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General Terms and Conditions of Sale

S1. Definitions

The Seller is CRDM Ltd.

The buyer is the customer of the goods and services.

The Contract shall mean the Contract between the Buyer and the Seller consisting of the Purchase Order, and special conditions and any documents (or parts there of) specified in the Purchase Order. Should there be any inconsistency between the documents comprising Contract, they shall have precedence in the terms and conditions herein listed.

S2. Conditions

The seller accepts only in accordance with the following terms. Any form of acceptance by us shall be subject to these terms and conditions only.

S3. Quotations

Quotations will be prepared from the information in the seller's possession. When further information is given after the date of quotation or when this information is found to be inaccurate, the seller reserves the right to re-estimate the price and delivery. Quotations unless previously withdrawn shall be valid for a period not exceeding 21 days from the date thereon. No orders shall be deemed accepted unless the seller's written acknowledgement and acceptance there of has been dispatched.

S4. Prices

Prices quoted reflect conditions and costs prevailing at the time when the seller's estimation department prepared the quotation and are subject to revision at the time of placing an order should these conditions have altered. Prices are EX WORKS unless otherwise stated. Prices quoted do not include value added tax, which will be added at the time of invoicing. The seller reserves the right to revise the price in the event of increases in the cost of materials and labour during progress of work.

S5. Terms of Payment

Final payments must be made within 30 days of receiving the invoice.

S6. Delivery and Completion

Deliveries quoted reflect conditions and costs, prevailing at the time when our estimating department prepares the quotation and are subject to revision at the time of placing an order should these conditions have altered. Delivery and completion dates are not guaranteed. The seller accepts no responsibility for consequent loss from delaying delivery and completion.

S7. Cost of Debt Recovery

The buyer accepts that the seller will pass on to the buyer all reasonable costs incurred in the recovery of any outstanding Monies owed by the buyer to the seller.

S8. General Liability

The seller undertakes to provide the goods and/or services in conformity with the drawings, magnetic media or other instructions and specifications submitted by the buyer or prepared by the seller for the buyer and approved by him. The specifications are solely the responsibility of the buyer. The seller is not liable for any failing in the goods and services due to any shortcomings in the specifications. Work resulting from alterations in design or specification will be the subject of an additional charge. The seller accepts no responsibility for damage or consequent loss arising from mishandling or misuse of the goods or service. The seller's liability is for loss, damage or injury arising out of defect or failure of those goods or services by the seller's personnel, providing that the defect arises from faulty materials or workmanship solely attributable to the seller. It is up to the buyer to determine that the goods or services supplied are suitable for his need before using those goods or services.

Such defects found in the goods and services supplied must be notified to the seller in writing within 24 hours of the delivery of the goods or services to which the complaint relates after which period, the seller's liability will cease. Recommendations made by the seller concerning use or application of the goods or services supplied are believed to be reliable but the seller makes no warranty of results

The buyer's property will be held entirely at the buyer's risk. When materials are supplied to the buyer, expense arising from the defect or unsuitability will be charged. The seller shall not be liable for any sampling, testing, measuring or inspection charge that the buyer or his agent may incur.

The seller will endeavor to store for a period of 3 months after the completion of any work or project all relevant electronic information generated as part of the process of supplying goods or services to a buyer, at any time, after that it may be destroyed at the discretion of the seller. No liability for the loss of the information stored, whether the loss is caused by accident or error will be accepted. Copies of the information generated during the production of the goods and services may be supplied to the buyer at the discretion of the seller. Such copies will be charged for.

The seller reserves the right not to disclose techniques, know how and processes used during the production of goods and services. Provided that the work has been paid for in full, at the buyers own request all information regarding the buyers work or project will be deleted and no technical records kept of that work by the seller. The buyer will be required to give a written indemnity to the seller releasing him from further responsibility for that work. Any such actions requested by the customer shall be charged for.

All rigs, jigs, fixtures, data and information generated by the seller for the purpose of producing the buyer's parts, remain the property of the seller unless specifically stated otherwise in the seller's quotation. The seller will produce parts limited to the accuracy of the machinery used.

S9. Cancellation or Suspension

Orders accepted by the seller can be cancelled or suspended only with the seller's written consent and the buyer will be liable for all expenditure incurred and on terms which indemnify the seller against all loss, including loss of contribution for under utilised capability.

S10. Transfer of Orders

The seller's liability is restricted solely to the buyer from whom the seller accepts an order.

S11. Force Majeure

The seller shall not be liable for any failure to fulfil obligations under this contract if such failure is attributable to force majeure.

S12. Arbitration

At the written request of either party, dispute of difference arising from the contract shall be referred to an arbitrator mutually agreed by the parties.

