

Conditions of Purchase



RELAY ENGINEERING

REL-D002

GENERAL

1. All orders by or on behalf of Relay for goods or materials of the execution of works or services and any variations or amendment thereof are given or made subject to these conditions, and any other term or any conditions put forward by the contract which are inconsistent with these conditions shall be void unless specifically agreed in writing by Relay.

DEFINITIONS

2. The following definitions shall apply:

Relay" shall mean Relay Engineering Limited, its subsidiaries and associated group companies , "the Contractor" shall mean the vendor, supplier or seller or service provider , "the Contract" shall mean and include all obligations arising from acceptance of the Purchase Order, these Conditions of Purchase and any mutually agreed addition or variation thereof, "the Order" shall mean the Purchase Order issued to the Contractor / Supplier by Relay and in which these Conditions of Purchase are incorporated

TIME AND DELIVERY

3. Under the Contract time is of the essence with regards to delivery or completion dates stated in the Order. In the event of non-compliance with delivery or completion dates, Relay shall have the right to cancel the order or any part thereof and the Contractor shall be liable for any damages, costs or loss suffered or incurred by Relay by reason of non-delivery or non-completion by the due date. The Contractor shall pay to Relay liquidated damages and all associated costs for each week or part of the week for any delay to the due delivery or completion dates. The Contractor shall not be under any liability for failure to perform any obligation under the Contract to the extent that the performance is prevented, frustrated, hindered or delayed by war, insurrection, riot, fire, floods, strikes, lock-outs or Government intervention or any cause reasonably beyond the control of the Contractor. Notice of any force majeure claim must be given promptly and confirmed in writing, or within 24 hours of the Order.

INSPECTION AND RIGHT OF ACCESS

4. Relay, its customers and its customer representative shall be entitled to enter the Contractor's and/or his subcontractor's premises at all reasonable times for the purpose of checking progress and carrying out or witnessing tests and/or procedures. Assistance will be provided to the Contractor who will be given right of access to Relay's premises.

WARRANTY, GUARANTEE AND DEFECTS LIABILITY

5. a) The Contractor warrants that the goods/services will be of satisfactory quality, will be fit for any purpose specified in the Contract or, failing any such specification, any purpose for which the goods or services could reasonably be used, will comply with any description given by the Contractor and will achieve the performance specified in the Contract or, if not specified, will perform within normal limits. b) Notwithstanding anything done or omitted to be done on the part of Relay which would otherwise constitute or be deemed to constitute acceptance of the design, goods or materials and/or works or services and without prejudice to any other right of Relay, if any fault of design, materials or workmanship shall occur within a period of 12 months or within a period detailed with the main contract (whichever is the longest) after the goods or materials have been brought into service or the date upon which any vessel, machinery or structure for the construction of which they are intended has been delivered by Relay (whichever is later) due to the design, goods, materials, works or services not being in accordance with the Contract and, if notice thereof is given by Relay as soon as reasonably practicable, the defective design, goods, or materials shall, at the option of Relay, either be replaced or the defective workmanship or services made good at the expense of the Contractor at any place directed by Relay. Any goods or materials replaced, or any defective workmanship

or services made good shall be guaranteed for further period of 12 months or within a period detailed with the main contract (whichever is the longest).

PATENTS ETC

6. The Contractor shall indemnify Relay against all claims made against Relay and all liability in respect of any claim made by any third party for an infringement of patent, registered design, trade mark, copy right, know-how, licence or any similar rights in respect of the manufacture, sale and/or use of any goods, materials or process, comprised in the Contract for the performance thereof and for all costs and expenses incurred by Relay in connection therewith. The Contractor warrants there is no infringement of any such rights and that all licences or other permits necessary for the performance of the Contract have been granted.

CONFIDENTIAL INFORMATION

7. Any information drawings, patterns etc. derived from the order or items supplied by the Contractor shall be regarded as confidential and shall not be published or disclosed to any third party or be used by the Contractor otherwise than for the Contract unless there is a specific agreement in writing from Relay.

