

## TERMS and CONDITIONS of PURCHASE

Hereinafter Edinburgh Instruments Ltd., the company placing the order, is called "the Purchaser" and the person, firm, company or organisation accepting this order is called "the Supplier".

- 1. OFFICIAL ORDERS AND VARIATIONS**  
The Purchaser will only be bound by these Conditions, and shall not be subject to any terms and conditions of sale of the Supplier, however communicated, unless specifically agreed in writing as a variation of these Conditions by the Purchaser's Purchasing Department.
- 2. ACCEPTANCE**  
In the absence of written agreement to the contrary the execution of this order in whole or in part shall constitute acceptance by the Supplier of all the terms and conditions herein contained.
- 3. DELIVERY AND OWNERSHIP OF GOODS**  
Delivery shall be deemed to take place at the Purchaser's premises unless otherwise agreed in writing. Property and acceptance of the goods shall not pass until the Purchaser has had a reasonable opportunity to inspect and, as appropriate, test the goods and confirm that they are in accordance with the Purchaser's requisition. Whilst on the Purchaser's premises the goods shall be at the Purchaser's risk.
- 4. DELAYS, SURPLUSES AND SHORTAGES**  
Time of delivery shall be deemed to be the essence of the order and without prejudice to the Purchaser's other rights. The Purchaser reserves the right to: (a) Cancel without redress by the Supplier either the whole or the unexecuted part of the order if not executed within the time specified in the order or schedules issued against the order; (b) Invoke a late delivery penalty charge on the Supplier of 1.5% of the order value for each week the delivery is late, up to a maximum limit of 20% of the total order value. Should the Supplier's failure to deliver to delivery date of schedule necessitate the delivery by special transport, all additional carriage charges shall be to the Supplier's account. The Purchaser reserves the right to return to the Supplier at the Supplier's cost, any goods delivered in excess of the quantities specified in the order, or in excess of agreed schedules.
- 5. PRICE**  
Unless otherwise stated on the order:  
(i) the price stated shall be a firm and fixed price. If no price is stated on the order the price shall be fair and reasonable taking account of prevailing market conditions.  
(ii) the price shall include packing, insurance, delivery, installation and commissioning (if applicable) but shall exclude Value Added Tax.
- 6. TERMS OF PAYMENT**  
Unless otherwise stated on the order:  
(i) the Supplier may invoice the Purchaser for the goods on delivery or, if installation and commissioning is included, following satisfactory installation and commissioning.  
(ii) subject to acceptance of the goods payment shall be made at the end of the second month following the date on which goods are delivered or (if applicable) installed and commissioned and invoiced.  
(iii) the Purchaser receives the right to reject incorrect or incomplete invoices and to require correction or completion and resubmission.
- 7. QUALITY**  
Without prejudice to any other rights, which the Purchaser may have, the Supplier shall ensure that:  
(i) The goods conform as to quantity, quality and description stated in the order be of sound material and workmanship, be equal in all respects to the samples, patterns or specification provided or given by either party, be capable of meeting any standard or performance specified in the order and, if the purpose for which the goods are required is made known to the Supplier either expressly or implicitly, be fit for the purpose.  
(ii) Where the order provides for installation, erection or work of any nature to be carried out by the Supplier, the same shall be executed in accordance with the requirements stated in the order and with good workmanship and the Supplier guarantees that the results intended to be achieved according to the order shall be met. The Supplier shall take all precautions necessary to ensure that such installation, erection, or work is carried out safely and without risk to persons or property and shall provide and bear the cost of all insurance's necessary to indemnify the Purchaser in respect of any negligent act or omission, or breach of statutory obligation on the part of the Supplier, its employees, subcontractors or agents.  
(iii) Where the Supplier operates to an ISO9000 or other quality accreditation system the goods shall be manufactured and supplied according to the requirements of that quality system.  
(iv) The Purchaser reserves the right to return to the Supplier, at the Supplier's cost, any non-conforming goods.
- 8. REPRESENTATIONS AND WARRANTIES**  
All statements, representations or warranties made or given by the Supplier (whether orally or in any written document submitted by the Supplier including but not limited to quotations, promotional, or advertising material) shall be deemed to be express conditions of the order.
- 9. BREAK CLAUSE**  
The Purchaser reserves the right to terminate this order or any schedule issued hereunder at any time by giving notice in writing, in which case the Supplier will reduce the production rate of the goods specified in the Purchaser's order of schedule as rapidly as possible. Goods in process of manufacture or manufactured in accordance with the Purchaser's delivery requirements may, at the option of the Purchaser, either be complete, delivered and paid for or, alternatively, the Purchaser may pay reasonable compensation in respect of the cost of materials and labour involved in the production of such goods up to the time of the termination.
