



ADVANCED COATED PRODUCTS LIMITED – GENERAL TERMS AND CONDITIONS OF PURCHASE

1. General

1.1 In these conditions the following terms have the following meanings:

1.1.1 "Buyer" means ADVANCED COATED PRODUCTS LTD.

1.1.2 "Seller" means the person to whom an Order is addressed;

1.1.3 "Order" means an order addressed by the Buyer to the Seller on the Buyer's order form or communicated to the Seller by other means;

1.1.4 "Goods" means any goods or articles the subject of an Order;

1.1.5 "Specifications" means the description of the Goods contained in an Order including any technical description therein appearing and including further any patterns, samples, drawings or other documents or materials therein referred to;

1.1.6 "Purchase Price" means the price of the Goods as stated in an Order;

1.1.7 "Contract" means a Contract for the supply of the Goods concluded by the acceptance by the Seller of an Order

1.2 Any Contract between the Buyer and the Seller to the supply of Goods shall unless expressly agreed to in writing by the Buyer incorporate these Conditions. Any terms or conditions in the

Seller's acceptance of order or other documentation of whatsoever kind which are inconsistent with these Conditions shall have no effect.

2. Quality and Description

2.1 All Goods supplied by the Seller shall:

2.1.1 conform as to quantity, quality and description with all particulars stated in the Order;

2.1.2 be of sound materials and workmanship;

2.1.3 be equal in all respects to, and comply in all respects with, the Specification;

2.1.4 if the purpose for which the Goods are required is stated in the Order, be fit for that purpose.

2.2 Without prejudice to the provisions of Condition 2.1 the Seller warrants that the design, construction and quality of the Goods shall comply in all respects with any applicable requirements

contained in any statute, statutory instrument, order or other legislation (whether delegated or otherwise) and with any standards made or issued by an relevant body or other institution and that

the sale or use of the Goods by the Buyer or by any third party will not infringe any United Kingdom or foreign patent, trade mark, trade name, registered design or other intellectual or industrial

property rights of whatsoever nature.

2.3 The Seller shall indemnify the Buyer and keep the Buyer fully and effectively indemnified against any and all liability, loss, costs, expenses, claims or proceedings whatsoever (including any

liability of the Buyer to any third party whether for the loss of or damage to property or injury to or death of any person) arising out of or in consequence of:

2.3.1 any failure of any Goods to comply with the provisions of Condition 2.1;

2.3.2 any breach of the warranty referred to in Condition 2.2;

2.3.3 any negligent act or omission or wilful misconduct of the Seller, its employees, agents or subcontractors.

3. Delivery

3.1 All goods shall be delivered to the Buyer on the date and at the place specified for delivery in the Order. The costs of delivery to the place specified for delivery shall be for the account of the

Seller.

3.2 All Goods delivered by the Seller shall be accompanied by a Delivery Note quoting the number of the order form on which the Order has been placed and such numbers shall also be quoted

on all invoices and correspondence.

3.3 The Buyer shall have the right:

3.3.1 to refuse and to return to the Seller at the Seller's risk and expense all quantities of Goods which are in excess of the quantity ordered by the Buyer and which are made without the express written permission of the Buyer;

3.3.2 to refuse and to return to the Seller at the Seller's risk and expense (but without prejudice to the Buyer's right to require delivery of Goods on the date specified for delivery) any Goods

delivered earlier than the date specified for delivery without the express written permission of the Buyer;

3.3.3 without prejudice to any other rights which the Buyer may have in respect of late delivery to reject any Goods delivered after the date specified for delivery, time being of the essence in

relation to the date of delivery.

4. Rejection and Cancellation

4.1 Without prejudice to any other rights of the Buyer, the Buyer may at its sole discretion reject all or any of the Goods if the Goods do not comply with the provisions of Condition 2 and in that

event the Buyer shall in due course arrange for the return to the Seller of any Goods rejected by the Buyer at the Seller's sole risk and expense.

4.2 Without prejudice to any other rights of the Buyer, the Buyer may at its sole discretion cancel any Contract by giving notice in writing to that effect in the event that any Goods shall not have

been delivered in accordance with the provisions of Condition 3.

4.3 In addition to its rights under Condition 4.1 and 4.2 the Buyer shall have the right at any time to cancel any Contract by giving to the Seller notice in writing to that effect provided that the Buyer

shall make a quantum meruit payment to the Seller for any Goods which shall already have been received pursuant to the Contract. The Buyer shall not be liable to compensate the Seller for

any loss or damage suffered by the Seller (including consequential loss) in the event that the Buyer shall give notice pursuant to this Condition 4.3.

4.4 Without prejudice to any other rights of the Buyer (including the Buyer's rights of rejection and cancellation pursuant to this Condition 4) the Seller shall (at the Buyer's option) repair or replace

free of charge any Goods damaged or lost or stolen in transit provided that the Buyer shall give the Seller written notification of such damage or loss or theft as soon as reasonably practicable

after the Buyer shall have learned of the same.

4.5 Without prejudice to any other rights of the Buyer the Seller shall promptly and fully refund to the Buyer all sums (if any) paid to the Buyer in respect of and shall indemnify the buyer against

any and all liability, loss, costs, expenses, claims or proceedings whatsoever incurred by the Buyer and directly or indirectly arising out of or otherwise in connection with:-

4.5.1 any Goods rejected by the Buyer pursuant to condition 4.1;

4.5.2 any Contract cancelled by the Buyer pursuant to condition 4.2.