ITEMS SUPPLIED

8. All written instructions, specifications and other technical information, drawings, patterns or tooling of any nature, supplied by Relay or produced by the Contractor in connection with or for the purpose of performing the Contract shall be, and remain, the property of Relay and if required by Relay be returned to it after the completion of the Contract. The Contractor shall be responsible for the safe custody of all such items supplied.

OWNERSHIP OF MATERIALS AND WORK IN PROGRESS

9. a) Where payment is to be made by instalments all work done and all goods/materials delivered or earmarked and intended for the completion of the contract wherever the same shall be, shall, after payment of the first instalment applicable to such work and/or materials be deemed to have been unconditionally appropriated to the Contract and shall become the absolute property of Relay free from all debts, contracts and engagements on the part of the Contractor who shall as soon as practicable place an identifying mark on the various parts of the work and on all materials ordered or intended for the contract. Without prejudice to the foregoing all materials and work in progress shall be at the Contractor's risk until delivered to Relay's premises or to such other specified place of delivery and/or completed in accordance with the Contract. b) In the case of materials, equipment or workmanship not the subject of payment by instalments, the property in these materials, equipment or workmanship shall pass to Relay on delivery to the premises of Relay.

PACKING AND CONTAINERS

10. All goods and materials must be properly and securely packed at the Contractor's expense prior to delivery. The Contractor will be responsible for any/all damage arising as a result of improper packing. If requested in writing prior to delivery, Relay will endeavour to preserve packaging materials or containers for collection by and at the Contractor's expense which must be affected promptly after notification by Relay. The cost of disposal by Relay of any non-returnable packaging may be recoverable from the Contractor, subject to notification.

RELAY'S MATERIAL

11. Where Relay or its agent's issues goods or materials free of charge to the Contractor, such goods or materials shall be and remain the property of Relay and shall be maintained by the company in good order and condition. The risk in such goods and materials shall be the Contractor's and shall be insured accordingly. Where there are surplus goods or materials these

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are to be either handed back or disposed of in accordance with the instructions of Relay.

MATERIALS, GOODS OR SERVICES INCLUDING HAZARDOUS GOODS

12. All materials, goods or services against this Purchase Order must be supplied with certification, test certificates where applicable. Any goods and/materials which are hazardous shall be marked with the appropriate international danger symbols and the name and/or Product Data Sheets will accompany the goods and/or materials. The Contractor shall observe all the United Kingdom and international agreements relating to the packing, labelling and carriage of hazardous goods.

ADDITIONS AND VARIATIONS

13. Relay shall not be liable to pay for or be responsible for any additions or variations to the order, unless Relay confirms the same in writing.

WORKING TIME DIRECTIVE & MINIMUM WAGE LEGISLATION

14. The Contractor and/or the subcontractor shall be responsible for the observance of the Working Time Directive and Minimum Wage Legislation.

WORKING CONDITIONS AND RULES AND STATUTORY OBLIGATIONS

15. a) The Contractor, its subcontractors and agents and all employees or such persons whilst engaged upon work at the premises of Relay or of any associated Relay or Denholm company and/or any vessel at such premises for any reason shall at all times observe and be bound by the rules, regulations and procedures for the time being applicable to the employees of Relay at those premises and shall in all respects fully, comply with and observe all statutory obligations, orders, bye-laws and other requirements applicable to those premises. These are available from Relay at the request of the Contractor. b) In particular, statutory obligations arising under the Health and Safety Legislation shall be complied with in the performance of this Contract.

