

**INDUSTRIAL
VALVES**

Unit 1A + 1B Washington Industrial Estate
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Terms and Conditions of Purchase

The following terms and conditions of purchase (“Conditions”) together with any specific terms or conditions appearing on the face of the Order including without limitation any technical or other specification shall constitute the entire contract between the Purchaser and the Seller in relation to the supply of Goods and/or performance of Services (“Contract”).

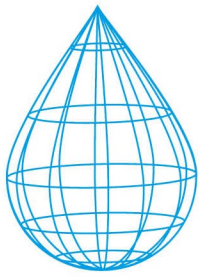
1 Definitions

- 1.1 “Delivery” shall mean delivery to the address specified in the Order, and if required by the Purchaser shall include off-loading, stacking in position or storage and, where applicable, installation at the delivery address.
- 1.2 “Goods” shall mean the goods detailed on the Order.
- 1.3 “Information” shall include but not be limited to drawings, calculations, samples, patterns, models, programmes, electronically stored data, and method statements.
- 1.4 “Main Contract” shall mean any contract, sub-contract or other legally binding arrangement between the Purchaser and the Purchaser's customer.
- 1.5 “Order” shall mean the Purchase Order for the Supply sent by the Purchaser to the Seller in the form of the Purchasers document entitled “Purchase Order”.
- 1.6 “Purchaser” shall mean Ham Baker Ltd, its successors and assignees.
- 1.7 “Seller” shall mean the person to whom the Order is addressed including its successors and permitted assignees.
- 1.8 “Services” shall mean the services detailed on the Order.

2 Acceptance of Terms & Conditions

2.1 By accepting an Order the Seller agrees to deal with the Purchaser on these Conditions to the exclusion of all other terms, conditions, warranties or representations (unless given fraudulently or specified in the Order) including, without limitation, any terms or conditions endorsed upon, delivered with or contained in the Seller's quotation, acknowledgement or acceptance of order.

2.2 The Contract contains all the terms agreed by the Seller and the Purchase in relation to its subject matter and supersedes all prior agreements, understandings or arrangements whether oral, in writing or arising from a course of dealing. For the avoidance of doubt these Conditions supersede any similar documents previously issued by the Purchaser and take precedent over any other terms & conditions purported to apply by the Seller unless specifically agreed otherwise in writing by the Purchaser.



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2.3 Any variation to the Contract shall only be effective if in writing and signed by a duly authorised representative of the Purchaser. In the event of a conflict between these Conditions and an Order, the terms of the Order shall take precedence but only to the extent that a term is unambiguously and expressly agreed to vary these Conditions.

3 Price

3.1 Unless otherwise specified on the Order, the price is inclusive of the cost of packing, insurance, carriage, shipping and unloading charges and any applicable customs, duties, levies or taxes (except UK VAT, which the Purchase shall be additionally liable to pay to the Seller subject to receipt of a valid VAT invoice). Prices quoted are to be fixed for the duration of the Contract unless otherwise agreed in writing by the Purchaser and clearly state the basis quoted.

3.2 The Seller shall be deemed to be competent in the design, manufacture and/or supply of the Goods and Services and shall be responsible for any errors, omissions or misunderstandings. No adjustment to price or delivery time will be allowed due to any lack of knowledge on the part of the Seller.

3.3 All prices are payable in Sterling unless agreed otherwise. All invoices must be rendered to the Purchaser at the address shown on the Purchase Order and should clearly state any discount allowable for early payment.

4 Payment

4.1 The Seller may invoice the Purchaser for all amounts due under the Contract on or at any time after the later of: (a) delivery of the Goods; (b) installation of the Goods; (c) the completion of the Services; and (d) receipt of all contract documentation required under the Contract. Each invoice shall quote the Purchaser's purchase order number.