- 10. LIABILITY**  
Without prejudice to the Supplier's liability under any warranty or condition implied by law, the Supplier shall indemnify the Purchaser against all claims, costs, losses, damages and expenses whatsoever and whether arising in contract, tort or otherwise from:  
(i) Any defect in the goods whether such defect is attributable to faulty design (other than a design made, furnished or specified by the Purchaser), materials or workmanship.  
(ii) Any infringement or alleged infringement of any patent, patent application, registered design or other proprietary right by use or sale of the goods provided always that where goods are supplied to a specification or design of the Purchaser this indemnity shall apply only to the extent that the infringement or alleged infringement arises from the manufacturing process employed by the Supplier.  
(iii) Any defect in any installation, erection or work of any nature carried out by the Supplier.  
(iv) Any damage to property injury to persons arising during any installation, erection or work of any other nature undertaken by the Supplier, its employees, sub contractors or agents on the Purchaser's premises.
- 11. SAFETY AND ENVIRONMENTAL CARE**  
(a) Without prejudice to the Purchaser's rights under any condition implied by law, the Supplier undertakes with the Purchaser as follows:  
(i) that the Supplier shall comply with:  
1) all relevant health, safety and environmental Standards, Code of Practice and legislation.  
2) all relevant European Standards, Codes of Practice and directives of health and safety.  
3) all U.K. and European legislation and directives that encompass specific health, safety and/or environmental requirements.  
Any safety precautions required for the handling, use, operation or disposal of the goods shall be communicated in writing by the Supplier and shall be agreed with the Purchaser prior to acceptance.  
(ii) that the Supplier shall not use any legally banned chemical substances or any other chemical substances that the Purchaser advises in writing shall not be used in its production processes and goods, and shall comply with all legislation and European Community directives concerning notification, restrictions and use of chemical substances. At the request of the Purchaser the Supplier shall provide details of chemical substances which are used.  
(iii) that the Supplier shall comply with all legislation and directives relating to clean air and air pollution arising from Industrial Plant.  
(b) The Purchaser supports the Business Charter for sustainable Development of the Industrial Chamber of Commerce dated March 1991 and is committed to complying with all applicable environmental laws and regulations. Without prejudice to the Purchaser's rights under any relevant legislation the Supplier shall inform the Purchaser in writing where conditions exist under which there will or may be a risk to health and safety and/or the environment or any conflict with the above Charter.
- 12. VISITS TO SUPPLIER'S PREMISES**  
The duly authorised representative of the Purchaser shall be given access at all reasonable times to the Supplier's premises and shall be permitted to inspect, examine and test material used in the manufacture of goods to be supplied under this order, either before or during their manufacture. Notice will be given by the Purchaser of its intention to send its representative.
- 13. ADVERTISEMENT**  
This order shall not without the Purchaser's written consent be disclosed to any third party or used in any way for public announcement or advertisement.
- 14. CONFIDENTIALITY**  
The Supplier will not without the written consent of the Purchaser disclose or make use of information contained in the Purchaser's drawings or specifications (whether patentable or not), for purposes other than the execution of this order.
- 15. MATERIALS SENT**  
The Supplier shall be responsible for any property of the Purchaser which may be issued to the Supplier in connection with this order and shall indemnify the Purchaser against loss or damage to such property. The Supplier shall clearly mark all such property as the property of the Purchaser and shall submit stock returns thereof as and when requested by the Purchaser.
- 16. FORCE MAJEURE**  
The Purchaser reserves the right to require the Supplier to suspend deliveries in the case of any industrial action or event beyond the reasonable control of the Purchaser which prevents or hinders the receipt, acceptance of use of the goods, and payment shall be postponed until such time that the Purchaser instructs that deliveries shall be resumed.
- 17. SUB-CONTRACTING**  
This order shall not be assigned or sub-contracted either wholly or partially without the prior consent in writing of the Purchaser.
- 18. SPECIAL CONDITIONS RELATING TO TOOLS AND MOULDS**  
These conditions shall apply in respect of all tools and moulds made or purchased for the manufacture of piece parts to be supplied under this and subsequent orders.  
(i) Where the order relates to the supply of tools or moulds ("Purchaser's tools") and where, with the consent of the Purchaser, the Purchaser's tools are to be retained in the possession of the Supplier, the ownership in such tools shall be deemed to pass to the Purchaser when the Purchaser shall have approved them.  
