

CONDITIONS OF PURCHASE (June 2009 Edition)

1. DEFINITIONS - in these conditions:

"**VICTREX**" means Victrex Manufacturing Ltd (registered in England under number 2845018) whose registered office is Victrex Technology Centre, Hillhouse International, Thornton Cleveleys, Lancashire FY5 4QD

"**Goods**" means the goods and/or materials as ordered by the VICTREX from the Seller hereunder, and any of them;

"**Seller**" means the person, firm or company to whom this order is addressed and who is to supply or procure the supply of the Goods and/or Services;

"**Services**" means the work and/or services as ordered by VICTREX from the Seller hereunder, and any of them;

"**Purchase Order**" means a written instruction from VICTREX detailing the Goods, or Services to be delivered or provided on a specified date.

"**Specification**" means the drawings, raw material specifications, notes, documents, technical details and other such information describing the Goods.

These conditions form part of the Purchase Order.

2. **ACCEPTANCE** - This Purchase Order constitutes an offer on VICTREX' part to purchase the Goods and/or Services at the prices stated and upon these conditions.

The Seller hereby acknowledges that acceptance of VICTREX' Purchase Order implies acceptance of these conditions which shall override any terms and conditions attached to the supply of the Goods and/or Services by the Seller, and no addition to or variations of these conditions shall be made (and if made shall not be valid) unless agreed in writing by VICTREX.

3. **DELIVERY** - Goods shall be delivered and/or Services shall be provided and completed on the date or during the period specified in the Purchase Order or if no date is specified, within a reasonable period provided that VICTREX shall be under no obligation to accept delivery/provision before the specified date, but reserves the right to do so. The Seller shall give reasonable notice of the proposed time and date of actual delivery/provision. The Seller shall give notice of any likely delay in supply as soon as practicable.

All Goods must be delivered to and Services provided at the delivery address(es) specified in the Purchase Order and if not specified, at such address as VICTREX shall specify in due course. VICTREX may refuse delivery of Goods or acceptance of the Services not so delivered/supplied, or may at its option arrange for delivery or provision to the address at the expense and risk of the Seller. All Goods shall be delivered free of charge unless otherwise agreed in writing by VICTREX.

4. **SPECIFICATION** - The Goods will conform where applicable to their relevant Specification. If previously agreed between Seller and VICTREX the method of manufacture of the Goods and/or raw materials used in the Goods

must be in accordance with the Specification and shall not be changed without prior authorisation in writing by VICTREX.

Any proposed changes to the Specification, or method of manufacture of the Goods and/or raw materials used in the Goods must be notified to VICTREX when acknowledging the Purchase Order.

5. **REJECTION** - In the case of Goods delivered by the Seller not conforming with the Purchase Order or any Specification in any respect or being unfit for the purpose for which they are intended to be used VICTREX shall have the right to reject them. The making of payment shall not prejudice VICTREX' rights under this clause.

Where Goods are so rejected such Goods shall after notice thereof to the Seller be held by VICTREX and returned to the Seller by VICTREX at the Seller's sole risk and expense or, at VICTREX' option, the Seller shall collect the same. In this event VICTREX shall be at liberty to terminate the Purchase Order forthwith, without prejudice to any other rights and remedies of VICTREX under the Purchase Order or otherwise howsoever, and to supply itself elsewhere with goods or materials similar to those in respect of which default has been made and the Seller will indemnify VICTREX against any loss VICTREX may sustain by reason of such default.

6. **PRICE** - VICTREX shall pay to the Seller in the manner laid down in the Purchase Order the agreed purchase price which is calculated in accordance with or is recorded in the Purchase Order and which shall unless otherwise agreed in writing by VICTREX be and remain firm.

7. **TERMS OF PAYMENT** - Unless otherwise stated in the Purchase Order or agreed in writing by VICTREX beforehand and subject to the prompt receipt of a valid invoice, payment will be made at the close of the month following the month during which the Goods are delivered or Services are completed.

8. **INCOTERMS** - The latest edition of Incoterms shall apply to all purchases from overseas. Where there is any conflict between the Purchase Order or these conditions and the Incoterms, the Purchase Order and these conditions shall prevail.

9. **CANCELLATION** - VICTREX may cancel the contract at any time subject to a minimum of seven days written notice and VICTREX shall pay Seller such a sum as may be equitable in respect to work performed prior to cancellation which directly relates to the cancelled order.

10. **SELLER'S DEFAULT OR INSOLVENCY** - If the Seller commits a breach of contract and fails within ten days of notice by VICTREX to rectify the breach, VICTREX may, without prejudice to any other of his rights terminate the contract by notice in writing.

