

MCGREEVY ENGINEERING TERMS AND CONDITIONS OF PURCHASE

THESE TERMS AND CONDITIONS OF PURCHASE ARE AN INTEGRAL PART OF THE PURCHASE ORDER ATTACHED HERETO OR PRINTED ON THE REVERSE SIDE OF THIS FORM ("Order")

AND THEY WILL, TOGETHER WITH ANY STANDARD QUALITY REQUIREMENTS AND ANY ADDITIONAL OR SPECIAL TERMS AND CONDITIONS WHICH MAY BE AGREED IN WRITING BETWEEN THE PARTIES APPLY TO ALL PURCHASES MADE UNDER THE ORDER.

1. Interpretation

1.1 In these Terms and Conditions

"BUYER" means McGreevy Engineering Limited registered in N. Ireland under no N1065770 and having its principal place of business at Maryland Industrial Estate, Ballygowan Road, Castlereagh BT23 6BL, Northern Ireland.

"CONTRACT" means the contract for the sale and purchase of the Goods/Services; "DELIVERY ADDRESS" means the address stated on the Order;

"GOODS/SERVICES" means the goods/services (including any installment of the goods/services or any part of them) described in the Order;

"PERSON" includes person, Limited Liability Company, partnership or unincorporated association;

"PRICE" means the price of the Goods;

"SELLER" means the person so described in the Order;

"SPECIFICATION" includes any plans, drawings, data or other information relating to the Goods/Services.

1.2 The headings in these Terms and Conditions are for ease of reference only and shall have no bearing on their construction or interpretation.

2. Basis of Purchase

2.1 The Order constitutes an offer by the Buyer to purchase the Goods/Services subject to these Terms and Conditions.

2.2 These Terms and Conditions shall apply to the Contract to the exclusion of any other terms and conditions, including any proffered or purported to be proffered by the Seller. The Seller will also ensure that these Terms and Conditions are provided to any sub contractor that the Seller may use to support the Buyers requirements.

2.3 No variation to the Order or these Terms and Conditions shall be binding unless agreed in writing between the authorised representatives of the Buyer and the Seller.

2.4 The Seller shall at the Buyer's request provide and ensure:

2.4.1 Proof of test, inspection and verification in relation to Specification for supply of Goods / Services.

2.4.2 The Seller shall ensure the required customer approvals and quality management system is in place to support the Contract.

2.4.3 The Seller shall ensure all team members and Persons used in furtherance of any Contract are aware and contribute to conformity, product safety and ethical behaviour.

3. Specifications

3.1 The quantity, quality and description of the Goods/Services shall, subject as provided in these Terms and Conditions, be as specified in the Order and/or in any applicable Specification supplied by the Buyer to the Seller.

3.2 The Seller shall comply with all applicable regulations or other legal requirements concerning the manufacture, packaging, packing and delivery of the Goods.

3.3 Where identified within any specifications and/or drawings associated to the contract, the Seller shall flow down to their sub-tier suppliers the applicable requirements including key characteristics and/or special requirements.

4. Shipping/Marking/Packaging

4.1 Notice of Shipment in the number of copies specified in the Order must be sent to the Buyer on the day of shipment.

4.2 The Goods shall be marked in accordance with the Buyer's instructions and any applicable regulations or requirements of the carrier, and properly packed and secured so as to reach their destination in an undamaged condition in the ordinary course.

4.3 The Buyer will not be subject to any additional charge from the Seller for packaging the Goods.

5. Inspection of the Goods

5.1 The Seller shall not unreasonably refuse any request by the Buyer to inspect and test the Goods during manufacture, processing or storage at the premises of the Seller or any third party prior to dispatch, and the Seller shall provide the Buyer with all facilities reasonably required for inspection and testing. The Seller shall allow access to the Customer or members of Regulatory authorities to applicable areas of all facilities, at any level of the supply chain involved in the order and have access to Sellers records relating to product or service provided to Buyer in accordance with the contract. These records should include but not limited to Training records, Calibration records, and records from any sub contractor that the Seller may have used. Unless otherwise stated within the contract these records shall be held for a period of 7 years unless otherwise stated within the contract.

5.2 If retesting becomes necessary in the opinion of the Buyer as a result of an earlier test failure or unsatisfactory test result, then all costs incurred by both the Seller and the Buyer in attending and/or carrying out the retesting shall be the responsibility of the Seller.

5.3 The Seller shall provide the Buyer with relevant information and documentation in support of prevention of counterfeit goods. This may include but not be limited to proof of training in awareness, assuring traceability, proof of authorised supplier use and obsolescence monitoring.