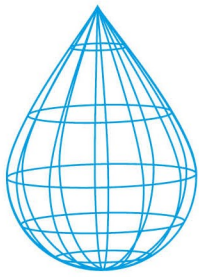
4.2 Unless otherwise stated on the Order, the Purchaser shall pay each valid invoice at the close of the 2nd month following the month in which such invoice is received. The invoice shall be deemed to be dated at the date the Invoice is received by the Purchaser or the date at which all the requirements of the supply, including documentation is completed, whichever is the later.

4.3 The Purchaser may deduct or set off any sums owed to the Seller under any Contract against any sums owed to the Purchaser by the Seller and the Seller shall issue an appropriate credit note or other documentation when requested to do so by the Purchaser.

5 Deviations & Variations

5.1 The Seller shall deliver the Goods and perform the Services in strict accordance with the Contract.

5.2 The Seller shall not modify the design or specification of any Goods or Services (irrespective of whether the design and specification has been supplied by the Purchaser or



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the Seller) without the prior written agreement of a duly authorised representative of the Purchaser.

5.3 The Purchaser may at any time by notice in writing direct the Seller to alter, amend, omit, add to, change the time or otherwise vary the Order and the Seller shall carry out such variations and be bound by these Conditions as though the said variations were part of the Purchaser's original requirements.

5.4 If such variation shall involve a cancellation (in whole or in part) of an Order then if the Seller is not otherwise in default of any provision of these Conditions the Purchaser shall reimburse the Seller in accordance with condition 14.

5.5 If any variation results in a material alteration to the scope or specification of the Goods and/or Services then an equitable adjustment shall be made to the delivery date and the price. All variations shall be priced at the same rates as the original Order rates and the Order adjusted accordingly, unless otherwise agreed in writing.

6 Delivery

6.1 Delivery shall take place at the locations, times and prices and in the sequence and quantities stated in the Order. Time for delivery is of the essence and the Seller shall be liable for any costs, losses, damages or expenses incurred by itself or the Purchaser due to the Seller's failure to deliver the Goods on the agreed date and time.

6.2 The Purchaser shall be under no obligation to accept delivery before the specified date but may agree to upon written request. If delivery is made after the specified date, the Purchaser may reject delivery (and/or cancel the balance of the Order).

6.3 All deliveries must be accompanied by a delivery note which must be presented for signature by an authorised representative of the Purchaser.

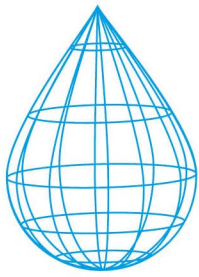
6.4 All Goods must be securely packed in such manner (including without limitation by providing a full list of contents) as to reach the Purchaser in a condition conforming to the Contract. The Purchaser will not be responsible for returning or for the cost of returning packing.

6.5 If the Purchaser is unable to accept Delivery due to a cause beyond its reasonable control to, it may require the Seller to store the Goods until needed.

6.6 The Seller shall be responsible for obtaining forwarding instructions from the Purchaser or its nominee in order to comply with its obligations to deliver the Goods in accordance with the Contract. The Seller shall observe any requirements of the Purchaser as to documentation relating to Delivery.

7 Subcontracting and Assignment

7.1 The Seller shall not assign, transfer, sub-contract or otherwise part with the Contract (in whole or part) or any right or obligation under it without the Purchaser's prior written



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consent. Any consent to sub-contracting given by the Purchaser under this condition 7 shall not relieve the Seller of its obligations for the performance of the Contract.

7.2 The restriction in condition

7.3 shall not apply to the supply of materials for the purpose of delivering the Goods and/or Services.

