

## CONDITIONS OF PURCHASE FOR MATERIALS AND GOODS

### DEFINITIONS

1. In these conditions, the following expressions shall have the following meanings:  
**Buyer** shall mean Moughton Engineering Services Limited (MEL), its affiliates and its directors, officers and employees by whom the Order has been placed.  
**Seller** shall mean the person firm or company to whom the Order is addressed and who is to supply the Goods.  
**Goods** shall mean and includes machinery, apparatus, materials, instruments, articles, parts and things of all kinds so described in the Order or as otherwise agreed to be provided by the Seller.  
**Order** shall mean the order placed by the Buyer for the supply of the Goods.  
**Specification** shall mean the technical description (if any) of the Goods contained or referred to in the Order.  
**Conditions** shall mean these conditions of purchase. The headings are provided for convenience and shall not affect the interpretation of the Contract.  
**Price** shall mean the price stated on the Order or such adjusted price as is due in accordance with the Conditions.  
**Contract** shall mean the Order, Specification and Conditions

### GENERAL

2. The Seller hereby acknowledges that acceptance of the Order implies acceptance of the Conditions and no addition thereto or variation therein shall be made unless agreed in writing by the parties.

### ACCEPTANCE OF THE ORDER

3. No liability will be accepted by the Buyer for any order or in any other way for goods supplied, unless supported by the Buyer's Order signed by or on behalf of the Buyer. No variation of the Order will be permitted unless an authorised written amendment to the Order is issued by the Buyer. Written acknowledgement by the Seller of this Order is required within seven (7) days. This Order will lapse unless such acknowledgement is received within this period.

### PRICES

4. The Price includes for delivery and, unless agreed otherwise, the Price shall be firm and not subject to variation save as provided for by the Contract and.

### PAYMENT

5. Unless expressly agreed otherwise, payment will be due at the end of the month following either the delivery of the Goods or a correctly drawn invoice quoting the Order number is received by the Buyer whichever is the later. The Buyer reserves the right to withhold payment for any of the Goods supplied which are not in accordance with the Order.

### PACKAGING

6. All Goods must be securely packed free of charge and in such manner as to reach the Buyer in good condition. The Buyer will not accept any charges in respect of packing cases, skids and other packing materials, and will not be responsible for returning or for the cost of returning any such packing cases, skids and packing material, unless otherwise agreed.

### DELIVERY

7. Delivery must be made to the address stated on the Order, or if no address is stated, to the Buyer's works. All deliveries will be made free of charge MEL will expect no additional costs for delivery.

### LOSS OR DAMAGE IN TRANSIT

8. The Seller must repair or replace free of charge Goods damaged in transit or not delivered in accordance with the Seller's advice note. The Buyer will give the Seller written notice of the damage within 7 days after delivery or written notice of non-delivery.

### STORAGE OF GOODS

9. If the Buyer is unable, because of industrial dispute or other cause beyond his control, to accept delivery of the Goods on the due date, he shall be entitled to ask for the Order to be suspended, and to ask the Seller, without liability to the Seller, to store the Goods until they are required.

### REJECTION OF GOODS

10. The Buyer reserves the right to reject any part of or all the Goods as not complying with the Order within a reasonable time after delivery. Goods so rejected will not be deemed to have been delivered. All such rejected Goods will be at the Seller's risk and disposal and must be replaced at the Seller's cost within a reasonable time.

### TIME FOR DELIVERY

11. The Goods must be delivered on or before the date stated in the Order or, if no time is stated within a reasonable time, provided however, that the Buyer shall be under no obligation to accept delivery of the Goods before the specified date, but reserves the right to do so. The Buyer will be entitled to reject all the Goods if any part of the Goods is not delivered on the specified date. If at any time the Seller has reason to believe that the delivery date stated on the Order will not be met, written notice setting forth the cause of delay and the best probable delivery date must be given promptly to the Buyer. If such failure or delay by the Seller shall threaten to impair the Buyer's ability to meet its own delivery schedules the Buyer may at its sole discretion and without liability, cancel by written notice to the Seller, the relevant Order, or such part of the Order as may be relevant and the Price adjusted pro-rata.

