

SILKJET GROUP LIMITED

TERMS AND CONDITIONS OF PURCHASE

1. Acceptance

The terms and conditions set out below and overleaf shall constitute the entire agreement between the Supplier and the Purchaser ("the Contract"). The commencement of any work or the delivery of any goods or the performance of any services hereunder by the Supplier whichever shall be the earliest shall constitute acceptance by the Supplier of such terms and conditions.

2. Excess Quantities and Early Delivery

2.1. No goods produce or work done in excess of the quantity specified under the Contract or goods supplied earlier than the date for delivery set out overleaf or in any delivery schedule will be accepted or paid for unless the Purchaser notifies the Supplier in writing of its intention to accept the same.

2.2. Any goods referred to in Clause 2.1 which are not accepted by the Purchaser will remain at the Supplier's risk and the Purchaser may return the same to the Supplier at the Supplier's risk and expense.

3. Packing and Carriage

Transit and off loading shall be at the Supplier's risk and no charges for packing, carriage or insurance will be allowed unless so specified overleaf.

4. Changes in Specification

The Purchaser may at any time make changes in writing relating to the Contract, including changes in the drawings or specification, method of shipment, quantities, packing or time or place of delivery. If such changes result in an increase in cost of or time required for the performance of the Contract, an equitable adjustment shall be made to the price, delivery schedule or both. Any claim or adjustment by the Supplier must be approved by the Purchaser in writing before the supplier proceeds with such change.

5. Failure to comply with instructions.

Failure to comply with instructions overleaf will delay payment. Such delay will not however affect the Purchaser's rights to any cash discount to be allowed on the price of goods supplied under the Contract.

6. Property and Risk

6.1. Subject to clause 6.2 the property and risk in the goods will pass to the Purchaser at the time and place of delivery unless otherwise specifically agreed.

6.2. Where the Purchaser has made payment in advance of delivery of any goods which the Supplier has:

6.2.1 acquired or subsequently acquires specifically for the Purchaser; or

- 6.2.1. appropriated or subsequently appropriates to the Contract title in such goods shall pass to the Purchaser upon payment or, if later, as soon as such goods are acquired specifically for the Purchaser or are appropriated to the Contract but risk in the goods shall not pass to the Purchaser until the time and place of delivery.

7. Dies, Tool, Patterns and Equipment

- 7.1. Invoices for dies, tools, patterns and equipment ordered by the Purchaser used in the manufacture of the goods whether to be paid for in whole or part by the Purchaser (in this Clause and collectively referred to as "Tooling") shall be rendered separately from other goods supplied by the Supplier. Payment of such invoices shall not be authorised until the Purchaser approves the quality of samples produced from Tooling.
- 7.2. The Tooling shall be kept securely in good condition by the Supplier adequately protected from all risks (including fire, theft and weather) without expense to the Purchaser.
- 7.3. No Tooling and no drawings supplied to the Supplier or used in the manufacture of the goods shall be used in the production, manufacture or design of any other goods without the prior written consent of the Purchaser.
- 7.4. At the termination of the Contract Tooling will be delivered at the Supplier's expense to the Purchaser's premises or as the Purchaser shall direct. The Supplier shall not dispose of Tooling without the written consent of the Purchaser.

8. Negatives and Issued Materials

All negatives and other goods supplied by the Purchaser to the Supplier for the purpose of manufacture processing repair or storage shall not be removed from the Supplier's premises without the written instruction of the Purchaser except for the purpose of fulfilling the Contract. The Supplier shall return the Purchaser such negatives and such number or quantity of completed items specified overleaf or shall account for failure to do so to the satisfaction of the Purchaser.

