

STANDARD CONDITIONS OF PURCHASE

- 1 In these Conditions:
"Company" shall mean Davall Gears, Davall Stock Gears or Mollart Universal Joints
"Supplier" shall mean the party to whom this order is addressed.
"Goods" shall include all components and goods supplied by the supplier hereunder, including goods to which Services are applied by the Supplier hereunder:
"Services" shall mean the services performed or to be performed by Supplier here-under
"FIM" shall mean free issue material, supplied by the Company to the supplier, to be worked on by the supplier.
- 2 An order shall not be valid unless on the Company's official form signed by a Company authorised representative.
- 3 Supplier must acknowledge orders and show order number, price and delivery.
- 4 The terms of and endorsed on any order, together with any instructions given to the Supplier in writing by an authorised representative of the Company In connection with such order constitute the whole contract between the Company contained and in particular no alleged collateral warranty representation bargain or understanding shall be of any effect whatsoever. All specifications; drawings and other information provided by the Company to the Supplier shall remain the exclusive property of the Company and shall not be disclosed by the Supplier to any third party without the Company's consent.
- 5 (a) Where the Company provides the Supplier with FIM this shall be sufficient for the production of the number of blanks required and shall in addition include a quantity allowed for reasonable wastage in the ordinary course of production. For the avoidance of doubt FIM shall at all times remain the property of the Company: no lien shall arise on FIM and Supplier shall return FIM to the Company (at Supplier's cost) forthwith on the Company's request.
(b) If the Supplier shall through its own negligence or the negligence of its servants or agents lose, damage, spoil, waste, destroy or otherwise render unusable all or any part of the FIM then the Supplier shall at its own expense and risk replace such FIM with FIM of the same quality and workability so as to enable the number of blanks required to be produce.
- 6 Supplier shall at its own expense insure FIM and the blanks produced there from against all risks from the time of taking delivery of the FIM to the time of delivery to the Company's works of the blanks produced there from. Supplier shall at its own expense insure all worked products against all risks from the time of taking delivery of the worked products to the time of delivery to the Company's works of the worked products after completion of the Services.
- 7 If for any reason whatsoever the Company wishes to cancel an order it shall be entitled to do so but on doing so will: -
(a) In respect of all materials which have been acquired by the Supplier, solely for the purpose of the order and which cannot be applied by the Supplier to alternative uses pay to the Supplier the amount if any by which the current market value of such materials is less than the price paid by the Supplier therefore,
(b) Take over and pay at the agreed price for any Goods which have been completed or which have been
(c) In relation to Goods partially manufactured or worked at the time of cancellation, the Company will either give instructions for the manufacture or working to be completed (and in such case will pay the agreed price for such Goods proportionate to the stage of manufacture or to the work performed by the Supplier, as appropriate, less the value to the Supplier of the partially completed work.

Save as aforesaid the Company shall be under no obligation or liability to the Supplier by reason of such cancellation.
- 8 Supplier shall complete any Services and deliver any completed Goods in such quantities and within such times as may be specified on the Company's order. Without prejudice to its other rights under these Conditions the Company shall be entitled, if delivery is not made within the aforesaid time; to cancel any order or any quantity of Goods remaining undelivered pursuant to such an order, and in such event the Company shall be entitled to purchase the Goods or obtain the Services elsewhere and without prejudice to any further claim they may have to damages, debit the Supplier with any costs thereby incurred.
- 9 If the Supplier's performance of its obligations hereunder is delayed or impeded by fire, flood, explosion, strike, lock-out, war, hostilities, civil disturbance, governmental demand, regulation or prohibition or by any other cause beyond the control of the Supplier, the Supplier shall be entitled to a reasonable extension of the dates for delivery of any component.
- 10 If the Company's process of manufacture is stopped, delayed or impeded by fire, flood, explosion, strike, lock-out, war, hostilities, civil disturbance, governmental demands, regulation or prohibition or by any other cause beyond the control of the Company; the Company may require Supplier's performance of its obligations here-under to be partially or wholly suspended during and for a reasonable time after the period during which the process of manufacture is stopped, delayed or impeded as aforesaid.
- 11 Supplier shall deliver Goods carriage paid in accordance with the company's instructions and all Goods shall be at the Supplier's risk until actual delivery in accordance with these instructions. Property in any Goods not already owned by the Company will also pass on delivery.
- 12 The prices specified in any order are firm inclusive prices and the Supplier shall not be entitled to make any additional charge in respect of carriage, packing, boxing, crating or any other matter or contingency unless specifically authorised by such order.
- 13 The Supplier shall on the date of despatch of each consignment of Goods post to the Company a priced invoice bearing the Company's