If the Seller becomes unable to pay its debts as they fall due or shall become bankrupt or have a receiving order or administration order made against it or shall make any composition or arrangement with its creditors, or (being a company) if any resolution shall be passed or an order of the Court be made that the Seller should be wound-up (save for the purposes of reconstruction or amalgamation) or a receiver or manager be appointed VICTREX shall be entitled, without prejudice to any other of its

rights, to enforce the Purchase Order forthwith by written notice to the Seller without liability to the seller of any kind. In such event it shall be lawful for VICTREX to enter the premises where the Goods or other materials are situated and take possession of the Goods and any other materials the property in which has passed to or is vested in VICTREX.

11. **FORCE MAJEURE** - Neither party shall be liable for any failure to fulfil any term or condition of a Purchase Order Contract if fulfilment has been delayed, hindered or prevented by event of force majeure including but not limited to any Act of God, strike, lock out or other industrial dispute, acts of the elements, compliance with requirements of any government or international authority, or by any circumstances beyond its reasonable control whatsoever until the expiry of any such event.

Promptly following the date any event of force majeure commences, the party concerned shall advise the other party in writing of the date and the nature of the event and upon receipt of such notification the operation of the Purchase Order shall be suspended until the event of the force majeure ceases.

12. **PROPERTY AND RISK** - Subject only to clause 13 (Free Issue Materials) property and risk in Goods supplied under the Purchase Order shall remain with the Seller until they are delivered to and signed for as accepted by VICTREX provided that if the Goods are subsequently rejected by VICTREX for any reason whatsoever and whether or not VICTREX is entitled to do so in accordance with the terms herein property and risk in the Goods shall revert to the Seller.

13. **FREE ISSUE MATERIALS** - Where VICTREX provides the free issue materials to the Seller for incorporation into the Goods they shall remain the property of VICTREX but shall be at the risk of the Seller during the period they remain in the Seller's possession. Seller shall maintain all such materials in good order and condition and shall use them economically and solely in accordance with the contract. Surplus materials shall be disposed of at VICTREX' direction. Waste or loss of materials shall be made good at Seller's expense.

14. **PACKAGING** - All Goods must be packed by or on behalf of the Seller securely so as to be delivered to VICTREX in perfect condition and in the event that the Goods are not delivered in perfect condition it shall be deemed that the Goods were not packed in accordance with this provision.

Packaging shall be clearly marked with any appropriate instalment number and shall be in accordance with any requirements specified from time to time by VICTREX, and all Goods and materials supplied will carry such information as specified by VICTREX. Packages containing Goods supplied against our drawings, part numbers or catalogues must be marked with the appropriate reference.

15. **HAZARDOUS GOODS & DANGEROUS SUBSTANCES** - All hazardous Goods must be marked by Seller with international danger symbol(s) and display name of material in English. Transport and other documents must include declaration of hazard and name of material in English. Goods must be accompanied by emergency information in English in the form of written instructions, labels or markings. SELLER'S ATTENTION is drawn

to all UK and International Agreements relating to the packing, labelling and carriage of hazardous Goods and Seller must comply with all statutory or other regulations and observe all Codes of Practice which are applicable.

As soon as possible following the acceptance of a Purchase Order the Seller shall supply any information and instructions which may be required and in particular regarding any potential hazards known or believed to exist to ensure that Goods supplied are transported, handled, stored and used correctly and in a manner likely to avoid any danger to the health or safety of VICTREX' employees or any other persons on VICTREX' premises or those of its sub-contractors to whom delivery is made.

16. SELLER'S WARRANTIES - The Seller undertakes and warrants that:

Goods supplied to VICTREX shall be manufactured, and (where applicable) packaged, with competence and due care, of good satisfactory quality and fit for the purposes for which they are required by VICTREX and shall comply in every respect with all relevant Specifications and any statute, statutory order, directive or regulation or relevant British Standard (or equivalent required expressly by VICTREX) in force at the time of delivery;

All action required to minimise and eliminate any risk to health and safety resulting from use of the Goods for the purpose for which they are designed has been carried out and that any information which is relevant, in any way whatsoever, to risks to health or safety will be brought to the attention of VICTREX in writing upon acceptance of this Order. VICTREX has the right to demand and receive proof that the above undertakings have been carried out;

It has disclosed any circumstances known to the Seller which would reduce the lifespan of the Goods and, furthermore, hereby undertakes to inform VICTREX in writing of any such information that should at any time in the future come to the Seller's attention;

All Services supplied to VICTREX will be supplied with competence and due care and skill by suitable, qualified and experienced personnel in accordance with VICTREX instructions for the provision of such Services and will comply in every respect with all Specifications provided or specified by VICTREX to the Seller;

All Services shall be supplied in accordance with all then applicable UK and European legislation and/or standards including all provisions relating to health and safety and noise emission;

During the term of the provision of Services to VICTREX the Seller shall carry insurance cover in such amount and in respect of such risks as VICTREX shall require from time to time, including (without prejudice to the generality of the foregoing) Employer's Liability insurance (or similar) in respect of all employees, agents and sub-contractors of the Seller as shall be on VICTREX premises at any time for, or in connection with, the provision of the Services;

The Seller will bring to the attention of all employees, agents sub-contractors and representatives of the Seller as shall be involved in any way in the provision of Services to VICTREX, the requirements of VICTREX health and safety requirements and contractors

on-site requirements and the Seller shall be responsible for ensuring that such requirements are duly observed by all such employees, agents, sub-contractors and representatives of the Seller.

