

Flowplant Group Limited

General Terms & Conditions of Purchase

1. Definitions

- a. The terms 'Buyer' shall mean Flowplant Group Limited.
- b. The terms 'Seller' shall mean the person, firm or Company to whom specifies that these conditions are applied to it.
- c. The term 'Purchase Order' shall mean Buyer's Purchase Order which specifies that their conditions are applied to it.
- d. The 'Contract' shall mean the Contract between Buyers and Seller consisting of Purchase Order. Should there be any inconsistency between these conditions and any conditions sent by the Seller these conditions shall prevail.

2. Delivery Date

The date of delivery of the goods shall be that specified in the Purchase Order and unless otherwise expressly agreed between Buyer and Seller the date of delivery is of the essence on the Contract. Seller shall give notice to the Buyer as soon as practicable if any deliveries are or are as likely to be delayed.

3. Incorrect Delivery

All goods must be delivered at the delivery point specified in the Purchase Order, if goods are incorrectly delivered, Seller will be held responsible for any additional expense incurred in delivering them to the correct destination.

4. Passing of Property and Risk to Buyer

The property and risk in the goods shall remain in the Seller until they are delivered at the point specified in the Purchase Order and the delivery is acknowledged by the Buyer in writing.

5. Terms of Payment

The Seller will accept 60 days end of month payment terms. Invoices and advice notes must bear Buyer's order number and method of despatch. No payment will be made until terms are due and have been delivered and finally accepted. Inattention to the following details may mean delay in payment and no prompt payment discount shall be forfeited by Buyer on account of Sellers failure

- (i) to supply the required documentation; or
- (ii) to send monthly statement of account quoting the invoice numbers applicable to each item thereon.

The right is reserved to reject goods supplied without an order.

6. Loss or Damage in Transit

Seller will make good or replace any shortages or defects resulting from whole or partial non-delivery or loss or damage on delivery.

7. Description and Quality

Goods delivered by the Seller shall correspond with their description, be of merchantable quality and fit for any purpose expressed in writing.

8. Price

All orders for goods by the Buyers upon the Seller shall be place on the price stated at the time of order unless otherwise agreed in writing.

9. Acceptance

In the case of goods delivered by the seller not conforming with Contract whether by reason of being of quality or quantity measurement not stipulated, or being unfit for the purpose for which they are required, where such purposes has been made known in writing to Seller, Buyer shall have the right to reject such goods within a reasonable time of their delivery and to purchase elsewhere as near as practicable to the same Contract specification and conditions as circumstances without prejudice to any other right which Buyer may have against Seller. The making of payment shall not prejudice Buyers Right of rejection. Before exercising the said right to purchase elsewhere Buyer shall give Seller reasonable opportunity to replace rejected goods with goods that conform to the contract.

10. Variations

Buyer must be advised of all proposed changes in specification or method of construction of goods supplied. In the event of Buyer accepting the change, written approval will be sent to Seller.

11. Patent Rights

Seller shall indemnity Buyer against any claim of Infringement of Patent, Registered Designs or other rights which arise as a result of the sale or use of the goods supplied by the Seller. This indemnity shall extend to all expenses, cost and damage which Buyer may incur as a result of such action. This indemnity shall not extend to causes in which the goods concerned have been supplied

to the design of the buyer. Neither Seller's name nor trademark is to appear on goods which are made to Buyers specification without Buyer's permission in writing.

12. Termination

- 12.1 Default in the event of any breach of the conditions of the Purchase Order including failure to deliver by the due date, then Buyer without prejudice to any other rights, may terminate this Purchase Order for full credit by Seller.
- 12.2 For liquidation or reconstruction, the Purchase Order may be terminated as follows:
- (iii) by the Buyer with immediate effect if Seller goes into liquidation other than for the purposes of reconstruction, becomes insolvent or make any arrangements with creditors or has any form of execution levied against his goods or commits any act of bankruptcy.
 - (iv) By Buyer in the event of the ownership or control of Seller being materially altered whether by a change in the ownership of the stock or otherwise.
- 12.3 For convenience this Purchase Order may be terminated at any time by Buyer giving notice in writing. On receipt of such notice, Seller will cease production of the order. In full settlement Buyer shall pay a fair and reasonable price for all works delivered in a deliverable state at the date when the order was cancelled.
- 12.4 In all cases under this clause the Buyer shall not be liable for any loss to the Seller including consequential loss.

13. Assignment and Sub Letting

The contract shall not be assigned by seller nor sub-let as a whole. No part of the Purchase Order is to be sub-contracted by Seller without Buyers previous consent in writing. Seller shall be responsible for all work done and goods supplied by all Sub-contractors.