9. The Purchasers' Goods

- 9.1. Any dies, tools patterns equipment or goods supplied by the Purchaser to the Supplier referred to in Clauses 7 & 8 are herein referred to as the Purchaser's Goods.
- 9.2. The property in the Purchaser's Goods shall remain in the Purchaser who may retake possession thereof at any time without notice. The Supplier shall keep the Purchaser's Goods separate and apart from all property of other persons and shall clearly mark the Purchaser's Goods "Property of Silkjet Group Limited".
- 9.3. The Supplier hereby agrees to indemnify the Purchaser against loss of or damage to the Purchaser's Goods during the time they are in the Suppliers possession, custody or control. During such time the Supplier shall adequately insure the Purchaser's goods in the name of and for the benefit of the Purchaser at the Suppliers expense with a reputable insurance company against loss or damage arising from any clause whatsoever and shall produce to the Purchaser on demand the policies of such insurance and the receipts for premiums paid thereon.
- 9.4. The Supplier hereby waives and will not be entitled to exercise or claim any lien that it might otherwise have (whether at the date hereof or subsequently and whether arising expressly, by implication, by statute custom usage or otherwise) on any of the Purchaser's Goods for work done thereon or in connection with the use of such of the Purchasers Goods or otherwise but this Clause shall not be construed as a waiver of any other right of recovery of any charges that may be due to the Supplier for such work.
- 9.5. The Supplier shall promptly pay the Purchaser on demand the full replacement value of any of the Purchaser's Goods which are not returned or satisfactorily accounted for.

10. Exclusive Manufacture

The Supplier will not either during the period of the Contract or at any time thereafter:

- 10.1 manufacture or procure to be manufactured for any person or company other than the Purchaser any goods to designs or specifications originated or owned by the Purchaser; or
- 10.2 disclose to any person or company any manufacturing process, design, negative, engineering drawing or data, information, or any other trade secret of whatsoever nature relating to the Purchaser or the goods or services being supplied to the Purchaser under the Contract.

11. Inventions, Improvements and Discoveries

The Supplier agrees to assign to the Purchaser all inventions, improvements and discoveries conceive in the performance of the Contract (whether such is patentable or not) made by any person employed by or working under the direction of the Supplier. On completion of the Contract the Supplier shall give to the Purchaser all designs, negatives, engineering drawings and data and information of whatsoever nature in its possession and cause its employees to sign any documents necessary to enable the Purchaser to file applications for patents throughout the world to obtain title thereto and the Supplier shall use its best endeavours to facilitate the same

12. Patents and Designs

The Supplier warrants that the sale or use of goods supplied pursuant to the Contract will not infringe any Patent, Registered Design, Industrial Design, Trade Mark or Trade Name or other protected right in any country and undertakes to indemnify the Purchaser against all such judgements and claims.

13. Right to Terminate

The Purchaser shall be entitled to terminate the Contract made between the Purchaser and the Supplier without liability to the Supplier and without prejudice to the Purchaser's other rights in any of the following circumstances:

- 13.1 Substantial movements in the price of the goods ordered or of competitive goods
- 13.2 The Supplier fails to deliver the goods on the date set out overleaf or strictly in accordance with any delivery schedule;
- 13.3 The quality of the goods provided by the Supplier either in performance of the Contract as a sample is such that they do not confirm to specification, drawings, samples or other descriptions or they are unfit of insufficient for the purpose intended or that they are unmerchantable or defective in material or workmanship;
- 13.4 The Supplier had indicated to the Purchaser that the Supplier is the manufacturer of the goods and the supplier has subcontracted the manufacture without the prior written consent of the Purchaser
- 13.5 The Supplier has had a bankruptcy order made against him or has made an arrangement or composition with his creditors or otherwise taken the benefit of any Act for the time being a force for the relief of insolvent debtors or has suffered or allowed any execution whether legal or equitable to be levied on his property or obtained against him or (being a body corporate) has had convened a meeting of creditors (whether formal or informal) or has entered into liquidation (whether voluntary or compulsory) except a solvent voluntary liquidation for the purpose only of a reconstruction of amalgamation or has a receiver manager administrator or administrative receiver appointed over its undertaking or any part thereof a resolution has been passed or a petition presented to any Court for the winding up of the Supplier or any proceedings have been commenced relating to the insolvency or possible insolvency of the Supplier.

14. Payment on Termination

14.1 The Purchaser may at any time give written notice to the Supplier to terminate the Contract forthwith and in such event the Purchaser shall pay and the Supplier shall accept in settlement of all claims under the Contract such a sum that shall reasonably compensate the Supplier for work done and raw materials received and paid for by the Supplier in and for the performance of the Contract prior to its termination.