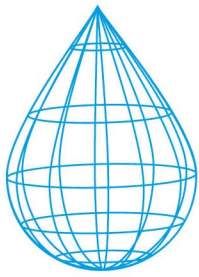
8 Warranty

8.1 The Goods shall for a period of 36 months after delivery or 24 months of being put into commercial use (whichever is the sooner) or such other period of time as is specified in the Contract: (a) conform in all respects with samples; (b) correspondence with any particulars stated in the Order, specifications, instructions, drawings or descriptions provided by or to the Seller; (c) be free from defects in materials, workmanship and design; (d) be of satisfactory quality and fit for any purpose or use made known by or to the Seller before the Order was entered into or for which it was manufactured; (e) comply with all statutory requirements and regulations (and the Seller shall execute and/or deliver such documents or data as may be required to effect or to evidence compliance); and (f) be new except where the Purchaser has agreed otherwise in writing.

8.2 The Seller warrants that it shall provide the Services: (a) with reasonable care and skill; (b) using appropriately qualified, skilled and experienced personnel; and (c) in accordance with any specification or description provided by or to you.

8.3 Where the Seller provides electrical and electronic equipment to the Purchaser, the Seller warrants that either the Seller or the producer of the equipment is a member of a scheme in accordance with the Waste Electrical and Electronic Equipment Regulations (2006) as amended from time to time ("WEEER") (where "electrical and electronic equipment", "producer" and "scheme" shall have the meanings given to them in the WEEER) and the Seller shall promptly provide the Purchaser with the appropriate producer registration number under such scheme.

8.4 Without prejudice to the Purchaser's other rights or remedies, if any Goods and/or Services are not supplied in accordance with the Contract, the Purchaser may: (a) in the case of a material failure rescind the Contract in whole or in part; (b) reject the Goods (in whole or in part) in which case the Seller shall promptly refund to the Purchaser the full amount of the price paid (and the Purchaser shall, if so requested within 28 days of notice of the Purchaser's claim, return the Goods to the Seller at its risk at cost and, in all other cases, the Purchaser shall be entitled to destroy or otherwise dispose of the defective Goods); (c) require the Seller to promptly repair the Goods or to supply replacement Goods; (d) require the Seller to promptly re-perform the Services; (e) require the Seller to carry out any other necessary work to ensure that the terms of the Contract are fulfilled; (f) refuse to accept any subsequent delivery or instalment of Goods and/or Services; (g) carry out (at the Seller's cost) any work necessary to make the Goods and/or Services comply with the Contract; (h) at the Purchaser's sole option, and whether or not it has previously required the Purchaser



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to repair or replace Goods or re-perform the Services, to treat the Contract as discharged, either in its entirety or in relation to such Goods and/or Services that are directly affected by the Seller's breach and require the repayment of the proportion of the price paid which relates to such defective Goods and/or Services; and/or (i) claim such damages as the Purchaser may have sustained as a result of the Seller's breach(es) of the Contract.

8.5 For the avoidance of doubt, where a defect exists of the kind that would not have been discovered by a reasonable examination by the Purchaser but does not become apparent until the period defined at condition 8.1 has expired the Seller's liability shall not cease merely because the Purchaser has been unable to give notice of the defect to the Seller within the warranty period.

9 Indemnity

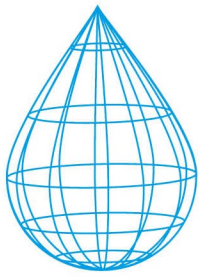
9.1 The Seller shall indemnify and hold the Purchaser harmless in full against any liability, loss, damages, costs and expenses whether direct, indirect or consequential (including, without limitation, legal expenses or losses under a Main Contract) awarded against or incurred or paid by the Purchaser as a result of or in connection with: (a) any breach by the Seller of any term of the Contract; or (b) any liability under the Consumer Protection Act 1987 or otherwise in respect of injury or death caused to persons or damage caused to property by reason of the Goods being defective; (c) any act or omission of the Seller, its employees, agents or sub-contractors in supplying, delivering or installing the Goods or performing the Services; and (d) any claim that the Goods or Services or the importation or the Purchaser's use or resale of the Goods or Services (as appropriate) infringes the intellectual property rights or misuses the confidential information of any third party. The Seller shall not be liable under this indemnity to the extent that the claim arises solely from the extent of the Purchaser or the Seller's compliance with any specifications or instructions supplied by the Purchaser.