6. Price

6.1 The Price shall be as stated in the Order and, unless otherwise so stated, shall be:

6.1.1 exclusive of any applicable value added tax; and

6.1.2 Inclusive of all charges for packaging, packing, shipping, carriage, insurance, delivery of the Goods to the Delivery Address and any duties, imposts or levies other than value added tax.

6.2 No increase in the Price may be made or extra charges levied (whether on account of increased materials, labour or transport costs, fluctuation in exchange rates or otherwise) without the prior written consent of the Buyer.

6.3 When the Price is subject to a discount, the discount period will start to run on the day the properly documented invoice is received by the Buyer at the address indicated to the Seller as the correct address for such correspondence.

7. Terms of Payment

7.1 The Seller shall be entitled to invoice the Buyer on or at any time after delivery of the Goods/Services and each invoice shall quote the Order number.

7.2 Unless otherwise stated in the Order, the Buyer shall pay the Price within 90 days after the end of the month of receipt by the Buyer of a proper invoice or, if later, after acceptance of the Goods by the Buyer.

7.3 The Buyer shall be entitled to set off against the Price any sums owed to the Buyer by the Seller.

8. Delivery

8.1 The Goods shall be delivered to the Delivery Address on the date or within the period stated in the Order, in either case during the Buyer's usual business hours.

8.2 Where the date of delivery of the Goods is to be specified after the placing of the Order, the Seller shall give the Buyer reasonable notice of the specified date.

8.3 The time of delivery of the Goods is of the essence of the Contract.

8.4 If the Goods are to be delivered by installments, the Contract will be treated as a single contract and not severable.

8.5 The Buyer shall be entitled to reject any Goods delivered which are not in accordance with the Contract, and shall not be deemed to have accepted any Goods until the Buyer has had a reasonable opportunity to inspect them following delivery or, if later, within a reasonable time after any latent defect in the Goods has become apparent.

8.6 The Buyer shall not be obliged to return to the Seller any packaging or packing materials for the Goods, whether or not any Goods are accepted by the Buyer.

8.7 The Seller will use its best endeavours to postpone delivery of the Goods where requested by the Buyer and to keep any rescheduling costs to a minimum. The Seller and the Buyer will liaise in such circumstances in an effort to find the most satisfactory solution.

8.8 If the Goods are not delivered on the due date then, without prejudice to any other remedy which the Buyer may have, the Buyer shall be entitled to deduct from the Price or (if the Buyer has paid the Price) to claim from the Seller by way of liquidated damages for delay one per cent of the Price for every week's delay, up to a maximum of ten per cent. The Seller and the Buyer agree that the above scale represents a reasonable pre-estimate of the Buyer's likely losses in the event of a delay in delivery of the Goods.

9. Risk and Title

9.1 Risk of damage to or loss of the Goods shall pass to the Buyer upon delivery to the Buyer in accordance with the Contract.

9.2 Title to the Goods shall pass to the Buyer upon delivery, unless payment for the Goods is made prior to delivery, when it shall pass to the Buyer once payment has been made and the Goods have been appropriated to the Contract.

10. Warranty and Indemnity

10.1 The Seller warrants to the Buyer that the Goods/Services:

10.1.1 Will conform to the Specifications and to the Buyer's Standard Quality Requirements;

10.1.2 Will be free from defects in design, material and workmanship;

10.1.3 Will be of first-class quality and fit for the purpose intended;

10.1.4 Will comply with all statutory requirements and regulations relating to the sale of the Goods.

10.1.5 Will meet requirements for prevention of counterfeit Goods.

10.1.6 The Contract is fulfilled within accepted ethical behaviours.

10.2 Without prejudice to any other remedy the Buyer may have, if any Goods/Services are not supplied in accordance with the Contract, then the Buyer shall be entitled;

10.2.1 To require the Seller to repair the Goods or to supply replacements thereof within 28 days failing which the Buyer shall have the right to cancel the Contract and obtain the Goods from another source and to be reimbursed for any additional costs incurred as a result thereof from the Seller; or

10.2.2 At the Buyer's sole option, and whether or not the Buyer has previously required the Seller to repair or replace the Goods, to treat the Contract as discharged by the Seller's breach and require the repayment of any part of the Price which has been paid.

10.3 The Seller shall indemnify the Buyer in full against all liability, loss, damages, costs and expenses (including legal expenses) awarded against or incurred or paid by the Buyer as a result of or in connection with:

10.3.1 Breach of any Warranty given by the Seller in relation to the Goods/Services;

10.3.2 Any claim that the Goods infringe, or their importation, use or resale infringes, the patent, copyright, design right, trade mark or other intellectual property rights of any other person (except where the claim arises from compliance with the Buyer's Specification); or

10.3.3 Any act or omission of the Seller or its employees, agents or subcontractors in supplying, delivering or installing the Goods.

