

Offshore Electronics Limited - Terms and Conditions of Purchase

1. Right Of cancellation

A: This order is subject to cancellation by the Purchaser if not accepted by the Seller in writing by the return of the acknowledgment to the Purchaser within seven days after the date of this order.

B: The Purchaser reserves the right to cancel this order or any part of it, and in any event the Purchaser will be entitled to damages for any loss or expense whatsoever, caused directly or indirectly to the Purchaser by reason that:-

- The materials or goods to be supplied are not received by the Purchaser or the work to be carried out is not completed by the date specified or
- The materials or goods supplied or the work to be carried out do not comply strictly with the description, specification or drawings, or
- The material or workmanship does not reach the standard specified or does not pass such inspection as may be required by the Purchaser, its customers or agents.

2. Price

A: All prices are firm and fixed for the duration of this except where:-

- No price is specified on the face of this order, in this instance this order is not to be fulfilled at a price higher than last quoted without Purchaser's written consent, or
- The prices are specified as being subject to fluctuation on the face of this order when the Seller must inform the Purchaser of the price to be charged in writing two calendar months prior to delivery, quoting the order number. If agreement on price cannot be reached in this period, either party may cancel at the end of this period, without penalty.

B: The Purchaser's payment terms are net account, after deduction of debit notes, by cheque, sixty days either from the end of the month in which delivery is made. Where delivery is made other than as specified on the face of this order, payment will be due sixty days from the end of the month in which delivery was specified or from the end of the month in which delivery was completed, whichever is the later

C: Inattention to the following details, may mean delay in payment but no discount shall be fortified by the Purchaser on account of the Seller's failure:

- To enclose with the goods a packing note and to send, under separate covers, on the day of dispatch for each consignment, one advice note to the Purchasing Department and one invoice to the Accounts Department Offshore Electronics Ltd, Guelles Lane, St. Peter Port, Guernsey, C.I
- To send a monthly statement to Account quoting invoice numbers applicable to each item; or
- Clearly to mark the Purchaser's order, item and part number on the packing notes and advice notes, and the Seller's packing note number and the Purchaser's order number on invoices and any other correspondence relating to this order.

3. Warranty and Inspection

The Seller warrants title conforming with specification and description, condition of material upon receipt by the Purchaser and quality and fitness for purposes for which purchases. These warranties shall continue unimpaired after inspection. All material is subject to the Purchaser's inspection and test, and in addition to all other rights, the Purchaser reserves the right to return at the Seller's expense (plus all expenses incurred in the receipt of the goods) all defective material and material shipped in excess of the quantity specified. The defective material may be returned although the defects are not discovered of inspection and although the material may have been utilised or consumed in whole or in part provided that the defects were discovered within a reasonable time of delivery and notice of the defects is given to the Seller within seven days after discovery.

4. Despatch and Deliveries

A: Material must be dispatched in accordance with the instructions specified on the face of this order. Failure to comply with this condition may result in the Purchaser incurring increased handling costs and these extra costs will be debited to the Seller's account.

B: In accepting this order the Seller agrees to make deliveries as specified on the face of this order, time and manner of delivery being the essence of the contract, and in addition to other rights the Purchaser expressly reserves the right to cancel this order if not fulfilled at the time or in the manner specified: if deliveries in instalments or at various times are called by this order, this right may be exercised as to all or any remaining balance of material under this order, if any instalment or part is not delivered when and as required.

C: All goods supplied against this order must be packed and delivered carriage paid in accordance with our instructions. The goods shall bear the Seller's own risk until delivered to the Purchaser at its works or, if specified on the face of this order, to a site representative, unless the Purchaser otherwise agrees in writing on this Official order form.

D: In the event of any strikes, lockout, fire, explosion, accident or any stoppage of the Purchaser's business or work beyond its control which may prevent or hinder the use of the goods or work the subject matter of this order, the delivery of such goods or the completion of such work and the payment may be suspended or postponed at the Purchaser's option until the circumstances preventing or hindering the use of such goods or work has ceased. If the pattern of the Purchaser's business changes it reserves the right to amend any delivery schedules printed on the face of this order or, in extreme circumstances the whole or any remaining part.

