

1. Definitions

In the context of these Conditions, the word 'Company' shall mean Autosonics Ltd, the word 'Supplier' or 'Contractor' shall mean the recipient of an order, the word 'Goods' shall be construed as the articles or things and the word 'Services' means the work described in the order.

2. Contract

The order to which these conditions of purchase are attached constitutes an offer on the part of the Company and must be accepted in writing by the Supplier or Contractor or by the actual execution of the Order. Acceptance of an Order will bind the Supplier or Contractor to the following terms and conditions and no Goods or Services shall be supplied or performed by the Supplier or Contractor, their employees, agents or representatives, except in accordance with these terms and conditions, notwithstanding any counter offer which shall be deemed to be withdrawn by such execution save for any variation in price, date of delivery or specification of the Goods and Services supplied which has been agreed in writing by the Company.

3. Performance

- a) All Goods and Services supplied or carried out shall be of best quality and subject to the Company's approval and must meet the governing specifications as to the quality, standards and description.
- b) The Goods and Services supplied or carried out will perform to the satisfaction of the Company.
- c) The Company reserve the right to reject any Goods or Services which are faulty or do not conform to the quality, standard or description as specified in the Order. The Company may return the rejected goods at the Supplier's or Contractor's risk and expense.

4. Insurance

The Supplier or contractor will indemnify on demand up to a maximum value of £5 Million, the Company against loss or damage or injury whatsoever arising caused to the Company or for which the company may be liable to third parties or its employees due to the defective workmanship or unsound quality of the Goods or Services supplied. The Supplier or Contractor shall at the Company's request furnish the company with a current Certificate of Insurance.

5. Payment

The Seller shall send to the Buyer a detailed price invoice or invoices as instructed on the Order, clearly stating the Order number, item numbers, the settlement terms and all information required to be stated on a Tax invoice as required by section 5(10) Value Added Taxes Act 1983. Payment shall be net monthly account from receipt of the invoice, unless otherwise agreed in the contract.

6. Delivery Dates

Time of delivery shall be the essence of this Order. Any breach of any condition by the Supplier or the Contractor shall entitle the Company in its opinion either to treat the Order as repudiated or treat any such breach as a breach of contract giving rise to a claim for damages.

7. Termination

If the Supplier or Contractor becomes apparently insolvent or commits an act of bankruptcy or makes an arrangement with its creditors or (being a company) if a receiver is appointed over any of its assets or if a petition is presented or resolution past (or if a meeting is called for the purpose of passing or a resolution) for its winding up (other than the purposes of amalgamation or reconstruction whilst solvent) or if a petition is presented for the appointment of the administrator or if the Supplier or Contractor is struck off under Section 652 of the Companies Act 1985, the company may without prejudice to any other of their rights, terminate this Order and any other Contract between the Supplier or Contractor and the Company forthwith by notice to the Supplier or Contractor. In such event the Company shall be entitled to enter the premises where Goods or the other property of the Company are situated

and take possession of such as are the property of the Company.

This Order may be cancelled at any time by the Company giving the Supplier or Contractor notice in writing. A fair and reasonable price shall be paid for all work in progress at the time of cancellation and subsequently received or performed for the benefit of the Company within two weeks of the giving of the written notice by the Company to the Supplier or Contractor. If, upon their receipt of the written notice, the Supplier or Contractor intimates in writing to the Company a request that the abovementioned two week period should extend then such period may be extended by agreement between the Company and the Supplier or Contractor but only so that such period in no circumstances exceeds eight weeks. The company shall not be liable for any loss to the Supplier or Contractor including consequential loss.

8. Guarantee

The supplier or Contractor warrants:

- a) that the design, construction and quality of goods to be manufactured or supplied complies with any British or European Community Legislation including any Directive whether or not the same is implemented in the UK, Statutory Rule or Order or Regulations in force for the time being;
- b) that the sale or use of the Goods by the Company will not infringe any British or foreign patent, trademark, trade name, registered design or other intellectual property rights;
- c) that the manufacturer of any Goods and the supply of any Services is governed by a quality assurance system meeting the requirements of BS5750 or other enactment embodying ISO 9000, or, if this is not the case, that the manufacture of and Goods and the supply of any Service is governed by a quality assurance system which has been demonstrated to, and approved by, the Company;
- d) that they will not transfer or sub-contract all or any part of this order without the prior written consent of the Company;
- e) that they will not supply or install competing Goods or services to any customer of the Company for a period of six months from when the Company last supplied a customer using the services of a supplier or Contractor;

And indemnifies the Company against loss, liability, costs or expenses which the Company may suffer or incur by reason of any breach of the above warranties.

9. Confidentiality

The Supplier or Contractor shall treat this order and all designs, drawings, specifications and information supplied relative thereto confidential, shall not disclose the same to a third party without the written consent of the Company and shall return the same with all copies upon the execution of this order.

10. Force Majeure

If the seller is unable to perform all or any of its obligations under the contract by reason of (but without prejudice to the generality of the foregoing) strikes, lock outs, fire, flood, drought, Act Of God, riot, failure by sub-contractor or Supplier to perform, any statute, byelaw, rule, order of requisition made or issued by any government department or other happening beyond its control, then the seller shall not be held responsible for any loss incurred by the Buyer or for which the buyer may be liable to third parties.

11. Ruling Law

The Contract and these Conditions of Sale shall be governed by and construed in all respects in accordance with the Law of Scotland.

12. Separate and Severable

Each Clause and Sub-Clause in these Conditions of Sale is separate and severable and enforceable accordingly.