

SEALCO INTERNATIONAL – TERMS & CONDITIONS OF PURCHASE

1. Definitions

In these Conditions the following terms shall have the meanings ascribed to them. "Buyer" means Sealco International Ltd.

"Seller" means the person, firm or company to whom the Order is addressed. "Goods" means the articles and services or any of them described in the Order. "Order" means the Order placed by the Buyer on the Seller for the supply of Goods.

2. Acceptance of Order

The Order constitutes Buyer's offer to Seller to purchase the Goods and shall become a binding contract upon the terms and conditions set forth herein upon acceptance by Seller which shall be evidenced either by written acknowledgement or commencement of performance. Any terms or conditions whatsoever (including prices and delivery dates) proposed by Seller in accepting the terms and conditions herein set forth shall be void and of no effect unless and to the extent expressly agreed by the Buyer in writing. There are no agreements or understandings other than those contained in the Order, provided that this shall not exclude or limit any liability of either party for any statement it may have made fraudulently prior to the Order.

3. Inspection and Testing

Before despatching the Goods the Seller shall inspect and test them to ensure that they comply with the requirements of the Buyer and in particular with the technical description (if any) of the Goods contained in the Order. The Buyer shall be entitled to attend such test and the Seller will give the Buyer reasonable notice thereof in order that the Buyer may attend. The Buyer shall be entitled to copies of the Seller's test sheets. The Buyer shall be entitled to inspect and test the Goods during manufacture and in such event the Seller shall provide or procure the provision of all reasonable facilities for such purpose. If as a result of any inspection or test hereunder the Buyer is of the opinion that the Goods do not comply with the Order or are unlikely on completion of manufacture so to comply, the Buyer will notify the Seller who shall take such steps as may be necessary to ensure such compliance.

4. Delivery

The Goods properly packed and secured in such a manner as to reach their destination in good condition, shall be delivered by the Seller at or despatched for delivery to the place or places and at the time and in the manner specified in the Order. Advice Notes will be supplied with the Goods. If the Goods or any portion thereof are not delivered within the time or times specified in the Order or any extension of such time or times agreed to by the Buyer, the Buyer shall be entitled to terminate the Order so far as it relates to the Goods undelivered as aforesaid and at the option of the Buyer so far as it relates to any other Goods already delivered, which in the opinion of the Buyer cannot be effectively and commercially used by reason of the non-delivery of the Goods undelivered as aforesaid. On such termination the Buyer shall return to the Seller, at the Seller's risk and expense, any of the Goods already delivered which cannot be effectively and economically used as aforesaid, subject to the Seller prior thereto paying to the Buyer any monies paid by the Buyer in respect of such Goods and any additional expenditure incurred by the Buyer in obtaining other Goods in replacement of those in respect of which the Order has been terminated whether delivered or not.

5. Carriage

All Goods shall be delivered to the Buyer carriage paid, unless the Buyer specifically agrees in writing to pay carriage charges at the time the Order is placed.

6. Quantity

The Seller shall deliver the exact quantity ordered and not more or less.

7. Packing

All packing shall be free and non-returnable, unless specifically agreed in writing with the Buyer.

8. Rejection

The Buyer may by notice in writing to the Seller reject the Goods if the Seller fails to comply with his obligation under Clause 3 hereof and may also by notice in writing to the Seller after delivery reject any Goods which are found not to be in accordance with the requirements of the Buyer and the terms and conditions contained in the Order. Such rejected Goods shall be returned to the Seller at the Seller's risk and expense. In the event of such rejection the Seller shall immediately thereupon pay to the Buyer all costs incurred by the Buyer as a result of such rejection including, without limiting the generality of the foregoing, all costs incurred in obtaining Goods in replacement over and above the Order price.

9. Changes

Buyer may by written notice change the extent of the work covered by the Order, the drawings, specifications or other description therein, the time, method or place of delivery or the method of shipment or packaging or to suspend work. Upon receipt of any such notice Seller shall proceed promptly to make the changes in accordance with the terms of the notice. If any such change causes an increase or decrease in the cost of performance or in the time required for performance, the Seller shall continue to perform the Order and an equitable adjustment shall be negotiated promptly and the Order modified in writing accordingly. In order to enable agreement to be reached as to such adjustment, Seller shall deliver to the Buyer as promptly as possible and in any event within thirty (30) days after receipt of change notices, a statement showing the effect if any such change will have on the delivery dates and prices, such statement to be supplemented within thirty (30) days from the date thereof by detailed specification of the amount of the proposed price adjustment and supporting cost figures. Failure of Seller to submit statements within the time limits stated, shall constitute its consent to perform the change without increase in price, without claim for material rendered obsolete and without change in delivery schedule.

