

STANDARD TERMS AND CONDITIONS OF PURCHASE

1. DEFINITIONS:

- 1.1 In this document the following words shall have the following meanings:
- 1.2 "Agreement" means these Terms and Conditions together with the terms of any applicable Purchase Order;
- 1.3 "Buyer" means Vikoma International Limited, Kingston Road, East Cowes, Isle of Wight, PO32 6JS, United Kingdom.
- 1.4 "Intellectual Property Rights" means all patents, registered and unregistered designs, copyright, trademarks, know-how and all other forms of intellectual property wherever in the world enforceable;
- 1.5 "Purchase Order" means the Buyer document which includes or is attached to a statement of work describing the goods and/or services to be provided by the Supplier and which provides a maximum value payable by the Buyer to the Supplier;
- 1.6 "Supplier" means the organization or person who supplies goods and/or services to the Buyer;
- 1.7 All references to "goods and services" are to those goods and services supplied under an order or contract by the Supplier to the Buyer and as specified in the letter of quotation or the tender documents forwarded by the Supplier to the Buyer.

2. GENERAL

- 2.1 These Terms and Conditions shall apply to all contracts for the supply of goods and/or services by the Supplier pursuant to one or more Purchase Orders.
- 2.2 Where it is agreed that the Supplier shall supply goods and/or services, the goods and/or services to be supplied, the price payable and any other special terms agreed between the parties shall be set out in the Purchase Order. All Purchase Orders shall incorporate this Agreement.
- 2.3 The Purchase Order must be confirmed in writing, by return, using either first class post or facsimile, with confirmation of prices and delivery times.
- 2.4 In the event of a conflict between the terms of any Purchase Order and this Agreement the terms of the Purchase Order shall prevail
- 2.5 The Purchase Order is personal to the Supplier. The Supplier shall not, without the previous written consent of the Buyer, assign or subcontract any part of the order or contract.
- 2.6 No changes or variations to these this Agreement shall be effective unless agreed in writing between the parties.

3. PRICE AND PAYMENT:

- 3.1 The price and any taxes and expenses for the goods and/or services shall be as specified in the Purchase Order.
- 3.2 The Buyer shall not be responsible for any expenses, charges or price other than those set out in the Purchase Order.
- 3.3 Once a Purchase Order has been submitted by the Buyer, the price for the goods and/or services shall be fixed.
- 3.4 No increases in the price or prices quoted on any order or contract shall be applied or accepted unless agreed in advance by the Buyer in writing prior to the price increase being applied.
- 3.5 If the parties agree that the Supplier is to provide goods and/or services or resources in addition to those specified in a Purchase Order, then such agreement will be reflected in a further Purchase Order, which will be deemed to incorporate into this Agreement.
- 3.6 An invoice shall be produced by the Supplier to the Buyer in accordance with the terms set out in the Purchase Order. The Buyer shall pay for the goods and/or services at the end of the period of credit specified in the Purchase Order or as separately agreed as the standard credit period.
- 3.7 Unless otherwise agreed the Company will pay undisputed invoices within 60 days of receipt of the invoice.

4. DELIVERY:

- 4.1 The Supplier shall deliver the goods or services to such location as the Buyer shall direct and in accordance with the programme, period or date specified in the Purchase Order and for this purpose time shall be of the essence. Any variation in the delivery date shall be agreed in advance by the Buyer in writing. In the event of delay arising otherwise than from any of the causes shown in Section 8 below, the Supplier shall indemnify the Buyer in respect of any losses or damage incurred by the Buyer and as a result, the Buyer shall have the right to set off such losses or damage any amounts owing to them from the Supplier.
- 4.2 Notwithstanding the provisions of clause 4 hereof the Buyer reserves the rights to cancel all, or part, of the order or this Agreement if deliveries or progress is not maintained to the Buyer's requirements. No allowances or liability in respect of loss of profits arising out of such cancellation will be made or accepted by the Buyer.
- 4.3 Delivery terms are to be interpreted in accordance with published Incoterms 2010.
- 4.4 The Supplier shall provide any necessary certificates of conformity as required by the Buyer and as identified at the time of placing the Purchase Order.