S13. Transfer of Title in Goods

The property in the goods shall not pass to the buyer but shall remain vested in the seller either:-

- a) until all sums owing to the seller on whatsoever ground have been paid (and until which time the buyer shall hold the good as bales for the seller and should not alter the goods but shall retain the goods in such a manner that the same can be recognised as the property of the seller);
or
- b) until at the option of the seller, the seller by notice in writing sent to the customer at this last known address shall pass the property in the goods to the customer.

S14. Law

These terms and all other express conditions if the contract shall be governed in accordance with the laws of England.

General Terms and Conditions of Purchase

P1 Definitions

"Buyer" means CRDM Ltd.

"Seller" means the person, firm or company to whom the Purchase Order is addressed and any employees, sub-contractors or agents of said person, firm or company.

"Goods" means the materials, articles, works and services described in the Contract.

"Package" means any type of package including bags, cases, carboys, cylinders, drums, pallets, tank wagons and other containers.

"Authorised Officer" means the Buyer's employee who has been authorised, either generally or specifically, by the Buyer to sign the Buyer's Purchase Order.

"Authorised" means signed by one of the Buyer's Authorised Officers.

"Purchase Order" means the Buyer's Authorised Purchase Order having these General Conditions of Purchase on its reverse or attached to it or referring to these General Conditions of Purchase on its face.

"Order Amendment" means the Buyer's Authorised Order Amendment or series of Order Amendments, each Order Amendment having precedence over any earlier Order Amendment.

"Contract" has the meaning given in Condition 2 below.

"Price" has the meaning given in Condition 3 below.

"Sale of Goods Act 1979" shall mean the Sale of Goods Act 1979 as amended by the Sale and Supply of Goods Act 1994.

"Supply of Goods and Services Act 1982" shall mean the Supply of Goods and Services Act 1982 as amended by the Sale and Supply of Goods Act 1994.

P2 The Contract

The Seller agrees to sell and the Buyer agrees to purchase the Goods in accordance with the Contract. The Contract shall comprise (in order of precedence): any Order Amendments, the Purchase Order, these General Conditions of Purchase, any other document (or part document) referred to on the Purchase Order. The Contract shall not include any of the Seller's conditions of sale, notwithstanding reference to them in any document. However, should this Contract be held by a court of competent jurisdiction to include the Seller's terms and conditions of sale then in the event of any conflict or apparent conflict these General Conditions of Purchase shall always prevail over the Seller's terms and conditions of sale. Delivery of Goods in response to a Purchase Order or Order Amendment shall be taken to imply that the Seller has accepted the terms and conditions of this Contract.

P3 Price

The Seller will sell the Buyer the Goods for the firm and fixed Price stated in the Contract. If no Price is stated in the Contract then the Price shall be a fair price, taking into account prevailing market conditions. The Price shall include storage, packing, insurance, delivery, installation and commissioning (as applicable) but shall exclude VAT.

P4 Variations

The Buyer shall have the right, before delivery, to send the Seller an Order Amendment adding to, deleting or modifying the Goods. If the Order Amendment will cause a change to the Price or delivery date then the Seller must suspend performance of the Contract and notify the Buyer without delay, calculating the new Price and delivery date at the same level of cost and profitability as the original Price. The Seller must allow the Buyer at least 10 working days to consider any new Price and delivery date. The Order Amendment shall take effect when but only if the Buyer's Authorised Officer accepts in writing the new Price and delivery date within the time the Seller stipulates. If the Buyer's Authorised Officer fails to confirm the Order Amendment within the time the Seller stipulates then performance of the Contract shall immediately resume as though the said Order Amendment had not been issued (except that the Buyer may still exercise the Buyer's right of cancellation in accordance with Condition 5).

P5 The Buyer's Right of Cancellation

In addition to the Buyer's other rights of cancellation under this Contract, the Buyer may cancel the Purchase Order and any Order Amendment thereto at any time by sending the Seller a notice of termination. The Seller will comply with any instructions that the Buyer may issue with regard to the Goods. If the Seller submits a termination claim then the Buyer will pay to the Seller the cost of any commitments, liabilities or expenditure which in the Buyer's reasonable opinion were a consequence of this Contract at the time of termination. The total of all payments made or due to the Seller under this Contract, including any termination payment, shall not exceed the Price. If the Seller fails to submit a termination claim within 3 months of the date of the Buyer's notice of termination then the Buyer shall have no further liability under the Contract.