### GUARANTEE

12. The Goods shall be of first-class materials and workmanship throughout, and shall be in accordance with the Contract and, where applicable, the Seller's catalogues, price lists and other advertising literature. The Seller will replace without charge any of the Goods which, under proper use, are found to be defective as to material, design or workmanship, within twelve months after delivery

### INDEMNITY AND INSURANCES

13. The Supplier agrees to indemnify and hold harmless the Buyer, its agent, successors and assigns from and against any and all liabilities, losses, damages, claims, suits and expenses, including legal expenses, of whatever nature and kind imposed upon, incurred by or asserted against the Buyer its agents, employees, successors and assigns relating to or arising out of any defect in or failure of the Goods.
14. The Supplier shall maintain product liability insurance with a level of cover of not less than five million pounds (£5,000,000) for any one single event.

### INTELLECTUAL PROPERTY RIGHTS.

15. The Seller will indemnify the Buyer against any claim of infringement or Letters Patent, Registered Design, Trade Mark or Copyright by the use or sale of the Goods or any part of them supplied by the Seller to the Buyer, and against all costs and damages which the Buyer may incur in any action for such infringement, or for which the Buyer may be liable in any such action. The Buyer reserves the right to inspect and/or test Goods before dispatch from the Seller's premises. Such inspection and/or test shall not be deemed to be acceptance of the quality or fitness for purpose of the Goods. Where drawings, plans, designs or specifications are supplied by the Buyer to the Seller about the execution of the Order, these shall remain the property of the Buyer, and the Seller shall be liable for any loss thereof.
16. In respect of the Goods or any part of them, the Seller warrants that it has full clear and unencumbered title to all such items, and that at the date of delivery of such items to the Buyer, it will have full and unrestricted rights to sell and transfer all such items to the Buyer. The Seller assigns to the Buyer, with full title guarantee and free from all third-party rights, all intellectual property rights in the Goods. The Seller shall obtain waivers of all moral rights in the Goods to which any individual is now or may be at any future time entitled under Chapter IV of Part I of the Copyright Designs and Patents Act 1988 or any similar provisions of law in any jurisdiction. The Seller shall, promptly at the Buyer's request, do (or procure to be done) all such further acts and things and the execution of all such other documents as the Buyer may from time to time require for securing for the Buyer the full benefit of the Contract, including all right, title and interest in and to the intellectual property rights assigned to the Buyer

### FORCE MAJEURE

17. Neither party shall be responsible for any failure to fulfil any term or condition of the Order if and to the extent that fulfilment has been delayed or temporarily prevented by a force majeure occurrence. The term "force majeure", as used herein, shall mean acts of God, strikes, lockouts, or other industrial disturbances, terrorist acts, (whether actual, threatened or reasonably perceived), acts of public enemies, wars, blockades, insurrections, riots, epidemics, landslides, fires, floods, civil disturbances, explosions and any other causes not within the control of either party.

### LAW

18. The Order supersedes all prior negotiations, representations or agreements related to the Order, either written or oral and the Conditions shall apply to the exclusion of all other terms and conditions.
19. Unless otherwise agreed in writing, the contract shall in all respects be construed and operate as an English contract and in conformity with English law.

### DISPUTE RESOLUTION

20. If at any time any dispute or difference whatsoever shall arise between the Buyer and the Seller upon, in relation to, or in connection with the contract, either party may give to the other notice in writing of the existence of such question, dispute or difference, and the same shall be referred to the parties' respective representatives who shall discuss the matter in dispute and make all reasonable efforts to resolve the dispute by agreement; if no agreement is reached the matter shall be referred to the respective parties' Directors to reach such agreement.
21. In the event that the parties cannot resolve the dispute or difference the matter shall be referred to an arbitrator nominated by the Chartered Institute of Arbitrators for resolution by arbitration in accordance with and subject to the Arbitration Act 1996