5. INSPECTION OF GOODS:

- 5.1 The Buyer shall inspect the goods upon delivery. Where goods are damaged, the Buyer shall notify the Supplier. The Buyer may reject the damaged goods and the following provisions shall apply:
 - 5.1.1 The Supplier shall collect the damaged goods from the Buyer at the Supplier's expense;
 - 5.1.2 during the period between delivery of the goods to the Buyer and collection by the Supplier, the Buyer shall not be liable for any loss or further damage caused to the damaged goods and the goods shall be stored at the Sellers risk;
 - 5.1.3 All sums payable by the Buyer in relation to the damaged goods shall cease to become payable;
 - 5.1.4 All sums paid by the Buyer in relation to the damaged goods shall be repaid by the Supplier immediately;
 - 5.1.5 The Buyer shall be entitled to claim damages from the Supplier for any losses caused to the Buyer as a result of the goods being damaged.
- 5.2 Where there are shortages in the order or the order is lost in transit the Buyer shall notify the Supplier and the following provisions shall apply:
 - 5.2.1 All sums payable by the Buyer in relation to the missing goods shall cease to become payable;
 - 5.2.2 All sums paid by the Buyer in relation to the missing goods shall be repaid by the Supplier immediately;
 - 5.2.3 The Buyer shall be entitled to claim damages from the Supplier for any losses caused to the Buyer as a result of the shortages.
- 5.3 If the Buyer so requests, the Supplier shall immediately replace damaged goods or supply goods which are missing at the Supplier's expense or the Buyer shall be entitled to cancel, without notice, the whole or any unexecuted part of the order and

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the rights referred to in Clause 7 shall apply.

- 5.4 Where there is an excess of goods in relation to the order the Buyer may reject the excess goods by notice in writing to the Supplier and the following provisions shall apply:
 - 5.4.1 The Supplier shall collect the excess goods from the Buyer at the Supplier's expense;
 - 5.4.2 During the period between delivery of the goods and collection by the Supplier, the Buyer shall not be liable for any loss or damage caused to the excess goods;
 - 5.4.3 No sum shall be due to the Supplier for the excess goods and in the event that sums are paid to the Supplier for the excess goods, the Supplier shall repay such sums to the Buyer immediately.
- 5.5 The Buyer may accept excess goods by notifying the Supplier of such acceptance and the price of the excess goods shall be payable by the Buyer.
- 5.6 The Supplier shall repair or replace free of charge, goods damaged or lost in transit upon receiving notice to that effect from the Buyer.
- 5.7 The Buyer's signature on any delivery note of the Supplier is evidence of the number of packages received only and not evidence of the correct quantity of goods received or that the goods are in a good condition or of an acceptable quality.

6. SUPPLIER'S OBLIGATIONS:

- 6.1 The Supplier warrants, represents and undertakes that:
 - 6.1.1 All services performed under this Agreement shall be performed with all due skill and care, in a good and workmanlike manner and otherwise in line with best practice within its industry ("Best Industry Practice");
 - 6.1.2 The Supplier's personnel carrying out the Services on its behalf will possess the qualifications, professional competence and experience to carry out such services in accordance with Best Industry Practice;
 - 6.1.3 The services will not in any way infringe or violate any Intellectual Property Rights, trade secrets or rights in proprietary information, nor any contractual, employment or property rights, duties of non-disclosure or other rights of any third parties; and
 - 6.1.4 It has full capacity and authority to enter into this Agreement and that it has or will obtain prior to the commencement of the services, any necessary licences, consents and permits required of it for the performance of the services.
- 6.2 The Supplier shall provide the Buyer with such progress reports, evidence or other information concerning the services as may be requested by the Buyer from time to time.
- 6.3 The Supplier shall be responsible for maintaining such insurance policies in connection with the provision of the services as may be appropriate or as the Buyer may require from time to time.
- 6.4 The Supplier shall procure that the Supplier Personnel take all reasonable steps to safeguard their own safety and the safety of any other person who may be affected by their actions, and the Supplier agrees to indemnify and keep indemnified the Buyer from all and any liabilities, obligations, costs and expenses whatsoever arising from any loss, damage or injury caused to the Buyer or any third party by the Supplier Personnel.