5. Set Off

The Buyer reserves the right to deduct from any sums due or becoming due to the Seller any monies due from the Seller to the Buyer in respect of the Goods or any materials supplied or

services rendered by the Buyer.

6. Risk and Property in the Goods

6.1 The risk in the Goods sold to the Buyer shall pass to the Buyer on delivery of the Goods to the Buyer.

6.2 The property in the Goods shall pass to the Buyer on payment in full of the Purchase Price or on delivery of the Goods to the Buyer whichever is the earlier. The passing of the

property in the

Goods to the Buyer shall be without prejudice to the Buyer's right to reject the Goods whether contained in these Conditions or implied by law.

7. Inspection

7.1 The Buyer shall have the right to inspect all Goods at the Seller's works and the works of it permitted sub-contractors at all reasonable times and to reject any goods which do not comply with

the terms of the relevant Order. The Seller's sub-contracts shall be made accordingly. Any said inspection or any checking, approval or acceptance given by or on behalf of the Buyer during

such inspection shall not relieve the Seller or its sub-contractors from any obligations under these conditions.

7.2 The Seller shall supply the Buyer with samples of the Goods free of charge unless the Buyer shall have previously agreed in writing to pay the Seller for such samples.

8. Ownership and Use of Patterns etc

8.1 All patterns, dies, moulds or other tooling, drawings, designs, plans, specifications and the like supplied by the Buyer or prepared or obtained by the Seller for and at the expense of the Buyer

shall remain the property of the Buyer.

8.2 The Seller shall not use any of the items referred to in Condition 8.1 for or in connection with any purpose other than the supply of Goods to the Buyer unless the Seller shall have first obtained

the prior written consent of the Buyer for such use. Except with the prior consent in writing of the Buyer, the Seller shall not authorise or knowingly permit the use of the said items by any third

party for or in connection with any purpose other than the supply of the Goods to the Buyer. The Seller shall take all reasonable precautions to ensure that its staff and others comply with this

Condition 8.2.

8.3 Insofar as the Seller shall supply to the Buyer materials or property of whatsoever kind other than the Goods the risk in such materials or other property shall remain at all times with the Seller

who shall alone be responsible for procuring adequate insurance in respect thereof.

9. Assignment, Sub-letting etc

The Seller shall not without the written consent of the Buyer assign or transfer any Contract or any part thereof or except as specified in an Order sub-let or sub-contract its obligations under

any Contract or part thereof.

10. Termination

10.1 This condition shall apply if the Seller:

10.1.1 being a company enters into liquidation whether compulsory or voluntarily (otherwise than for the purposes of amalgamation or reconstruction) or compounds with its creditors or has a



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receiver or manager appointed in respect of all or any part of its assets or is the subject of an application for an administration order or is the subject of any proposal under Part 1 of the Insolvency Act 1986 for a composition in satisfaction of its debts or if it carries out or undergoes an analogous act or proceeding under foreign law; or 10.1.2 being an individual or firm the individual or any partner of the firm is the subject of a petition for a bankruptcy order or is the subject of an application for an Interim Order under Part VIII of the Insolvency Act 1986 or carries out or undergoes any analogous act or proceedings under foreign law.

10.2 If this Condition applies the Buyer may by giving notice to the Seller elect to determine any Contract forthwith or to postpone deliveries under any Contract without any liability to the Seller.

11. Contractors

Contractors shall, and upon acceptance of this order, undertake to perform all work and provide all services hereby ordered (including without limitation use equipment, materials and substances) in compliance with all relevant regulations in force at the time of performance, concerning the control of the environmental effects of such work, and the contractor upon acceptance of this order indemnified the Purchaser in respect of all claims, liabilities, penalties, costs and damages suffered or incurred by the purchasers as a direct or indirect consequence of any breach by the contractor of its obligations under this clause.

12. Payment Terms

Payment of suppliers invoices will be a minimum of 60 days from end of month following date of suppliers invoice or delivery of goods or service whichever is the later, unless otherwise agreed in writing.

13. Miscellaneous

13.1 Any notice request or other communication to be given by the Seller or the Buyer under any Contract may be delivered by hand or sent by prepaid registered mail or by telex or by fax to the address stated on the relevant Order or, if no such place be stated, to the other party's principal place of business or to such other address as may be notified in writing by either party to the other for that purpose and shall be deemed received if delivered by hand when delivered and if so sent shall be deemed to have been received when in the ordinary course of transmission it should have been received at the address to which it was sent (and if sent by telex on the correct "Answerback" appearing at the end of the sender's copy of the telex) or within five working days, whichever is the earlier. In proving delivery by prepaid registered mail it shall be sufficient to prove that the envelope containing the notice request or other communication was properly stamped, address and posted.

13.2 Any waiver by the Buyer of any breach of any Contract by the Seller shall not be considered as a waiver of any subsequent breach of the same or any other provision.

13.3 The formation, construction and performance of all Contracts shall be governed in all respects by English Law. The Buyer and the Seller hereby agree to submit to the exclusive jurisdiction of the English Courts.