10. Warranty

The Seller warrants the Goods to be free from any fault or defect, whether of design, workmanship or materials. The Seller shall be liable for any breach of this warranty, if within twelve (12) months after delivery or twelve (12) months from date of installation, whichever is the later, the Buyer gives notice in writing to the Seller of any defect in the Goods which shall arise from faulty design, materials or workmanship and the Seller shall immediately

replace or repair the Goods so as to remedy the defects without cost to the Buyer. This warranty shall be without prejudice to any other rights and remedies available to the Buyer.

11. Determination

The performance of work under the Order may be terminated in whole or from time to time in part by the Buyer by notice in writing to the Seller in which event the Seller shall only be entitled to be paid for the performance of work carried out under the Order up to the time of such termination by the Buyer.

12. Prices

Seller represents that prices to be paid by Buyer shall not exceed current prices charged to any other customer of Seller, for items which are the same or substantially similar to the Goods, taking into account the quantity under consideration and the standing of the customer and Seller will forthwith refund any amounts paid by Buyer in excess of such price charged to such other customer, as determined pursuant to this Condition.

13. Payments

Buyer will make payment in full of all invoices, in respect of which no query has been notified to the Seller within 60 days of the end of the month in which the invoice or relevant Goods are received, whichever is the later, unless otherwise specifically agreed in writing. Each invoice will relate to one Order only and shall be itemized.

14. Patterns, Dies, Etc.

All patterns, dies, moulds and other tooling supplied by the Buyer or prepared or obtained by the Seller for and at the sole cost of the Buyer, shall be and remain the property of the Buyer. The Seller shall maintain all such items in good order and condition, fair wear and tear excepted, and insure them against all risks whilst in his custody and on completion of the Order shall return them in such good order and condition to the Buyer or as the Buyer shall direct. Should the Seller fail so to return them the Buyer may either withhold payment for the Goods until they are so returned or withhold such part of the payment due as may be required to replace them or to restore them to good order and condition, whichever may be the least expensive. The Seller shall not use such items, nor shall he authorise, nor knowingly permit items to be used by anyone else for or in connection with any purpose other than the supply of Goods to the Buyer, unless such use is expressly authorised by the Buyer previously in writing.

15. Free Issue Materials

Where Buyer for the purposes of the Order issues materials free of charge to Seller such materials shall be and remain the property of Buyer. Seller shall maintain all such materials in good order and condition. Seller shall use such materials solely in connection with the Order. Any surplus materials shall be disposed of at Buyer's direction. Waste of such materials arising from bad workmanship or negligence of Seller shall be made good at Seller's expense.

16. Risk

It is agreed between the parties that the Goods will become the property of the Buyer when they are first set aside or in any way selected by the Seller for the purposes of this Order. The risk of loss, damage or destruction will remain in the hands of the Seller until such time as the Buyer gives written acceptance of the Goods as being in accordance with the Order.

17. Force Majeure

If a delivery by Seller, or the acceptance by Buyer of a delivery, is delayed or prevented because the manufacture of the Goods or their delivery to Buyer's works by usual route has been or is being prevented or hindered by circumstances beyond the reasonable control of Seller, including (but without limitation) any form of Government intervention, strikes and lockouts relevant to the Order, delays by Sub-Contractors (but only where such delays were beyond the control of the Sub-Contractor concerned), such delivery shall be suspended, and if it cannot be made within a reasonable time after the due date, the delivery may be cancelled by either party, by letter or fax to the other. Where more than one delivery is to be made against the Order, deliveries not cancelled will be resumed as soon as the circumstances causing the delay cease, but, except where both parties otherwise agree, the period during which deliveries are to be made will not be extended. Buyer shall pay Seller such a sum as may be equitable in respect of work performed prior to cancellation.