- order number, separate invoices being sent for each separate order number covered by the consignment. The Supplier shall also render to the Company not later than the fourth day of each calendar month a statement covering all consignments despatched during the preceding months.
- 14 The Company, its duly authorised representatives, the Company's customers and any regulatory authority shall have access at all reasonable times to any works, warehouses or other premises belonging to or under the control of the Supplier for the purpose of inspecting any process of manufacture or works being carried out by the Suppliers. The Supplier shall forthwith carry out all alterations or modifications required by the Company in consequence of any such inspection. The supplier will also allow access to all quality documentation related to the order to the Company, the Company's customers and any regulatory authority that may need to inspect them
- 15 The Good's shall conform as to quality, design and description with all particulars stated on the order, be of sound material and workmanship, be equal in all respects to the samples, patterns or specification provided by either the Company or the Supplier, and be capable of any standard of performance specified In the order. The supplier shall inform the Company of any non-conforming product. The supplier will not change the product or process definition without prior authorization from the Company.
- 16 No part of this contract shall be assigned or sub-contracted without the Company's consent other than such details as are customary to assign or sub-contract in the case of such work.
- 17 All Goods, whether or not previously inspected, shall be subject to inspection by the Company on, or within a reasonable time after delivery, in accordance with the Company's instructions, and the Company, in addition to any other rights it may have hereunder may, on such inspection, reject any Goods which do not comply with the nature, description and specification stated in the order or otherwise made known to the Supplier.
- 18 The Supplier warrants that neither the sale nor the use of any of the Goods or any part thereof will infringe any United Kingdom or overseas patent, trade mark, trade name or registered design or amount to a passing-off of any other person's product and undertake to indemnify and keep the Company indemnified against all demands, processes, actions, judgments, decrees, costs, claims and expenses resulting from any actual or claimed infringements of such rights and undertake at their own expense to defend or assist in the defence of any suit or action which may be brought in this connection.
- 19 The Supplier shall so far as reasonably practical comply with all instructions endorsed on any orders or given to them in writing by an authorised representative of the Company in connection with any order. If such instructions involve a variation or departure from the agreed specification of the Goods, the company will pay to the Supplier the reasonable additional expenses (if any) involved.
- 20 The Company shall be under no liability whatsoever in respect of any damage to, failure or destruction of the Supplier's machines or tools howsoever caused, and in particular (without prejudice to the generality of the foregoing) shall not be under any liability whatsoever in respect of any consequential damages or expenses or loss of profit arising from such damage, failure or destruction except in the case of such liability arising from legislation implementing EEC Council Directive 85/374 EEC or in the case of personal injury or death arising from the negligence of the Company.
- 21 If the negligence of the Supplier, or the Supplier's servants or agents, results in loss, damage, spoiling, destruction or otherwise rendering unusable all or any of the Goods then the Supplier shall pay to the Company forthwith the cost to the Company of replacement of the Goods lost, damaged, spoiled, destroyed or otherwise rendered unusable. Where such Goods were supplied by the Company to be worked on by the Supplier the replacement cost of the worked product should include the cost to the Company of material of the same quality and workability and the cost of operations performed on such material by or on behalf of the Company. For the avoidance of doubt the Supplier shall not in any case make any charge for the repetition of any operation by Supplier made necessary by the negligence aforesaid.
- 22 If any claim is made against the Company by any third party in respect of injury, loss or damage due or alleged to be due to any defect in the material or workmanship of any of the Goods, or to any defect in the design of any of the Goods not manufactured in accordance with the detailed specification of the Company, the Supplier will furnish to the Company all advice and assistance required for the purpose of contesting or dealing with such claim, and if the claim is made good, will indemnify the Company against such claim and all damages, costs and other expenses incurred by the Company in connection therewith. If any such claim is made against the Supplier it shall promptly notify the Company thereof and the Company may, if it thinks fit, take over conduct of the matter and may make any such settlement thereof as agent of the Supplier as it may in its absolute discretion think fit.
- 23 Without prejudice to the generality of the foregoing indemnities the Supplier shall indemnify and keep indemnified the Company from and against any loss (including consequential loss and loss of profits) costs, claim, damage, injury or expense in respect of either or both of the following:-
(a) An alleged defect in the Goods,
(b) Failure of the Goods to comply with the general safety requirement of, any regulation arising from the legislation (whether in the United Kingdom or, in any other member company of the European Economic Community) Implementing EEC Council Directive 85/374 EEC
- 24 The construction, validity, and performance of this contract shall be governed in all respects by the laws of England.