PLANT AND LABOUR

16. a) The Contractor shall indemnify Relay for all loss or damage, claims, demands or liability and all costs and expenses incurred in connection therewith arising from any act, neglect, default or breach of statutory or other duty on the part of Relay or any servant or agent of Relay in the course of lending or providing use of assistance of any loaned plant or labour at the request (express or implied) of the Contractor, his subcontractor, or agent of any employee of any of them. b) The Contractor shall be responsible for the insurance preservation and safe custody of his own plant, equipment and stores at all times. c) The Contractor shall be responsible for the proper stowage of all materials or equipment belonging to or in his use. d) All cleaning up consequent on Contractors work to be carried out by the Contractor. All rubbish and empties to be cleared away and removed from site promptly, and to the satisfaction of Relay and in accordance with current legislation in respect of hazardous waste. Failure to comply within a reasonable time, will result in others completing and a charge being issued. e) Not more than two days supply of oil, cork or other combustible materials should be stored by the Contractor on board any vessel. Any such materials are to be carefully stowed away each night.

BANKRUPTCY AND LIQUIDATION

17. If a receiving order is made against the Contractor or if the Contractor shall enter into an arrangement or composition with its creditors or if the Contractor shall go into liquidation voluntarily or otherwise (except for purposes of amalgamation or reconstruction) or if a receiver or manager of the Contractor shall be appointed then: a) Relay shall have the right to cancel the Contract forthwith without compensation to the Contractor and thereupon all goods or materials loaned or supplied to the

Contractor in connection with the Contract (whether worked or not) shall be returned to Relay. b) Relay shall have the right to off-set all costs associated with the failure to complete all described obligations and recover any deficit from work completed, goods, equipment or materials loaned or supplied to Relay. The exercise of the right of cancellation shall be in addition to any other right of action or remedy of Relay.

INDEMNITIES

18. The Contractor shall agree to indemnify and hold Relay harmless against: a) any and all loss, damage or expense suffered by Relay in consequence of any negligence or breach of statutory or other duty on the part of the Contractor, his subcontractor or agent or any servant of any of them in any way arising out of or connected with the performance of the Contract or any defect in or incorrect assembly of any goods or works supplied or executed under or for the purpose of performing the Contract notwithstanding the same may have been inspected and/or accepted by Relay. b) all claims made against Relay by any third party including any servant or the personal representative or dependents of any servant of Relay for any such negligence or breach of duty or defect or incorrectness as aforesaid. c) against any claim for injury, death or damage to property arising out of the performance of the Contract and against any losses, costs or expenses (including, but not restricted to, legal expenses on a full indemnity basis) that Relay may incur, howsoever arising, irrespective of our negligence or breach of duty, statutory or otherwise. d) against any claim that the goods/services infringe any intellectual property rights of any other persons anywhere in the world and against any losses, costs or expenses (including, but not restricted to, legal expenses on a full indemnity basis) that we may incur. e) all legal and other direct, indirect or associated costs howsoever incurred by Relay

ASSIGNMENT

19. The Contractor shall not assign the whole or any part of the Contract without prior application and the written consent of Relay.

MINISTRY OF DEFENCE CONTRACTS

20. When the Order states that the goods are to be supplied, or the work is to be carried out for the Ministry of Defence (Procurement Executive) additional conditions are to apply and these will be in accordance with MoD Terms and Conditions, "The Contract" shall also be subject to the Terms and Conditions of the main contract between the MoD and Relay where these are relevant. The Contractor shall not publicise the Contract in any way unless prior approval of the MoD had been obtained.

APPLICABLE LAW AND ARBITRATION

21. a) The Contract shall in all respects be construed and operate as a Contract in England and shall be subject to English Law and jurisdiction. b) If any dispute or difference shall arise between Relay and the Contractor disputing the meaning of effect of the Contract or any part thereof including these conditions or affecting the rights of liabilities of Relay or the Contractor or otherwise relating to any contract the same shall be referred to a single arbitrator where the parties can agree upon one otherwise to two arbitrators, one to be appointed by each party to the dispute or difference and subject to the provisions of the Arbitration Act 1996 or any statutory modification or re-enactment thereof for the time being in force.

PAYMENT TERMS

22. a) Any goods or services provided under the Order will be subject to Monthly submitted Account payment terms, paid 30 days following the end of the month in which the invoice is submitted, unless otherwise agreed in writing. b) Each invoice must be a VAT invoice showing VAT, where applicable, separately and proving full details of your VAT registration