P6 Quality and Description

a) The Goods shall:

- (i) conform in every respect with the provisions of the Contract;
- (ii) be capable of all standards of performance specified in the Contract;
- (iii) be fit for any purpose made known to the Seller expressly or by implication and in this respect the Buyer shall rely on the Seller's skill and judgement;
- (iv) be new (unless otherwise specified on the Purchase Order) and be of sound materials and skilled and careful workmanship;
- (v) correspond with their description or any samples, patterns, drawings, plans and specifications referred to in the Contract;
- (vi) be of satisfactory quality;
- (vii) comply with any current legislation.

b) Unless specifically required under the Contract, there shall be no asbestos content in the Goods.

P7 Work on the Buyer's Premises

If the Contract involves any works or services which the Seller performs on the Buyer's premises then the following conditions shall apply:

a) The Seller shall ensure that the Seller and the Seller's employees, the Seller's sub-

contractors and their employees and any other person associated with the Seller will adhere in every respect to the obligations imposed on the Seller by current safety legislation.

b) The Seller shall ensure that the Seller and the Seller's employees, the Seller's sub-contractors and their employees and any other person associated with the Seller will comply with any regulations that the Buyer may notify to the Seller in writing.

P8 Progress and Inspection

a) The Seller shall at the Seller's expense provide any programmes of manufacture and delivery that the Buyer may reasonably require. The Seller shall notify the Buyer without delay in writing if the Seller's progress falls behind or may fall behind any of these programmes.

b) The Buyer shall have the right to check progress at the Seller's works or the works of sub-contractors at all reasonable times, to inspect and to reject Goods that do not comply with the Contract. The Seller's sub-contracts shall reserve such right for the Buyer.

c) Any inspection, or approval shall not relieve the Seller from the Seller's obligations under this Contract.

P9 Package

Unless otherwise stated in the Contract, all Package shall be non-returnable. If the Contract states that Package is returnable, the Seller must give the Buyer full disposal instructions before the time of delivery. The Package must be clearly marked to show to whom it belongs. The Seller must pay the cost of all carriage and handling for the return of Package. The Buyer shall not be liable for any Package lost or damaged in transit.

P10 Safety

The Seller shall observe all legal requirements of the United Kingdom, European Union and relevant international agreements in relation to health, safety and environment, and in particular to the marking of hazardous Goods, the provision of data sheets for hazardous materials, and all provisions relating to food.

P11 Delivery

a) The Goods shall be properly packed, secured and despatched at the Seller's expense to arrive in good condition at the time or times and the place or places specified in the Contract

b) If the Seller or the Seller's carrier delivers any Goods at the wrong time or to the wrong place then the Buyer may deduct from the Price any resulting costs of storage or transport.

P12 Late Delivery

If the Goods or any part of them are not delivered by the time or times specified in the Contract then the Buyer may by written notice cancel any undelivered balance of the Goods. The Buyer may also return for full credit and at the Seller's expense any Goods that in the Buyer's opinion cannot be utilised owing to this cancellation. In the case of services, the Buyer may have the work performed by alternative means and any additional costs reasonably so incurred shall be at the Seller's expense. This shall not affect any other rights that the Buyer may have.

P13 Property and Risk

a) The Seller shall bear all risks of loss or damage to the Goods until they have been delivered and shall insure accordingly.

b) Ownership of the Goods shall pass to the Buyer:

(i) when the Goods have been delivered but without prejudice to the Buyer's right of rejection under this Contract, and

(ii) if the Buyer make any advance or stage payment, at the time such payment is made, in which case the Seller must as soon as possible mark the Goods as the Buyer's property.

P14 Acceptance

The Buyer shall have the right to reject the Goods in whole or in part whether or not paid for in full or in part within a reasonable time of delivery if they do not conform with the requirements of this Contract. It is agreed that the Buyer may exercise the right of rejection notwithstanding any provision contained in section 11 or section 15A or section 30 (subsections 2A and 2B) or section 35 of the Sale of Goods Act 1979. The Buyer shall give the Seller a reasonable opportunity to replace the Goods with new Goods that conform with this Contract, after which time the Buyer shall be entitled to cancel the Purchase Order and purchase the nearest equivalent goods elsewhere. In the event of cancellation under this condition the Seller shall promptly repay any moneys paid under the Contract without any retention or offset whatsoever. Cancellation of the Purchase Order under this condition shall not affect any other rights the Buyer may have. The Seller must collect all rejected Goods within a reasonable time of rejection or the Buyer shall return them to the Seller at the Seller's risk and expense.

P15 Payment

Unless stated otherwise in the Contract the Buyer shall pay the Seller within thirty (30) days of receipt of a correctly rendered invoice. The Seller's invoice must be addressed as indicated on the Purchase Order and must quote the full Purchase Order number. The Buyer shall not be held responsible for delays in payment caused by the Seller's failure to comply with the Buyer's invoicing instructions.