14.2 The provisions of Clause 14.1 shall not apply if the order is terminated by the Purchaser pursuant to the default of the Supplier pursuant to any term of the Contract.

15. Pre-delivery Inspection

Prior to delivery to the Purchaser the Supplier shall adequately inspect and test the goods and if the Purchaser so requires the Supplier shall furnish the Purchaser with test certificates. The Supplier shall allow the Purchaser or its authorised representative unrestricted access to any area of any premises where the goods or any part are being manufactured or stored or where any of the Purchaser's Goods are being kept in order that the Purchaser or its authorised representative may inspect test or inspect tests of the same or verify conformance of goods with the specification requirements of the Purchaser. The Supplier shall afford the Purchaser or its authorised representative such use of the Suppliers equipment and employees as is reasonable in the circumstances in order to facilitate such inspection testing or verification.

16. Post-delivery Inspection

Goods supplied shall be subject to the Purchaser's inspection and right of rejection at any time within 12 months of delivery irrespective of date of payment therefore. When goods are rejected either in part or in total they will be returned at the Supplier's expense.

17. Indemnity

Without prejudice to the Purchaser's rights under any condition warranty or to the term implied herein by statute or by Common Law or under any term of the Contract, the Supplier will be liable to the Purchaser for and indemnify and keep the Purchaser indemnified against any liability claim costs (on a full indemnity basis) proceedings loss or damage (including the stopping of or interference with the production or manufacture or supply by the Purchaser of any goods or services):

17.1 caused by any defect in any goods supplied or work done by the Supplier or by their not complying with the appropriate specification set out overleaf.

17.2 in the event of delays, defaults or non deliveries arising other than as a result of negligence on the part of the Purchaser against any increase in:

17.2.1 the cost of labour or material required to produce the goods

17.2.2 the cost of transportation

17.2.3 the cost of any other item in connection with the goods which would both have been incurred but for such delay, default or non-delivery

17.3 incurred by the Purchaser under contracts entered into by the Purchaser for the supply of goods the supply of goods the supply of which has been delayed or rendered impossible by the breach by the Supplier of its obligations hereunder.

17.4 arising directly or indirectly out of any breach by the Supplier of the Contract. Any sums expended by the Purchaser so cause or arising shall be reimbursed to the Purchaser by the Supplier on demand.

18. Health & Safety at Work etc Act 1974

Any goods supplied or installed under the Contract shall be so formulated, designed, constructed, finished and packaged as to be safe and without risk to health. The Supplier agrees before delivery to furnish the Purchaser in writing with a list of any harmful or potentially harmful properties or ingredients in the articles supplied whether in use or otherwise and thereafter information concerning any changes in such properties or ingredients. The Purchaser will rely on the supply of such information from the Supplier in order to satisfy its own obligations under the Health and Safety at Work etc Act 1974.

19. Alterations in Terms

The Supplier will forthwith notify the Purchaser in writing of any increase in the credit period and/or the rates of discount which the Supplier extends to its customer.

20. Advertising

The Supplier will not without first obtaining the written consent of the Purchaser in any way whatsoever advertise or publish the fact that the Supplier has contracted to supply to the Purchaser the goods or services herein mentioned.

21. Guarantee

The Supplier consents to the Purchaser transferring guarantee or similar rights by the Supplier to the Purchaser in relation to the goods or services supplied by any other person or company to whom the Purchaser sells hires or disposes of such goods or services to the intent that such guarantee or similar right may be enforced against the Supplier not only by the Purchaser but also by any person or company claiming through the Purchaser.

22. Tooling Orders

Payment for tooling shall be subject to the terms and conditions imposed upon the by its customer and the Purchaser will pay the Supplier for such tooling when it has been paid by its customer.

23. General

The Contract will be construed and operate in accordance with English Law and the parties hereby submit to the non-exclusive jurisdiction of the English Courts.

Addition to tooling

1) All tool drawings, electrodes and other manufactured articles used in the manufacture of the tooling are the property of the Purchaser and must be returned to the Purchaser on termination of contract.