7. WARRANTIES AND INDEMNITIES:

- 7.1 The Supplier undertakes that the goods or services supplied shall conform in all respects with the specification as provided by the Supplier and that they shall be suitable for the purposes previously notified to the Supplier by the Buyer and for the purposes and duties claimed by the Supplier in the Supplier's official descriptive literature or any other form of communication sent by the Supplier to the Buyer.
- 7.2 The manufacture or processing of the goods or services by the Supplier shall be open to inspection at all reasonable times by the Buyer's authorized representative. However, such inspection shall not be deemed to constitute acceptance by the Buyer.
- 7.3 Where applicable, prior to delivery, the goods and services shall be tested and inspected by the Supplier in accordance with the detailed instructions provided by the Buyer.
- 7.4 If the goods or services, or any part thereof, should on delivery fail to comply with any of the Buyer's specifications, instructions or requirements whether provided by the Buyer or the Supplier, the Supplier shall without delay rectify such non-compliance at his own expense.
- 7.5 If it is shown to the reasonable satisfaction of the Supplier that any part of the goods or services has failed within 12 months of delivery to the Buyer to comply with Clause 5.1 above, due to defective design, materials or workmanship, then the Supplier shall repair or replace such faulty parts without charge to the Buyer. If the defective goods or services supplied have been incorporated into the Buyer's products, which have been sold to one of the Buyer's customers then the Buyer reserves the right to debit the Supplier for any costs and charges reasonably incurred by the Buyer in making good repairs to its products, at home and overseas, which have resulted from the use of the defective supplies.
- 7.6 Items repaired or replaced shall be subject to these Terms and Conditions in the same manner as those originally delivered under this Agreement. If the Supplier refuses or fails promptly to repair or replace items when requested under this provision, the Buyer may itself, or through an agent or sub-contractor, or otherwise, repair or replace any item itself and the Supplier agrees to reimburse the Buyer for any costs or expenses incurred.
- 7.7 The Supplier shall indemnify the Buyer against any loss, damage or costs of any nature or kind arising out of any allegation or claim made against the Buyer that the use of goods constitutes a variation or infringement of any Intellectual Property Rights, letters, patent, copyright, registered design or trademark of any third party and upon the request of the Buyer the Supplier shall undertake to defend such allegations or claims at its own cost or expense.
 - 7.7.1 The supplier shall indemnify the Buyer in full against all Losses incurred by the Buyer as a result of or in connection with defective workmanship, quality or materials
 - 7.7.2 The supplier shall indemnify the Buyer in full against all Losses incurred by the Buyer as a result of or in connection with any claim made against the Buyer in respect of any Losses as a consequence of a breach or negligent performance or failure or delay in performance of the Contract by the Supplier
- 7.8 The Supplier shall indemnify the Buyer against any liability, costs, expenses or demands which may arise from or be in any way connected with any act or omission of any person employed by the Supplier or engaged in any capacity by the Supplier in delivering the goods or services to the Buyer in execution of this order.