P16 The Seller's Warranty

It is expressly agreed between us that:

- a) The Seller shall promptly make good at the Seller's expense any defect in the Goods that the Buyer discover under proper usage during the first of 12 months of actual use or 18 months from the date of acceptance by the Buyer whichever period shall expire first. Such defects may arise from the Seller's faulty design the Seller's erroneous instructions as to use or inadequate or faulty materials or poor workmanship or any other breach of the Seller's obligations whether in this Contract or at law.
- b) Repairs or replacements will themselves be covered by the above warranty but for a period of 12 months from acceptance by the Buyer.
- c) The Seller will ensure that compatible spares are available to facilitate repairs (where applicable) for a period of at least 10 years from the date of delivery of the Goods.

P17 Indemnity and Insurance

- a) The Seller shall indemnify the Buyer against all loss, actions, costs, claims, demands, expenses and liabilities whatsoever (if any) which the Buyer may incur either at common law or by statute in respect of personal injury to or death of any person or in respect of any loss or destruction of or damage to property (other than as a result of any default or neglect of the Buyer or of any person for whom the Buyer is responsible) which shall have occurred in connection with any work executed by the Seller under this Contract or shall be alleged to be attributable to some defect in the Goods.
- b) This Purchase Order is given on the condition that (without prejudice to the generality of Condition 17(a)) the Seller will indemnify the Buyer against all loss, costs, claims, demands, expenses and liabilities whatsoever (if any) which the Buyer may incur either at common law or by statute (other than as a result of any default or neglect of the Buyer or of any person for whom the Buyer is responsible) in respect of personal injury to or death of any of the Seller's

or the Buyer's employees, agents, sub-contractors or other representatives while on the Buyer's premises whether or not such persons are (at the time such personal injury or deaths are caused) acting in the course of their employment.

c) The Seller will indemnify the Buyer against any and all loss, costs, expenses and liabilities caused to the Buyer whether directly or as a result of the action, claim or demand of any third party by reason of any breach by the Seller of these conditions or of any terms or obligations on the Seller's part implied by the Sale of Goods Act 1979, by the Supply of Goods and Services Act 1982 or by any other statute or statutory provision relevant to the Contract or to Goods or work covered thereby. This indemnity shall not be prejudiced or waived by any exercise of the Buyer's rights under Condition 14.

d) The Seller shall hold satisfactory insurance cover with a reputable insurer to fulfil the Seller's insurance obligations for the duration of this Contract including public liability insurance cover of at least £2M (two million pounds Sterling). The Seller shall effect insurance against all those risks arising from the Seller's indemnity in Condition 17(c). Satisfactory evidence of such insurance and payment of current premiums shall be shown to the Buyer upon request.

P18 Recovery of Sums Due

Whenever under the Contract any sums of money shall be recoverable from or payable by the Seller, they may be deducted from any sums then due, or which at any later time may become due to the Seller under this Contract or under any other contract the Seller may have with the Buyer.

P19 Matters beyond Control

If either party is delayed or prevented from performing its obligations under this Contract by circumstances beyond the reasonable control of either party, (including without limitation any form of Government intervention, strikes and lock-outs relevant to the Purchase Order or breakdown of plant) such performance shall be suspended, and if it cannot be completed within a reasonable time after the due date as specified in the Purchase Order then the Contract may be cancelled by either party. The Buyer shall pay to the Seller such sum as may be fair and reasonable in all the circumstances of the case in respect of work performed by the Seller under the Purchase Order prior to cancellation but only in respect of work for which the Buyer has received full benefit as originally contemplated in the Contract. This provision can only have effect if it is called into operation by the party wishing to rely on it giving written notice to the other to that effect.

P20 Articles on Loan and the Use of Information

a) All tools, materials, drawings, specifications and other equipment and data ("the Articles") loaned by the Buyer to the Seller in connection with the Contract shall remain always the Buyer's property and be surrendered to the Buyer upon demand in good and serviceable condition (fair wear and tear allowed) and are to be used by the Seller solely for the purpose of completing the Contract. The Seller agrees that no copy of any of the articles will be made without the consent in writing of the Buyer's Authorised Officer. Until the Seller returns all the articles to the Buyer they shall be at the Seller's risk and insured by the Seller at the Seller's own expense against the risk of loss, theft or damage. Any loss of or damage to such articles shall be made good by the Seller at the Seller's expense. All scrap arising from the supply of such articles must be disposed of at the Buyer's discretion and all proceeds of sales of such scrap must promptly be paid to the Buyer in full.

b) Any information derived from the Buyer's property or otherwise communicated to the Seller in connection with the Contract shall be kept secret and confidential and shall not without the

consent in writing of the Buyer's Authorised Officer, be published or disclosed to any third party, or made use of by the Seller except for the purpose of implementing the Contract.