17 INDEMNITIES - The Seller will indemnify and shall keep VICTREX fully indemnified in respect of any and all damages, costs, claims, liabilities, expenses, losses (including consequential loss) and demands incurred by VICTREX, directly or indirectly as a result of the Seller's breach of any of the warranties and undertakings contained in Clause 16 above or any other warranties and conditions in respect of the Goods and/or Services (as the case may be), whether express or implied, by statute or otherwise.

Without prejudice to the foregoing, in the event of any employee of VICTREX or any other person on VICTREX premises being injured or otherwise suffering loss through any default or negligence on the Seller's part (including without prejudice to the generality of the foregoing any failure by the Seller or the Seller's agents, employees or sub-contractors to comply with any provision of the Health & Safety at Work Etc Act 1974 (and any amendments or modifications thereof) or any regulations or code of practice thereunder) the Seller will indemnify VICTREX in respect of any action, civil or criminal, which may result.

The Seller shall fully indemnify VICTREX against any and all actions, costs, claims, liabilities, demands and expenses arising from or incurred by reason of any infringement of any third party patent, registered design, trade mark, copyright or other industrial or commercial rights of a similar nature, by the use or sale of any goods or materials or Services supplied by the Seller (including Goods and Services) but this indemnity shall not apply to Goods made to VICTREX design or where the infringement results from the making up of goods or materials by VICTREX.

The Seller will indemnify VICTREX against all loss, damage, costs, claims and expenses arising from any negligent acts and/or omissions of the Seller's employees, agents, sub-contractors or representatives (save to the extent that such loss, damage, costs, claims or expenses arise from negligent acts and/or omissions of VICTREX employees, agents, sub-contractors and representatives). The Seller undertakes to insure itself against any and all liability under this Purchase Order and VICTREX has the right to demand proof in writing that this insurance requirement has been complied with. All monies received by the Seller under this clause are to be held in trust for VICTREX.

18. VICTREX'S RIGHT IN MATERIALS - Any specifications, plans, process know-how, drawings, patterns, design formulae or any written instructions or confidential information supplied by VICTREX or produced by the Seller in connection with the contract shall remain the property of VICTREX and must be returned to VICTREX on fulfilment of the contract at the expense of the Seller. Any such information and information derived therefrom or otherwise communicated to Seller in connection with the contract shall not, without the consent in writing of VICTREX, be used, copied, published or disclosed to any third party except for the purpose of carrying out this contract.

The Seller shall keep in good condition the information and matters referred to in this clause and shall provide for insurance of the property at its full value to the VICTREX. The Seller shall provide proof of compliance with this insurance requirement on demand.

19. CONFIDENTIALITY - Each party agrees that all information received from the other party under a Purchase Order, including the nature of the Goods and/or Services to be provided by the Seller and the existence of any Purchase Order shall be maintained in confidence and not disclosed to others, and the receiving party agrees not to use such information for any purpose other than the fulfilment of a Purchase Order without the prior written consent of the other party. Each party shall use the same standard of care to protect the confidentiality of information received from the other party as it uses to protect its own confidential information, and shall limit disclosure of such information to those of its personnel and consultants who have an actual need to know and have a written obligation to protect the confidentiality of such information. Seller shall expressly not, without the prior written consent of VICTREX, advertise, or make public in any way, any business association between Seller and VICTREX arising from the provision of Goods and/or Services to VICTREX, or the existence of any Purchase Order, and the nature of any Goods and/or Services provided to VICTREX.

20. LICENCES AND CONSENTS - If a licence or consent of any third party (including without limitation any governmental or other authority) is required in connection with the Seller supplying the Goods and/or the Services, the Seller shall obtain the licence or consent at its own expense and produce evidence of it to VICTREX on demand.

21. ASSIGNMENT AND SUB-CONTRACTING - The Seller shall not without the written consent of the VICTREX assign any of the rights of the Seller or sub-contract any of the obligations of the Seller provided for by this agreement to any third party.

22. LAW - These conditions and any contract made under them shall be governed by and construed in accordance with English Law and the courts of England shall have non-exclusive jurisdiction.