

## LI COMPONENTS LIMITED CONDITIONS OF PURCHASE

### 1. INTERPRETATION

In these conditions the following expressions shall (unless the context otherwise requires) have the following meanings:-

**"the Buyer"** means the company stated on the front of the Purchase Order Form and/or the front of the Sales Invoice;

**"Contract"** means the contract for the sale and purchase of the Goods and the supply and acquisition of the Services;

**"Goods"** means the goods or equipment referred to in the Order;

**"Order"** means the Buyer's purchase order of which these Conditions form part;

**"Services"** means the work or services referred to in the Order;

**"Specification"** includes any plans, drawings, data or other information relating to the Goods or Services;

**"Supplier"** means the person, firm or company named in the Order to whom or to whose agent this Order is submitted by the Buyer; and

**"Writing"** includes telex, cable, facsimile transmission and comparable means of communication.

Where Goods are purchased "FOB" or "CIF" these expressions shall have the meaning assigned to them by Incoterms 1990 as published by the International Chamber of Commerce.

### 2. GENERAL

(a) The Buyer may place orders by telephone but will confirm such orders by an official Order sent by facsimile. The Order constitutes an offer by the Buyer to purchase the Goods and/or acquire the Services subject to these Conditions. The Order shall be deemed accepted without qualification by the Supplier upon the Buyer's receipt of confirmation to that effect or the Supplier providing Goods or Services to the Buyer in accordance with the terms of the Order, whichever shall be the earlier.

(b) Except as otherwise provided in these Conditions or agreed in writing between the parties, the Order as accepted pursuant to sub-paragraph 2(a) above, constitutes the whole agreement between the Supplier and the Buyer. These Conditions shall over-ride any general or standard conditions put forward by the Supplier, whether or not such general or standard conditions are or were incorporated expressly or by reference or implication in any communication between the Buyer and the Supplier. If the Supplier's general or standard terms and conditions contain the same or a similar over-riding provision, these Conditions shall prevail.

(c) If any paragraph or sub-paragraph of these Conditions shall be found to be invalid, ineffective or unenforceable, such invalidity, ineffectiveness or unenforceability shall not affect any other paragraph or sub-paragraph hereof.

(d) The Order is personal to the Supplier and the Supplier shall not assign or transfer or purport to assign or transfer to any other person any of its rights or obligations or sub-contract any of its obligations under the Order without the prior consent in writing of the Buyer.

(e) No waiver by the Buyer of any breach of the terms of the Order by the Supplier shall be considered as a waiver of any subsequent breach of the same or any other provision.

### 3. RISK/TITLE

Unless otherwise provided in the Order:-

(a) risk of damage to, or loss or destruction of the Goods shall remain with the Supplier until actual delivery of the Goods to the Buyer's premises stated on the Order; and

(b) property in the Goods shall pass to the Buyer either at the time of such actual delivery or at the time of payment of the purchase price (or any part-payment thereof), whichever shall be the earlier.

### 4. SUPPLIER'S OBLIGATIONS AS TO TECHNICAL SPECIFICATION, PACKING AND MARKING

(a) The Supplier undertakes that all Goods supplied in terms of or pursuant to the Order shall conform to approved samples or specifications (if any) specified or provided by the Buyer, shall be free from any defect in workmanship and material, shall be of good and satisfactory quality and shall be fit for the purpose for which they are required and, where applicable, shall conform to the relevant British Standards Specifications in force from time to time and shall be subject to incoming inspection and approval as to their quality and fitness by a person appointed by the Buyer for that purpose.

(b) The quantity, quality and description of the Goods and/or Services shall be as specified in the Order and/or in any applicable Specification supplied by the Buyer to the Supplier or agreed in writing by the Buyer.

(c) Any Specification supplied by the Buyer to the Supplier, or specifically produced by the Supplier for the Buyer, in connection with the Order, together with the copyright, design rights or any other intellectual property rights in the Specification, shall be the exclusive property of the Buyer. The Supplier shall not disclose to any third party or use any such Specification except to the extent that it is or becomes public knowledge through no fault of the Supplier, or as required for the purpose of the Order.

(d) 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.

(e) The quantity, part number and manufacturer as specified on the face of the Order shall be an essential term of the Order. No partial delivery shall be made and no substitution for the part number or manufacturer shall be made.

(f) Where any Services require to be performed in terms of or pursuant to the Order then the

Supplier shall, in carrying out such Services, exercise all due care and skill.

(g) The Goods and the Services shall comply fully with the requirements of all statutory enactments, regulations or requirements for the time being in force relating thereto.