9.2 The Seller shall, at its own expense, effect and maintain adequate insurance (of not less than £5,000,000) in respect of its liabilities under and in connection with an Order (in particular but without limitation pursuant to condition 9.1) from a reputable insurance company acceptable to the Purchaser. The Seller shall, on demand, produce to the Purchaser written evidence that all due premiums have been paid up to date.

10 Passing of Risk & Property/Title

10.1 Title in the Goods shall pass to the Purchaser on the earlier of: (a) the Goods being selected for the purposes of the Contract; (b) delivery and acceptance by the Purchaser; (c) delivery to a third party on behalf of the Purchaser; or (d) payment by the Purchaser for the Goods in part or full.

10.2 Risk in the Goods shall pass to the Purchaser upon completion of Delivery. When delivery is to a third party location, such as a construction site, then risk will pass either when it is accepted by an employee or sub-contractor of the Purchaser or when risk passes under the terms of the Main Contract.



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11 Inspection & Tests

11.1 The Seller shall not unreasonably refuse a request by the Purchaser at any reasonable time to inspect and test (or have its nominated representative inspect or test) the Goods and any associated drawings or documentations prepared by the Seller during manufacture, processing or storage at the Seller's or any third party's premises prior to delivery and to nominate such tests as may be necessary to prove the performance adequacy and sufficiency of the Good. The Seller, when required by the Purchaser, shall promptly provide any test certificates, manuals and other documentation.

11.2 The Seller shall at its expense provide all necessary supplies of labour and facilities to enable tests and inspections to be carried out.

11.3 Times and dates for the conduct of specific tests shall be agreed by the Purchaser and may be varied by the Purchaser at its discretion, after consultation with the Seller.

11.4 Any inspection, testing or approval or drawings or documentation by the Purchaser shall not relieve the Seller of any liability or otherwise affect its obligations to provide the Goods in accordance with the Contract nor shall it prevent the Purchaser from rejecting non-conforming Goods following such inspection, upon Delivery or at any stage until final acceptance by the Purchaser's client.

12 Information

12.1 Within the times agreed between the Purchaser and the Seller, the Seller shall submit to the Purchaser for approval such Information as the Purchaser may require and in the form (paper or electronic) specified by the Purchaser. Where the parties do not agree any such timescale, any Information which requires the Purchaser's approval must be submitted in sufficient time to enable the Purchaser to reasonably consider whether to give such approval and to ensure any agreed delivery dates are not impacted and all other Information shall be supplied at the same time as delivery of the Goods

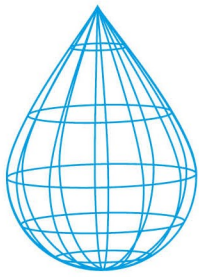
12.2 Any loss, damage or expense arising from an error or omission in, or any delay in delivery of the Information shall be borne by the Seller.

13 Cancellation and Variation

The Purchaser may, at any time and for any reason, vary or cancel an Order in whole or part, by informing you prior to delivery of the Goods or performance of the Services in which case:

13.1 the Contract shall continue in full force and effect in respect of Goods and/or Services already delivered or paid for by the Purchaser;

13.2 the Seller shall, if so required by the Purchaser, complete any partially fulfilled instalment of the Goods or Services and all the terms of the Contract shall apply to such Goods and/or Services; and



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13.3 the Seller may ask the Purchaser to purchase (at the price paid by the Seller) any items reasonably bought by the Seller for the sole purpose of supplying the Goods and/or Services if the Seller cannot use such items in the ordinary course of its business (including to fulfil any agreement with a third party) and provided such items are in good condition and fit for the purpose for which they were purchased the Purchaser shall do so. All terms of the Contract shall apply to the purchase of such items as if they were Goods and/or Services; and

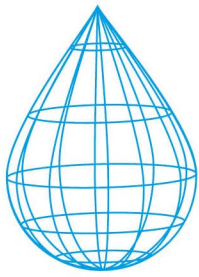
13.4 the Purchaser shall reimburse the Seller for the actual costs incurred by the Seller in relation to any Goods which are specifically manufactured for the Purchaser and which are not or do not form part of the standard products of the Seller at the date of cancellation or variation.