18. Patents

The Seller shall fully indemnify the Buyer against any action, claim, demand, costs, charges and expenses arising from or incurred by reason of or arising out of any infringement or alleged infringement of any Intellectual Property Rights by the use or sale of the Goods and against all costs and damages which the Buyer may incur save for any infringement which is due to the Seller having followed a design or instruction furnished by the Buyer or to the use of the Goods in a manner or for a purpose not disclosed to the Seller and not reasonably inferable by the Seller. In the event of any claim being made or action brought against the Buyer arising out of the matters referred to in this Clause the Seller shall be notified thereof as soon as possible and may at his own expense conduct all negotiations for the settlement of the same and any litigation that may arise therefrom. The Seller shall within 14 days of such notification inform the Buyer in writing whether or not it will conduct such negotiations and litigation. The Buyer shall not unless and until the Seller shall have failed to take over the conduct of the negotiations or litigation make any admission prejudicial thereto. The Buyer shall at the request of the Seller afford all available assistance for any such purpose and shall be repaid any expenses incurred in so doing. The Buyer on his part warrants that any design or instructions furnished or given by him shall not be such as will cause the Seller to infringe Intellectual Property Rights in the performance of the Order. For the purpose of this Clause 18, Intellectual Property Rights means all intellectual and industrial property rights, including without limitation patents, know-how, trade marks (registered or not), registered designs, utility models, applications for and rights to apply for any of the foregoing, unregistered design rights, copyright and database rights.

20. Assignment and Sub-Letting

The Order is personal to the Seller, and the Seller shall not without the prior consent in writing of the Buyer assign, delegate the burden, sub-let or transfer or hold on trust the Order or any part thereof other than for materials. This Clause shall not apply to companies, firms or persons which are associated with the Seller.

21. Default

If the Seller shall commit a breach of any of the terms and conditions herein contained or otherwise contained in the Order or if the Seller suffers from bankruptcy or shall have a receiving order or administration order made against him or shall make any composition or arrangement with or for the benefit of his creditors or being a company shall pass a resolution or the Court shall make an order that it shall be wound up (not being a voluntary liquidation for the purpose of amalgamation or re-construction) or if a receiver or manager on behalf of a creditor shall be appointed over the whole or any part of its undertaking property or assets or if the Seller is a foreign company, any arrangements or events occur under the law of the country of domicile, which shall have a similar effect to those hereinbefore described then and in any such event the Buyer may forthwith determine the Order by notice in writing but without prejudice to any right which may have accrued or will accrue to the Buyer under the terms and conditions herein contained.

22. Indemnity

The Seller shall indemnify the Buyer in respect of all costs, losses, expenses, damage or injury incurred by the Buyer or suffered by any person or property and against all actions, suits, claims, demands, cost charges or expenses of whatsoever nature arising in connection therewith occasioned by the negligence or breach of contract of the Seller, his servants or agents.

23. Gratuities

Seller warrants that neither it nor any of its employer's agents or representatives has offered or given any gratuities to any Buyer's employees, agents or representatives. If it is found that Seller or any of its employees, agents or representatives with a view in Buyer's opinion toward securing the Order from Buyer or securing favourable treatment with respect thereto Buyer may notwithstanding anything herein contained by written notice to Seller cancel the Order.

24. Advertising

The Seller will not without first obtaining the written consent of the Buyer in any way whatsoever advertise or publish the fact that the Seller has contracted to supply to the Buyer the Goods material or services herein mentioned.

25. Waivers

The failure of Buyer to take steps to enforce in any circumstances any of the terms covenants or conditions of the Order and on the part of the Seller to be observed and performed shall not be construed as or amount to a waiver or dispensation of the liability of the Seller in respect thereof which shall continue in full force and effect.

26. Confidential Information

Drawings, specifications, design, plans and other information supplied by the Buyer, communicated to the Seller or obtained by the Seller at the cost of the Buyer are confidential to the Buyer and are for use only in connection with the Order and must not be published or disclosed to any other party. They must be returned to the Buyer on completion or termination of the Order.

27. Health And Safety At Work Etc. Act 1974

It is a fundamental condition of the Order, not only that all technical specifications and manufacturing standards contained herein or made part hereof should be observed, but also that any substance, machinery, goods or equipment supplied or installed hereunder shall so far as is reasonably practicable be so formulated, designed, constructed, finished and packaged as to be safe and without risk to health when in use.

Furthermore if any conditions are necessary to ensure such safety and harmlessness in use, or any such substance, machinery, goods or equipment possess dangerous properties whether in use or otherwise, appropriate and conspicuous labels or other warnings will so far as practicable be affixed to or appear on every separate item thereof and any container in which the same shall be supplied. If the Seller carries out works or performs any service on the Buyer's premises Seller will take all reasonably practicable steps to ensure that those premises (so far as within his control) and the works are at all times safe and without risks to the health of his own employee and of all other persons.

28. Law of Contract

The Order shall be subject to and be construed and interpreted in accordance with English Law and the parties hereby submit to the jurisdiction of the English Courts.