(h) The Supplier shall comply with all applicable regulations or other legal requirements concerning the manufacture, packaging, packing and delivery of the Goods and the performance of the Services.

### 5. DELIVERY

(a) Delivery of the Goods and/or the provision of the Services at the due date specified in the Order shall be an essential term of the Order and any contract that may follow therefrom, time being of the essence. Notwithstanding any other provision herein, in the event of non-delivery of the Goods or non-performance of the Services, the Buyer may withdraw the Order and terminate any contract that may have followed therefrom without incurring any liability whatsoever to the Supplier.

(b) The Goods shall be delivered to, and the Services shall be performed at, the Buyer's premises or such other premises as stated on the Order. If the Goods, or any of them, are incorrectly delivered, the Supplier shall be responsible for any additional expense incurred in delivering them to their correct destination.

(c) 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 time to inspect them following delivery or, if later, within a reasonable time after any latent defect in the Goods has become apparent. The Buyer shall not incur any liability whatsoever to the Supplier in such rejection of the Goods.

(d) The Goods shall be delivered according to the method specified on the face of the Order.

### 6. PRICE

(a) The price of the Goods or Services shall be as stated on the front of the Order. The price shall be inclusive of and there shall be no extra charges for such things as packaging, carriage, insurance, exchange rate fluctuations, small order surcharges, certificate of conformity charges, and the like. No alteration to the price shall be permitted unless made in accordance with paragraph 13 below.

(b) Where Goods are supplied from within the European Union (including from within the United Kingdom), the Goods shall be in free circulation and all customs duties shall have been paid by the Supplier prior to sale to the Buyer.

(c) The Buyer is registered for VAT in the United Kingdom and the Buyer's VAT Registered number is shown on the front of the Order. Accordingly there shall be no VAT payable by the Buyer on Goods and Services supplied from within the European Union except on those Goods and Services supplied from within the United Kingdom by Suppliers registered for VAT in the United Kingdom.

(d) In the case of Goods or Services supplied from outwith the European Union, the Seller shall not charge any additional taxes or duties.

(e) The Buyer shall be entitled to and the Goods and/or Services shall be supplied and/or provided under deduction of any discount for prompt payment, bulk purchase or volume of purchase customarily granted by the Supplier, whether or not shown on its own terms and conditions of sale.

### 7. PAYMENT

Unless otherwise agreed in writing, the Buyer shall settle any invoice or statement of account issued pursuant to this Order no later than the final day of the month following that in which the invoice is received by the Buyer, and provided always that the delivery of the Goods or performance of the Services shall have been made in full on or before the Buyer's receipt of that invoice. Should it come to the notice of the Buyer before payment for the Goods or Services is due that the Supplier has supplied defective Goods or rendered inadequate performance of the Services then the Buyer shall be entitled to withhold payment (either in whole or in part) of the invoice until the defective Goods or inadequate performance of the Services have been dealt with to the reasonable satisfaction of the Buyer. The Buyer shall be entitled to deduct from and set off against the price for the Goods and/or the Services any sums owed to the Buyer by the Supplier.

### 8. INDEMNITIES AND INSURANCE

(a) The Supplier shall free, relieve and indemnify the Buyer from and against all actions or claims or causes of action (including the costs thereof) brought or established against the Buyer and from and against all costs, damages, losses, expenses, liabilities and the like incurred or suffered by the Buyer (i) arising out of or in any way connected with (a) injury to or illness or death of any person whosesoever or (b) loss of or damage to or destruction of any vehicle, equipment, apparatus, plant, machinery, goods, materials or property arising out of or in connection with the Goods or Services being in every respect conform to the Order or (where appropriate) of satisfactory quality, safe and fit for their purpose and/or (c) the act, omission, delay or negligence of the Supplier or any of its employees, contractors, sub-contractors, agents or representatives and (ii) without prejudice to the foregoing generality, arising out of or in connection with the Supplier's failure to comply with or perform or its delay in complying with or performing any of its obligations in terms of the Order.

(b) The Supplier will be bound to effect and keep in force insurance cover for all liabilities imposed upon the Supplier in terms of, or arising from the Order and, without prejudice to the foregoing, in respect of personal injury or death, injury or damage to property, arising out of, or in the course of or by reason of the carrying out of the Order, the supply of Goods or provision of Services or caused by any negligence, omission or default of the Supplier or its servants or agents, or any sub-contractors or their servants or agents and, without prejudice to the generality of the foregoing, the Supplier will be bound to effect and keep in force Employers Liability Insurance, Public

Liability (Third Party) Insurance and (where the Order relates to the supply of Goods) Product Liability Insurance for a minimum sum of £1,000,000 and Contract Work or Contractors (All Risks) Insurance for the full value of the Goods supplied and/or Services rendered pursuant to the Order. The Supplier shall, if required by the Buyer or its insurance brokers, exhibit the relevant policies together with the current receipts for premiums paid under such policies.