14 Termination

14.1 The Purchaser may, without prejudice to any other right or remedy, immediately terminate or suspend the Contract (in whole or part) by written notice if: (a) the Seller fails to deliver the Goods or perform the Services at the agreed date and time; (b) the Seller commits an irremediable breach of the Contract, persistently repeats a remediable breach or commit any remediable breach and fail to remedy it within 14 days of receipt of notice of the breach requiring remedy of the same; (c) the Seller makes an arrangement with or enters into a compromise with your creditors, become the subject of a voluntary arrangement, receivership, administration, liquidation or winding up, are unable to pay its debts or otherwise become insolvent or suffers or are the subject of any distraint, execution, event of insolvency or event of bankruptcy or any other similar process or event, whether in the United Kingdom or elsewhere; (d) the Seller ceases or threaten to cease to carry on business; or (e) the Purchaser reasonably apprehends any of the aforementioned events is about to occur and notifies the Seller accordingly.

14.2 If the Purchaser terminates the Contract pursuant to condition 14.1 then, without prejudice to any other right or remedy the Purchaser may have: (a) the Purchaser may keep any of the Goods already delivered to it; (b) the Purchaser shall pay the Seller that proportion of the Price attributable to the delivered and retained Goods and/or the Services delivered prior to the date of termination in accordance with the terms of the Contract; (c) the Purchaser may deduct by way of set-off any sums paid to the Seller for Goods and/or the Services which have not yet been delivered; and (d) the Seller shall indemnify the Purchaser for all costs, expense, loss and damage incurred by the Purchaser obtaining replacement goods or services from a third party.

14.3 If the Purchaser suspends the Contract then the Seller shall immediately take all necessary actions to minimise the cost resulting from the suspension. The Purchaser shall not be liable for any loss of profit or other direct, indirect or consequential losses suffered by the Seller as a result of such suspension.



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14.4 All accrued rights and liabilities of you and us shall survive termination or expiration of an Order.

15 Intellectual property rights

15.1 Where designs, samples, materials, drawings, technical data, specifications, tools, moulds, dies, gauges, documents or other free materials are provided by the Purchaser in relation to the provision of Goods or Services: (a) all rights including intellectual property rights in such items shall belong to the Purchaser and the Seller shall on request and at its own cost execute any documents and do anything necessary to vest such rights in the Purchaser; (b) the Seller shall use such items only in the manufacture of the Goods or performance of the Services and shall not use them to manufacture any goods or perform the same or similar services for itself or for any third parties; (c) the Seller shall keep all such items confidential and shall not copy them or otherwise disclose them or details of them to any third party (save to the extent that any information is or becomes public knowledge through no fault of the Seller); (d) the Seller shall be responsible for the safety, proper use and, if appropriate, maintenance of such materials and shall not make any modifications to nor part with possession of any of them and shall promptly replace any which are lost or damaged. Waste of free issue materials arising from bad workmanship shall be made good at the Seller's expense; and (e) the Seller shall and shall deliver any materials to the Purchaser on demand or otherwise dispose of any surplus materials in accordance with the Purchaser's instructions.

15.2 The Seller hereby grants to the Purchaser an irrevocable, world-wide, royalty free licence to use (together with a right to sub-licence the use of) any drawings or any other information in whatever form created by the Seller for any purpose arising from or in connection with the provision of the Goods or Services, the Contract or the Purchaser's business.

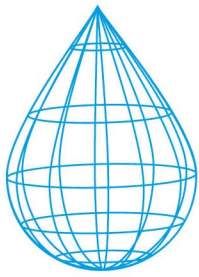
15.3 The Seller will be responsible for all fees, royalties and commissions payable in relation to the Goods or Services or wherever these shall occur.