14. Copies of Sub-Orders

When Buyer has consented to the placing of Sub-contractors copies of such Sub-Order shall be sent by Seller to Buyer immediately they are issued.

15. Progress and Inspection

Seller must permit such quality surveillance as is as considered necessary by Buyer during the manufacturing process. Any inspection checking approval or acceptance on behalf of Buyer shall not relieve Seller or his Sub-contractor from any obligation under the Contract.

16. Buyers Rights in Specification, Plans, Process Information etc.

Any specifications, plans, drawings, process information, patterns or designs supplied by Buyer to Seller in connection with the Contract shall remain the property of Buyer, and any information delivered therefrom or otherwise communicated to the Seller in connection with the Contract shall be kept secret and confidential and shall not, without the consent of the Buyer, be published or disclosed to any third party or make use of by the Seller except for the purpose of implementing the

Contract. Seller will not make use of Buyers name for publicity purposes without prior written consent from Buyer.

17. Responsibility for Information

Seller shall be responsible for any errors or omissions in any drawings, calculations packing details or other particulars supplied by him, whether such information has been approved by Buyer or not, provided that such errors or omissions are not due to inaccurate information furnished in writing by Buyer.

18. Free Issue Materials

Where material is issued on a free issue basis Seller undertakes to replace at their own expertise and such material scrapped in experts of and all work done thereon shall immediately vest in Buyer. In event of termination of the Contract for whatever causes Buyer shall have the right without notice to enter on Sellers premises and collect free issues materials whether or not the same have made up or incorporated in other products.}

19. Vesting

Any material purchased or allocated by Seller for the purpose of this Purchase Order or any work done thereon, shall immediately vest in Buyer, only if progress payments are being made by Buyer.

20. Jigs and Tools

Any tools, jigs, dies or any other equipment, the full cost of which has been borne directly or indirectly by Buyer, shall be the property of Buyer and must only be used for the purpose of fulfilling orders of Buyer. In cases where part of the cost has been borne by Buyer, or where a tool has been made to Buyers special requirements, then Buyer shall have the right to purchase the tool at a fair and reasonable price.

21. Safe Custody

The safe custody of all jigs, tools, patterns, dies, and the like used in the performance of this purchase order and of all free issue material, vested material and work done on each while in Sellers possession, custody or control is Sellers absolute responsible and Seller will adequately insure all such materials and items and work done thereon against the loss of damage.

22. Hazardous Good

22.1 Hazardous goods must be marked by Seller with International Danger symbols and display the name of materials in English. Transport and other documents must include declaration of the hazard and name the material in English. Goods must be accompanied by emergency information in English in the form of written instructions, labels or markings. Seller should

observe the requirements of UK and International Agreements relating to the packing labelling and carriage of hazardous goods.

- 22.2 All information held by or reasonably available to Seller regarding and potential hazards known or believed to exist in the transport, handling or use of the goods supplied shall be promptly communicated to Buyer.

23. Carriage

All material or goods supplied against this Purchase Order must be packed and delivered carriage paid at Seller's risk in accordance with Buyer's instructions. All despatches must bear Buyer's Order Number and contain a packing note. In addition, an advise note be sent at the same time as the goods are despatched. Without prejudice to Buyer's option to cancel goods which are not despatched in the time to reach Buyer by the date specified in the Purchase order will be delivered at Seller's expense by passenger train or other express service at option.

24. Packages

- 24.1 Where Buyer has an option to return packages and does so, Buyer will return such package empty in good order and condition (consigned 'carriage paid' unless otherwise agreed) to Seller's main Works or Depot indicated by Seller and will advise Seller the date of despatch.
- 24.2 Where goods delivered by road vehicle, available empty packages may be returned by the same vehicle.

25. Warranty

Without prejudice to any other rights whether implied by status or otherwise which Buyer may have, Seller undertakes at Buyer's option either to repair or replace or refund the cost of the goods which fall within a period of twelve months for the date of delivery or within such longer period as may be specified by Buyer. Repairs and replacements shall themselves be covered for an additional twelve month period.

26. Indemnity

In addition to and without prejudice to the generally of these Conditions, Seller undertaken to keep buyer indemnified against and damage to Buyer's property and against and claims for loss or injury to any person by reason of Seller's negligence or any breach of the Seller's obligations or any act or omission on the part of employee's, sub-contractors or agents arising out of the execution of this Purchase Order and to adequately insure the liability.

27. Law

This Purchase Order shall be governed, construed and shall take effect in accordance with the Laws of England.