11. Force Majeure

Neither party shall be responsible for any failure or delay in complying with the terms of the Contract, other than an obligation to pay money, where such failure or delay is due to causes beyond its reasonable control. These causes shall include, but not be restricted to, fire, storm, flood, earthquake, explosion, accident, acts of the public enemy, war, rebellion, insurrection, sabotage, epidemic, quarantine restrictions, labour disputes, labour shortages, transportation embargoes or failures or delays in transportation, inability to secure necessary raw materials or machinery, acts of God, acts of any government, whether national, municipal or otherwise, or any agency thereof, and judicial action. The party so affected by the force majeure shall notify the other party as soon as practicable of its existence. The parties shall then meet and endeavour to alleviate the effect and extent thereof. If the force majeure persists for a period in excess of 28 days the Buyer may terminate this Agreement by giving the Seller written notice thereof and shall be under no further financial obligation to the Seller.

12. Termination

12.1 The Buyer shall be entitled to cancel the Order in respect of all or part of the Goods/ Services by giving notice to the Seller at any time prior to delivery, in which event the Buyer's sole liability will be to pay the Seller its reasonable cancellation costs which in no circumstances shall exceed the Price. The Seller shall be under a duty to mitigate its costs as a result of such a termination to the fullest extent possible.

12.2 The Buyer shall be entitled to terminate the Contract forthwith without liability to the Seller by giving notice to the Seller if:

12.2.1 The Seller makes any voluntary arrangement with its creditors or becomes bankrupt or becomes subject to an administration order or goes into liquidation (otherwise than for the purpose of amalgamation or re-construction); or

12.2.2 An encumbrancer takes possession, or a receiver is appointed, of any of the property or assets of the Seller; or

12.2.3 The Seller ceases, or threatens to cease, to carry on business.

12.2.4 The Buyer becomes aware of any issues relating to counterfeit parts or ethical behaviours relating to the supply of products or services.

13. Assignment

This Order is personal to the Seller and the Seller shall not assign or transfer or purport to assign or transfer to any third party any of its rights or subcontract any of its obligations under the Contract without the prior written consent of the Buyer.

14. Confidentiality

No tools, patterns, moulds, designs or drawings provided by the Buyer to the Seller for use in connection with this Order shall be used in the production, manufacture or design of any articles for any other person, nor shall any information or manufactured products deriving from the Buyer's information be sold, transferred or otherwise delivered to any person either during or subsequent to the period of performance of this Order. The Seller will not disclose any details of this Order and will hold the Buyer's proprietary information as strictly confidential.

15. Changes

The Buyer reserves the right at any time to make changes to any one or more of the following:

(a) Specifications, drawings and data, where the items to be supplied are to be manufactured in accordance with the Buyer's drawings and specifications;

(b) Methods of shipment or packaging;

(c) Place of delivery; and,

(d) Delivery Address and conditions. If any such changes causes an increase or decrease in the cost of or the time required for performance of the Order, the Seller shall immediately notify the Buyer and negotiate an equitable adjustment. No such adjustment shall be binding on the Buyer unless agreed in writing.

(e) The seller shall notify the buyer of any changes in product and/or process definition and where required in the contract obtain the sellers approval

(f) In the event of non-conforming product being identified, product shall not be released to the buyer until disposition options have been determined and agreed with the buyer.

16. General

16.1 Any notice required to be given by either party to the other under these Terms and Conditions shall be in writing and addressed to that other party at its registered office or principal place of business or such other address as may at the relevant time have been notified to the party giving the notice.

16.2 No waiver by the Buyer of any breach of the Contract by the Seller shall be considered as a waiver of any subsequent breach of the same or any other provision.

16.3 If any provision of these Terms and Conditions is adjudged by any competent authority to be invalid or unenforceable in whole or in part the validity of the other provision of these Terms and Conditions and the remainder of the provision in question shall not be affected.

16.4 Any dispute arising under or in connection with these Terms and Conditions of the sale and purchase of the Goods shall be referred to arbitration by a single arbitrator appointed by agreement or (in default) nominated on the application of either party by the President for the time being of the Institution of Mechanical Engineers in accordance with the rules of the International Chamber of Commerce.

16.5 The contract shall be governed by the laws of Northern Ireland, and the Seller agrees to submit to the non-exclusive jurisdiction of the Northern Irish courts.

16.5 Following Instructions and Conditions Must be observed:

1. ORDER NUMBER MUST APPEAR ON ALL INVOICES AND PACKAGES.

2. Mail separate INVOICE IN TRIPLICATE and BILL OF LADING FOR EACH ORDER, showing F.O.B. point, on day shipment is made.

3. Please show cash discount terms on face of Invoice.

4. Packing list must accompany shipment.

5. Acknowledge promptly showing definite delivery date.