net proceeds of such sale).

8. Title & Risk

8.1 Title and risk in the Goods shall pass on delivery.

Remedies of the Buyer

- 9.1 The Seller shall indemnify the Buyer against all claims by the customers of the Buyer and their sub-buyers arising out of any breach whatsoever by the Seller of this contract of sale due to want of merchantable quality or lack of fitness for purpose of the Goods or any of the Goods.
- 9.2 Without prejudice to the other rights of the Buyer for breach by the Seller where any of the Goods supplied to the Buyer are not in accordance with the contract the Seller shall at the option of the Buyer forthwith upon notice being given either repair or replace such Goods. If it is necessary to open up or dismantle any other works or assemblies to permit such repair or replacement then the Seller shall bear the cost of such opening up or dismantling and of re-assembly and making good after repairs, replacement and testing of such Goods have been completed to the Buyer's reasonable satisfaction.

10. Waiver

10.1 No waiver by the Buyer of any breach of a contract for the sale of Goods by the Seller shall be considered as a waiver of any subsequent breach of the same or any other provision or contract.

11. Severance

11.1 Any provision of this contract 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 of this contract.

12. Assignment

12.1 This contract is personal to the Seller and the Seller shall not assign any of its rights or obligation under it without the Buyer's written consent.

13. Governing Law & Jurisdiction

13.1 All contracts between the Seller and Buyer shall be governed in all respects by the law of England and the Seller hereby submits to the exclusive jurisdiction of the English Courts.