

17 JULY, 2003

Company number: 2496196
VAT Number: GB 587 4158 01



General Terms and Conditions of Purchase of Bancroft Hinchey Ltd.

A. Scope

1. These General Terms and Conditions of Purchase form an integral part of every contract concluded by us, except insofar as agreements to the contrary are expressly confirmed by us in writing. They apply exclusively as the valid contractual terms and take precedence over other regulations, in particular conflicting Purchasing Conditions of the Supplier. We expressly reject such Purchasing Conditions.
2. These General terms and Conditions of Purchase apply until further notice to all legal relations between us and the Supplier arising out of all current orders, including those not yet finally completed and all future orders from the Supplier

B. Quotation and Order Confirmation

1. Binding delivery contracts come into force and effectively through our order confirmation, unless a written contract is drawn up. All subsidiary agreements and assurances, particularly those given by employees, become effective only when adopted in the order confirmation or when confirmed in writing by a Director.
2. Measurements and other specifications are subject to manufacturing margins and tolerances; deviations must be agreed in writing in each individual case.
3. We retain all rights of ownership and copyright to all estimates of costs, drawing, samples, gauges and tools. These documents must not be used for other purposes, copied or made available to third parties. We retain ownership in tools even where the Supplier pays tool costs, either direct or within the overall price.

C. Orders for Goods to be Delivered by Releases

1. Where orders are placed for goods to be delivered by releases, the deadline for acceptance shall, insofar as no written agreement has been made to the contrary, be 12 months from the date of the order confirmation.
2. After expiry of this period, we are entitled at our own discretion either to accept the remaining goods or terminate the remainder of the order.

D. Prices

1. The Prices apply delivered to Bancroft Hinchey Ltd for the order quantities and the scheduled batch quantities asked for. They do not include Value Added Tax at the current rate at any time.
2. Prices include delivery and packing costs, insofar as nothing to the contrary has been agreed in writing.
3. Where delivery takes place as agreed more than 4 months from the confirmation of the order or where completion of a release order stretches over a period of more than 4 months, we are entitled to reject price increases.

E. Payment Conditions

1. Payments are to be made, within the agreed account terms. Normal account payment terms are end of month following month of invoice. In the event of payment later than this, maturity interest or, after a payment has been sent, default interest is expressly not accepted. Failure to comply with any agreed terms may result in account usage being withdrawn.
2. Payments in currencies are due in the exchange rate applicable on day of funds transfer

F. Acceptance, Transfers of Risk and Shipment

1. Delivery takes place at Bancroft Hinchey Ltd's premises. It is fulfilled when the goods are accepted or placed ready for shipment.
2. Risk passes to Bancroft Hinchey Ltd when the delivery has been accepted.
3. In the absence of relevant instructions from the Supplier, we reserve the right to choose the shipment routing, means of transport and other temporary protective measures, there being an obligation on our part to choose the least expensive form of transport.
4. The costs of packing are borne by the Supplier.

G. Delivery Period and Surrender

1. Observance of all delivery periods is dependent upon receipt in good time by us of all documentation and information to be supplied by the Supplier, all requisite authorisation, approval and accessory parts to be supplied by the Buyer, as well as upon compliance with the agreed payment conditions and other obligations.
2. Stoppages of every nature, as well as all cases of force majeure or unforeseeable impediment, which lie outside our sphere of influence which result in the delivery period being appropriately extended. Where as a result of this adherence to the contract becomes unreasonable either for the Supplier or for us, both contracting parties have a right of withdrawal and termination.
3. Where the Supplier are responsible for the failure to observe the deadline or for the impossibility of performance in respect of either the whole delivery or partial deliveries, the Bancroft Hinchey Ltd has, after an appropriate extension of the deadline, a right of termination and withdrawal. In addition, the Bancroft Hinchey Ltd may demand compensatory damages on production of evidence.
4. Certain discrepancies in the delivery quantity as compared with the order confirmation may occur at the time of delivery insofar as this is reasonable for Bancroft Hinchey Ltd. Excess- or short-deliveries of up to 5% are deemed reasonable and we may avail ourselves of these.

H. Retention of Title

1. We retain title to the goods delivered, in particular until payment, and in the case of outstanding liabilities arising from several deliveries, until clearance of the whole debt.
2. Bancroft Hinchey Ltd is entitled to reprocess and resell the goods within the ordinary course of business. During such time as we still retain title.
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I. Warranty, Liability

1. In the event of any defects, in relating to faulty material and/or Workmanship the Supplier warrants that at our discretion the defect will be made good or exchanged by repair (remedy), the goods exchanged (replacement) or the purchase price credited.
2. The Supplier is obliged to check goods delivered to prior to despatch for their condition and any possible defects.
3. As far as all defects not identifiable at the time of delivery are concerned, warranty claims exist if the defects have appeared within 12 months of the date of the transfer of risk. This period is extended by the duration of interruption of business or by remedy measures on our part.
4. We must be granted fair and reasonable time and opportunity to find defects.
5. If we fail to fulfill our warranty obligation under this Section within an appropriate additional period or if a remedy fails, the Supplier has a right to cancellation.
6. Justified notices of defects do not affect the implementation of the contract in other parts, in particular in relation to partial deliveries.
7. The warranty does not relate to natural wear and tear and to damage occurring subsequent to the transfer of risk as a result of faulty or negligent handling, undue stress, unsuitable equipment or other influences which are not provided for in the contract.
8. The costs of removal and installation of goods delivered by us incurred during the course of warranty operations and also the costs of transportation of the goods for this purpose will be charged to the Supplier; this applies in particular where the goods delivered to us have been taken to a place other than Bancroft Hinchey Ltd's principal place of business.

J. General Provisions

1. Insofar as agreements hereon are statutory admissible, it is agreed that the UK is the place of fulfillment for obligations to be performed by the contracting parties and the place of jurisdiction for all disputes between the parties.
2. Insofar as nothing to the contrary is provided for in the foregoing Conditions, in other written agreements or in obligatory statutory provisions, UK law applies exclusively to all matters between parties, whereby the application of the UN Sales Convention is excluded.
3. In the event of individual provisions being or becoming legally invalid, the remaining parts of the contracts continue to be of binding effect. This does, however, apply if as a result of the partial invalidity, adherence to the contract would lead to unreasonable hardship for one of the contracting parties.
4. We reserve the right to make technical alterations to products supplied without notification.
5. Unless a declaration of conformity is otherwise made, products are sold as components. It is the responsibility of the Supplier to ensure compliance with EEC directives, including EMC, Pressure Equipment Directive, CE marking, Machinery Safety Directives and other relevant legislation.