16 Confidential Information

16.1 The Seller shall keep confidential any data, design, specifications, artwork or other information obtained or received from the Purchaser prior to acceptance of the Order or during the provision of the Goods or Services or created pursuant to the Contract ("Confidential Information") and shall not either during, or at any time after termination disclose such information to any third party or use such Confidential Information for any purpose other than the performance of the Contract without the Purchaser's prior written consent. All Confidential Information shall be returned to the Purchaser upon request.

16.2 The provisions of condition 16.1 shall not apply to information which is: (a) in or comes into the public domain otherwise than by breach of these Conditions; (b) already in the Seller's possession; or (c) obtained from a third party who is free to disclose the same.





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16.3 The Seller shall not refer to our name or the existence of the Contract for advertisement or publicity purposes without the Purchaser's prior written consent.

17 Force Majeure

17.1 Neither party shall be liable for failure or delay in performing its obligations under these Conditions or the Contract caused by a circumstance or event beyond its reasonable control including, without limitation, war, blockade, riot, civil commotion, epidemic, fire, explosion, accident, flood, strikes or industrial disputes, shortages of or inadequate sources of raw materials, component parts or essential utilities provided always that a party so affected shall: (a) within seven days of the circumstances arising, notify the other party of those circumstances and supply such supporting documentation as is reasonably required by the other party; and (b) use all reasonable efforts to minimise the effect of such circumstances.

17.2 Without prejudice to any other right or remedy, the party unaffected by the circumstance of force majeure shall be entitled to terminate the Contract if those circumstances continue for a period of 30 days or more.

18 Anti-Corruption

The Seller shall:

18.1 not engage in any activity, practice or conduct which is (or might reasonably be supposed to be) an offence under sections 1, 2 or 6 of the Bribery Act were it to occur in the United Kingdom or engage in any conduct that is contrary to anti-bribery or anti-corruption laws or regulations in any part of the world in which the Contract is performed;

18.2 maintain and at all times comply with its own business ethics policies and procedures (which shall, as a minimum, satisfy the adequate procedures requirements of the Bribery Act and any relevant industry codes of practice);

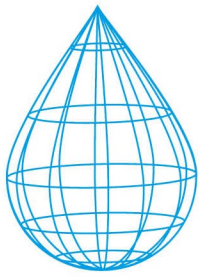
18.3 notify the Purchaser immediately if it engages a foreign public official (as defined in the Bribery Act) in any capacity, or if such a person acquires any direct or indirect interest in the Seller (and the Seller warrants that it has no foreign public officials as officers, employees or direct or indirect owners at the date of the Contract); and

18.4 within three (3) months of the date of the Contract and annually thereafter certify its compliance with this conditions 18 to the Purchaser in writing.

19 General

19.1 The Purchaser's failure to enforce or rely on or delay in enforcing or relying on any right will not prevent the Purchaser from later enforcing or relying upon that or any other right.

19.2 All notices shall be given in writing and sent by special delivery post, or any other post where the recipient must sign to acknowledge receipt, to the recipient's address detailed in the Order (or as may be notified to the sender from time to time) and shall be deemed to



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have been served upon delivery or when returned to the sender marked “gone away” or similar.

19.3 If a court or other regulatory body finds that any part of these Conditions and/or the Contract is invalid or unenforceable, the remainder of the Terms and/or the Contract shall not be affected and shall be construed as if such invalid or unenforceable part did not exist.

19.4 Nothing in these Conditions or the Contract shall confer any right or benefit upon any person who is not a party to it, whether under the Contracts (Rights of Third Parties) Act 1999 (as amended from time to time) or otherwise.

19.5 These Conditions and each Contract (including any associated non-contractual claims or disputes) shall be governed by and construed in accordance with English law and the parties irrevocably submit to the exclusive jurisdiction of the English courts.