### 9. THE BUYER'S REMEDIES ON DEFAULT

In the event of any breach of the undertakings contained in Condition 3 above, or any other breach of the terms of the Order by the Supplier then (without prejudice to any other rights which the Buyer may have) the Buyer shall have the right, at its sole option:-

(a) within such reasonable time as the Buyer may determine, to reject the Goods and/or Services, rescind the Order and, if so required, return the Goods to the Supplier at the Supplier's own risk and expense. On such rejection, the Supplier shall reimburse the Buyer for the purchase price of the Goods and the cost of the Services and for all other payment made to the Supplier under or pursuant to the Order; or

(b) if so required by the Buyer, the Supplier shall at the option of the Buyer but at the sole expense of the Supplier provide replacement Goods or additional Services. The provision of such replacement Goods and/or Services shall be governed by the Order. The Buyer shall, if so required, return any Goods originally supplied to the Supplier at the Supplier's own risk and expense; or

(c) The Buyer shall have the right to accept the Goods and/or Services and to reserve its rights to and remedies against the Supplier. The Supplier shall, in all cases, fully indemnify and keep indemnified the Buyer from and against all loss, damage, liability, cost or claim including consequential loss and employee costs sustained or incurred whether as a result of or arising from the rejection of Goods or Services, the replacement or provision of additional Goods or Services or any other breach of the terms of the Order.

### 10. TERMINATION

The Buyer shall be entitled to terminate the Contract without incurring any liability whatsoever to the Supplier by giving notice to the Supplier at any time if the Supplier (being an individual or firm) becomes apparently insolvent or is sequestrated or (being a company) enters into administration, liquidation or receivership (whether compulsory or voluntary otherwise than for the purposes of any amalgamation or reconstruction notified to the Buyer) or if any encumbrancer takes possession of the whole or any part of its business or undertaking, or if execution of a decree or diligence is levied against the Supplier or if the Supplier makes or offers to make any voluntary arrangement or composition with its creditors or if the Supplier ceases or threatens to cease carrying on its business.

### 11. FORCE MAJEURE

The Buyer shall be relieved of all liability for obligations incurred to the Supplier whenever and to the extent of which the fulfilment of such obligation is prevented, frustrated or impeded in consequence of any statute, rules, regulations, orders or requisition issued by any government department, council, other duly constituted authority or by reason of any strikes, combination of workmen, lockouts, breakdown of plant, accident, civil commotion, war, force majeure, inclement weather or any other cause beyond the Buyer's control.

### 12. NOTICES

Any notice given hereunder may be served personally or left at the last known residence or place of business of the person to whom it is addressed or may be sent by first class post, in which case notice shall be deemed to have been received on the first working day after posting, or by facsimile transmission, in which case notice shall be deemed to have been received upon completion of transmission and the recipient's number is shown on the transmission slip retained by the sender.

### 13. ALTERATIONS

No alterations to or deviation from the Order (including, for the avoidance of doubt, these Conditions) and any contract that may have followed therefrom shall be binding on the Buyer unless made with its written consent and signed on its behalf by one of its officers. The Buyer reserves the right to vary by notice in writing to the Supplier the terms of the Order by the addition or omission or other variation whatsoever to the Goods to be supplied and no variation thereof whether by addition or omission shall vitiate the Order after acceptance thereof by the Supplier and the Supplier shall be bound to carry out such variations as though the variation had been set out in the Contract.

### 14. RECORDING

Telecommunications to and from the offices of the Buyer may be recorded by the Buyer, its employees or agents for security, training and other purposes.

### 15. WARRANTY

The Seller warrants and undertakes to the Buyer that:

(a) It has valid and unencumbered title to the Goods sold to the Buyer in terms of the Order.

(b) Goods sold to the Buyer are new, un-used and have not been tested or programmed except by their manufacturer in the normal course of manufacturing.

(c) Goods sold within the European Union are or will be in free circulation and that all customs duties have been or will be paid prior to their sale to the Buyer.

### 16. LAW

The constitution, validity and performance of the Order and any contract that may have followed therefrom (including, for the avoidance of doubt, these Conditions) shall be governed by and construed in accordance with the law of Scotland and the Scottish courts shall have jurisdiction in relation thereto.