5. Patent or Copyright

The Seller shall indemnify the Purchaser in the event of any infringement or alleged infringement of Letters Patent, Registered Design, Trade Mark or Copyright and against all costs, claims, demands and damages which the purchaser may incur in any action for such infringement or alleged infringement or which the Purchaser in any such action arising from the use of goods or services supplied against this order.

6. Loss or Injury

The Seller shall indemnify the Purchaser in the event of any damage to the Purchaser's property and against any claims for loss or injury to any person or to the property of any person by reason of the Seller's negligence or any of omission on the part of the Seller's employees, sub-contractors or agents arising out of the execution of this order. The Seller shall in carrying out this order conform to all statutory and other legal enactments applicable and shall give any notice any fees payable to Local Authorities or others in respect of these enactments.

7. Tooling

A: Special dies, tools and patterns paid for or supplied by the Purchaser and used in the manufacture of the article contracted for shall be the Purchaser's property. They shall be kept in good condition and from time to time replaced by the Seller without expense to the Purchaser; except that charges due to the Purchaser's change of design or specification shall be paid for by the Purchaser, if such changes occur prior to the exhaustion of the usual life of the dies, tools and patterns. No dies, tools, patterns or drawings supplied to the Seller or used in the manufacture of the articles contracted for shall be used in the production, manufacture or design of any other articles nor for larger quantities than those specified, except with the Purchaser's express consent in writing, and at the termination of this contract they shall be disposed of as the Purchaser shall direct. In instances where the Purchaser has agreed only to pay part costs of the manufacture of dies, tools or patterns the Purchaser expressly reserves the right of option to purchase outright by payment of the balance of the cost before the exhaustion of the usual life of these items. All dies, tools or patterns used in connection with this order must be adequately insured by the Seller against the normal risks and are subject to removal by the Purchaser at any time upon demand. The non-availability, loss or damage of the Purchaser's dies, tools or patterns will involve a consequential loss not exceeding £100,000, or such figure as may be specified on the face of this order, if the articles contracted for cannot be manufactured by the date or dates specified on the face of this order and the Purchaser reserves the right to recover any such loss from the Seller.

B: All material manufactured by the Seller in accordance with the Purchaser's detailed drawings or in the manufacture of which the Purchaser's dies, tools, jigs, fixtures or special tools are used shall not be sold by the Seller to any one but the Purchaser.

8. Law of the Contract

The construction, validity and performance of this Contract shall be governed by the Laws of England and Subject to the jurisdiction of the English Courts.

9. Signatories

The Purchaser shall not be liable for any order or amendments other than those issued or confirmed on the Purchaser's printed order duly signed by authorised signatories on the Purchaser's behalf.

10. Confidentiality

This order and subject matter shall be treated as confidential between the parties hereto and shall not be disclosed by the Seller or by any subcontractor of the Seller to any third party without the consent in writing of the Purchaser.

11. Inconsistency

If any inconsistency shall arise between these conditions and the written terms on the face of this order, the latter shall prevail to the extent necessary to avoid or remove inconsistency. If this order calls for delivery of material expressly shown on the face to be covered by a pre-existing written contract between the parties hereto, the terms and provision of that contract shall prevail to the extent necessary to avoid any inconsistency.

12. Sub-Contracts Excluded

None of the obligations to be performed by the Seller is to be sub-contracted by the Seller except as is customary in the trade without the Purchaser's previous consent in writing, such consent shall not unreasonably be withheld. In the event that the Seller commits an act of bankruptcy or commences winding up by reason of insolvency or makes an assignment for the benefit of creditors, the contract or any part may be terminated by the Purchaser upon notice in writing.

13. Priority of these Conditions

These conditions shall have precedence over any printed conditions appearing on any acceptance form, or other documents or letters emanating from the Seller, and such conditions shall have no effect whatsoever except in so far as they confirm the terms of this order.

15. Verification of Purchased Products

Where the Purchaser of his representative specified in the contract shall be afforded the right to verify at source or upon receipt that purchased conforms to specified requirements.