P21 Ownership of Results

If the Contract involves design and/or development work:

- a) All rights in the results of work arising out of or deriving from this Contract, including inventions, designs, copyright and knowledge shall be the Buyer's property and the Buyer shall have the sole right to determine whether any letters patent, registered design, trademark and other protection shall be sought.
- b) The Seller shall promptly communicate to the Buyer all such results and shall if requested and at the Buyer's expense do all acts and things necessary to enable the Buyer or the Buyer's nominee to obtain letters patent, registered designs and other protection for such results in all territories and to assign the same to the Buyer or the Buyer's nominee.
- c) The Seller shall ensure that all technical information (including computer programs and programming information) arising out of or deriving from this Contract is held in strict confidence except for any such information which becomes public knowledge other than by breach of this Contract.

P22 Infringement of Patents

With the exception of Goods made to the Buyer's design or instructions, the Seller warrants that neither the Goods nor the Buyer's use of them will infringe any patent registered design trade mark copyright or other protected right and undertake to indemnify the Buyer against all actions claims demands costs charges and expenses arising from or incurred by reason of any infringement or alleged infringement of any such right.

P23 Non-Observance of Conditions

If the Seller breaches or fails to observe any provision of this Contract the Buyer may give the Seller written notice of such breach or non-observance and the Seller shall have 28 days from receipt of the notice in which to rectify the breach or non-observance. Should the Seller fail to rectify the breach or non-observance, then the Buyer shall have the right to give the Seller written notice terminating the Contract with immediate effect.

P24 The Seller's Insolvency

If the Seller becomes insolvent or bankrupt or (being a company) makes an arrangement with the Seller's creditors or has an administrative receiver or administrator appointed or commences to be wound up (other than for the purposes of amalgamation or reconstruction) the Buyer may without replacing or reducing any other of the Buyer's rights terminate the Contract with immediate effect by written notice to the Seller or any person in whom the Contract may have become vested.

P25 Assignment and Sub-letting

The Contract shall not be assigned by the Seller nor sub-let as a whole. The Seller shall not sub-let any part of the Contract without the Buyer's written consent, but the Buyer shall not refuse such consent unreasonably. The restriction contained in this condition shall not apply to sub-contracts for materials for minor details or for any part of which the makers are named in the Contract. the Seller shall be responsible for all work done and Goods supplied by all sub-contractors.

P26 Corrupt Gifts

In connection with this or any other Contract between the Seller and the Buyer the Seller shall not give, provide, or offer to the Buyer's staff and agents any loan, fee, reward, gift or any emolument or advantage whatsoever. In the event of any breach of this Condition, the Buyer shall, without prejudice to any other rights the Buyer may possess, be at liberty forthwith to terminate this and any other Contract and to recover from the Seller any loss or damage resulting from such termination.

P27 Waiver

A failure at any time to enforce any provision of the Contract shall in no way affect the right at a later date to require complete performance of the Contract; nor shall the waiver of the breach of any provision be taken or held to be a waiver of any subsequent breach of the provision or be a waiver of the provision itself.

P28 Notice

All notices and communications required to be sent by the Seller or the Buyer in this Contract shall be made in writing and sent by first class mail and if sent to the Seller sent to the Seller's registered or head office and if sent to the Buyer sent to the Chief Executive, CRDM Ltd, Queen Alexandra Road, High Wycombe, HP11 2JZ and shall be deemed to have reached the party to whom it is addressed on the next business day following the date of posting.

P29 Date Sensitive Electronic Components or Programmes

If the Goods and Services contain or depend upon a microprocessor/ programmable electronic component or software, they must be verified for Year 2000 Compliance in accordance with BSI.Doc.Ref.Disc PD2000-1. The Seller is required to confirm this compliance in writing. Failure to supply this confirmation in writing will not exclude the Seller's liability in respect of Year 2000 Compliance. These requirements for Year 2000 Compliance apply equally to any other date changes which might cause the Goods and Services to malfunction.

P30 Amendment

No addition alteration or substitution of these conditions will bind the Buyer or form part of the Contract unless and until accepted in writing by the Buyer's Authorised Officer.

P31 Law

The construction, validity, performance and execution of this Contract shall be governed by and interpreted in accordance with English Law and shall be subject to the exclusive jurisdiction of the Courts of England and Wales.