(ii) Where the order provides for any contribution by the Purchaser toward the costs of any tools or moulds required by the Supplier for the manufacture of piece parts to be supplied under this order ("Supplier's tools") the Purchaser shall have a beneficial interest in the Supplier's tools and the right at its request to acquire full ownership in the tools upon payment of a fair consideration if the Supplier is unable or unwilling for any reason to execute any order for piece parts of the required quality from such tools within a reasonable period and at competitive prices or if the Supplier has a receiver appointed of any of its assets or property or has a petition presented for a bankrupt administration or winding up order or a proposal is made for a composition or arrangement with its creditors and if the Purchaser shall have discharged all its liabilities to the Supplier whether under this order or otherwise.  
(iii) The Supplier undertakes at its own expense to keep all the Purchaser's tools and the Supplier's tools in good repair and not to use them for any other customers without the Purchaser's consent in writing.  
(iv) The Supplier further undertakes not to sell or dispose of any of the Purchaser's tools or the Supplier's tools or create or allow to be created any lien, charge or other encumbrances over such tools.  
(v) For as long as any of the Purchaser's tools shall be in the Supplier's possession such of the Purchaser's tools shall be clearly and permanently marked by the Supplier as the property of the Purchaser. Where the tools are the Supplier's tools then the marking shall record the beneficial interest of the Purchaser. The Purchaser's and the Supplier's tools shall be at the risk of the Supplier and the Supplier shall be fully responsible for all obligations and liabilities in respect of such tools and of their operation as though the Supplier were the owner thereof.  
(vi) The Purchaser shall have the right at any time, on giving reasonable notice, to enter upon the premises of the Supplier to inspect or make tests upon the Purchaser's tools or the Supplier's tools and at its discretion to take possession of and remove from the premises of the Supplier any tools or moulds of which it has become the owner by virtue of sub-clause (i) or sub-clause (ii) of this Clause.
- 19. OFFSET OF AMOUNTS DUE**  
The Purchaser shall be entitled to off-set amounts due from it to the Supplier, with amounts due from the Supplier (and/or its subsidiaries or holding company or other subsidiaries of the same holding company as such expressions are defined by Section 736 of the Companies Act 1985) to the Purchaser (and/or its subsidiaries or holding company or other subsidiaries of the same holding as such expressions are similarly defined).
- 20. TERMINATION**  
Without prejudice to any other rights, the Purchaser shall be at liberty to terminate the order forthwith in the event:  
(i) Of breach or non-observance of any of the terms and conditions of the order by the Supplier.  
(ii) If the Supplier has a receiver appointed of any of its assets or property or has a petition presented for a bankruptcy, administration or winding up order or a proposal is made for a composition or arrangement with its creditors.
- 21. REMEDIES**  
Failure by the Supplier to perform any of the obligations or to meet any of the requirements of this order shall entitle the Purchaser at its option either to retain or to reject the goods without prejudice to such other rights as it may have to compensation and damages.
- 22. COMPLIANCE AND OBLIGATIONS**  
(i) Failure by the Purchaser to insist on the Supplier's compliance with any of its obligations shall not be construed as a waiver or relinquishment of the Purchaser's right to insist upon strict compliance with such obligations at any other time.  
(ii) Except to the extent otherwise required by applicable law, the Seller shall have the responsibility for the collection, treatment, recovery or disposal of the goods or any part thereof when they are deemed by law to be "waste" or any items for which the Goods or any part thereof are replacements. If the purchaser is required by applicable law, including waste electrical and electronic equipment legislation, European Directive 2002/96/EC (WEEE) and related legislation in EU Member States, to dispose of "waste" Goods or any part thereof, the seller, unless prohibited by applicable law, pay for handling, transportation and disposal costs in disposing of such goods.
- 23. VARIATIONS**  
Order variations shall only be accepted if confirmed in writing as a variation to the order by the Purchaser's Purchasing Department.
- 24. SUPPLY OF SERVICES**  
These conditions shall apply mutatis mutandis to the supply of services by the Supplier, and reference to "goods" shall where appropriate be deemed to include services.
- 25. LAW**  
This order shall be governed by the construed in accordance with Scots Law and the Supplier agrees to submit to the jurisdiction of the Scottish Courts.
- 26. HEADINGS**

The headings of these conditions shall not affect the construction thereof.

**27. EXPORT CONTROL/TRADE EMBARGO**

This order is subject to your co-operation in informing Edinburgh Instruments whether or not this product is uncontrolled and/or controlled under the export laws of your country. If controlled please indicate the classification number (ECCN).