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- 7.9 The Supplier shall indemnify the Buyer against all losses, damages, costs, claims, demands and expenses arising from injury to any person and damage to property whatsoever where injuries or damage arise as a result of the use of the goods or services by the Buyer.
- 7.10 The Supplier shall not modify any technical specification and shall supply to the Buyer in accordance with the original order or contract and amendments thereto, all of which shall be agreed in writing.
- 8. FORCE MAJEURE**
- 8.1 The Buyer shall not be liable for any delay or failure to perform any of its obligations under this Agreement if the delay or failure results from events or circumstances beyond its reasonable control, including but not limited to acts of God, strikes, lock outs, accidents, war, fire, flood or industrial disputes, and the Buyer shall be entitled to a reasonable extension of its obligations.
- 8.2 In the event that the Supplier can show and prove that any delay in delivery has arisen due to events or circumstances beyond its reasonable control, including but not limited to acts of God, strikes, lock outs, accidents, war, fire, flood or industrial disputes, the Supplier may allow such an extension of time for delivery as the Buyer shall consider reasonable in the circumstances or if such delay or circumstance prevails for a period of more than 3 months then the Buyer shall be entitled to give notice in writing to terminate the Agreement and the Contract. Always provided that the Supplier notifies the Buyer of the occurrence of such an event within 5 working days of such an event occurring.
- 9. TERMINATION:**
- 9.1 The Buyer may terminate this Agreement with immediate effect by providing written notice to the Supplier if:
- 9.1.1 The Supplier or the Supplier Personnel commit any material or persistent breach of this Agreement which is not rectified within 14 days of the Supplier having been giving notice of the breach by the Buyer;
- 9.1.2 The Supplier fails to or refuses after written warning to procure that the Supplier Personnel provide the services properly required of them in accordance with this Agreement;
- 9.1.3 The Supplier passes a resolution for winding up (other than for the purpose of solvent amalgamation or reconstruction), or a court of competent jurisdiction makes an order to that effect;
- 9.1.4 The Supplier ceases to carry on its business or substantially the whole of its business; or
- 9.1.5 The Supplier is declared insolvent, or convenes a meeting of or makes or proposes to make any arrangement or composition with its creditors; or a liquidator, receiver, administrative receiver, manager, trustee or similar officer is appointed over any of its assets.
- 10. TOOLING:**
- 10.1 Where the order or contract involves the use of special tooling paid for by the Buyer and stored on the Supplier's premises the Supplier must ensure that the tooling is at all times stored in a suitable manner.
- 10.2 The Supplier must ensure that any damage incurred to the tooling is covered within their insurance policies.
- 10.3 The Supplier must ensure that the tooling is clearly marked, by whatever means suitable, "The property of Vikoma International Limited" and no such tooling may be used for any purpose whatsoever, other than the supply of goods or services to the Buyer, without the express written permission of the Buyer and then only at a rate to be agreed.
- 11. CONFIDENTIALITY:**
- 11.1 Any information which the Buyer discloses in relation to this Agreement or the contract which is not in the public domain shall be confidential and the Supplier shall not divulge any such information to any third parties without the written consent of the Buyer. The obligations under this Clause shall continue at all times, notwithstanding the completion of the supply of goods or services under this Agreement.
- 11.2 The Supplier shall keep strictly confidential all information, models and drawings made available by the Buyer to the Supplier and shall not use the same for any purpose detrimental to the interests of the Buyer.
- 11.3 The Supplier will not, without the written consent of the Buyer, make or have made or assist any third party to make anything similar to the goods. In any event nothing in the order or contract will confer on the Supplier any proprietary right or interest in any name, trademark or design used by the Buyer in connection with the goods or services.
- 12. TITLE AND RISK:**
- 12.1 The Supplier warrants that it has good title to the goods and that it will transfer such title as it may have in the goods to the Buyer pursuant to Clause 12.2.
- 12.2 Title in the goods will pass to the Buyer on receipt by the Seller of the full price in cleared funds or on delivery to the Buyer, whichever happens first.
- 12.3 The goods will be and shall remain at the Supplier's risk until such time as they are delivered to the Buyer (or at his direction), and are found to be in accordance with the requirements of this Agreement. It shall be the duty of the Supplier at all times to maintain a contract of insurance over the goods and, on request from the Buyer, to assign to the Buyer the benefits of such insurance.
- 12.4 The goods should be packed and secured in such a manner as to reach their destination in good condition.
- 12.5 All packing materials will be supplied free and non-returnable and no payment will be made for packing materials, nor will they be returned by the Buyer, unless special arrangements have been made in advance at the time of the order or contract.
- 13. INTELLECTUAL PROPERTY RIGHTS**
- 13.1 All Intellectual Property Rights produced from or arising as a result of the performance of this Agreement shall, so far as not already vested, become the absolute property of the Buyer, and the Supplier shall do all that is reasonably necessary to ensure that such rights vest in the Buyer by the execution of appropriate instruments or the making of agreements with third parties.
- 14. RELATIONSHIP OF PARTIES:**
- 14.1 Nothing in this Agreement shall be construed as establishing or implying any partnership or joint venture between the parties

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and nothing in this Agreement shall be deemed to construe either of the parties as the agent of the other.

15. ASSIGNMENT:

- 15.1 The Supplier shall not be entitled to assign its rights or obligations or delegate its duties under this Agreement without the prior written consent of the Buyer.

16. SEVERABILITY:

- 16.1 If any provision of this Agreement is held invalid, illegal or unenforceable for any reason by any court of competent jurisdiction such provision shall be severed and the remainder of the provisions herein shall continue in full force and effect as if this Agreement had been agreed with the invalid illegal or unenforceable provision eliminated.

17. WAIVER:

- 17.1 No failure by the Buyer to enforce any of these Terms and Conditions shall constitute a waiver of its rights hereunder.

18. NOTICES:

- 18.1 Any notice to be given by either party to the other may be served by email, fax, personal service or by post to the address of the other party given in the Purchase Order or such other address as such party may from time to time have communicated to the other in writing, and if sent by email shall, unless the contrary is proved, be deemed to be received on the day it was sent, if sent by fax shall be deemed to be served on receipt of an error free transmission report, if given by letter shall be deemed to have been served at the time at which the letter was delivered personally or if sent by post shall be deemed to have been delivered in the ordinary course of post.

19. NO THIRD PARTIES:

- 19.1 Nothing in this Agreement is intended to, nor shall it confer any rights on a third party.

20. ENTIRE AGREEMENT:

- 20.1 This Agreement, together with the Purchase Order or Contract contains the entire agreement between the parties relating to the subject matter and supersedes any previous agreements, arrangements, undertakings or proposals, oral or written.

21. LAW AND ARBITRATION:

- 21.1 The construction, validity and performance of the order shall be governed by English Law.
21.2 Any dispute arising out of or in connection with this contract shall be submitted to arbitration in accordance with the English Arbitration Act, 1950 or any statutory modification or re-enactment thereof which may for the time being be in force.