

**TERMS AND CONDITIONS OF PURCHASE FOR ALL GOODS/SERVICES FOR SHIN-ETSU HANDOTAI EUROPE LIMITED ("SEH")**

The following Conditions shall apply to this purchase unless otherwise agreed in writing

**1. DEFINITIONS**

"Purchaser" shall mean SHIN – ETSU HANDOTAI LIMITED incorporated in Scotland under the companies act and any assignee of the company.

"Supplier" shall mean the person or company by whom the purchase order is accepted

"Goods" shall mean all materials, products and services to be purchased or supplied in accordance with the description, quantity and specifications set out in the Purchase Order.

2. The Supplier warrants that all Goods supplied to the Purchaser (a) shall be properly finished, free from defects and inadequacies, safe and durable, (b) shall be fit for the purpose for which they are required the same having been communicated to the Supplier and (c) shall conform with the specifications and any agreed Quality Assurance Standards set out in the Purchase Order, all to the satisfaction of the Purchaser.
3. If the goods or any of them do not comply with the requirements of Conditions 2 hereof the Purchaser shall have the right to reject such Goods within a reasonable time of their delivery and inspection by the Purchaser and to purchase elsewhere, and to claim the Supplier for any additional expense incurred, without prejudice to any other right which the Purchaser may have against the Supplier arising out of such non-compliance. The Purchaser shall also have the right to recover any price paid for such Goods and to return any other Goods supplied under the Purchase Order for full credit.
4. The Supplier shall not assign or sub-contract any part of the Purchase Order without the previous written consent of the Purchaser. In the event of the Purchaser so consenting the contract for the assignation or sub-contract shall require to be approved by the Purchaser.
5. The Supplier shall deliver the Goods in the quantities specified in the Purchase Order to the address therein specified. The Supplier shall send to the Purchaser Advice Notes of despatch of each consignment of the Goods giving details of the delivery. All Goods shall be delivered adequately packed or protected in clearly marked packages showing the names and addresses of Supplier and Purchaser and shall be accompanied by a Delivery note identifying the Goods and by all necessary instructions, manuals and the like. The Purchase Order number shall be specified on all Advice Notes and Delivery Notes. Acceptance of the Goods by the Purchaser shall not prejudice any rights which the Purchaser may have under this Agreement under Conditions 3 and 15 or otherwise.
6. There shall be no variation in the price of the Goods without the Purchaser's written acceptance.
7. The Goods shall become the property of the Purchaser at whichever is the earlier of the following: (i) when the Goods are delivered or constructively delivered to the Purchaser or (ii) when the Goods have been included in a progress payment prior to delivery or constructive delivery. No lien or other right therein shall remain with or be reserved to the Supplier. Notwithstanding that (iii) shall apply the risk in the Goods shall remain with the Supplier until they are delivered or constructively delivered to the Purchaser.
8. The delivery dates and the relevant quantities of the Goods to be delivered on such dates shall be strictly adhered to. Time shall be of the essence. Any Goods not delivered in time may be rejected by the Purchaser who may exercise all of the rights specified in Condition 3 hereof. The provisions of Condition 21 shall also apply. The Supplier shall give notice to the Purchaser as soon as possible if delivery is likely to be delayed.
9. The Supplier warrants that the Goods do not and the use of the Goods by the Purchaser and any person to whom the Purchaser may sell the Goods will not infringe any patent, copyright registered design or other intellectual property rights. The Supplier acknowledges that all such rights shall be the property of the Purchaser and shall cooperate in procuring the establishment and protection of the same and that all relevant assignations be completed to give effect to the foregoing.
10. The Supplier shall permit at the works and at the works of any sub-contractors such progress and inspection surveillance as is considered necessary by the Purchaser provided that any such surveillance shall in no way relieve the Supplier of its obligations under the Purchase Order and these Conditions.
11. Any Purchase Order placed by the Purchaser shall be treated as confidential and the Supplier shall not make use of the Purchaser's name or any of its associated companies for publicity purposes without the Purchaser's consent. All designs, drawings, specifications and information which may be supplied by the Purchaser are confidential and shall only be used for the purpose of this Purchase order. The Supplier shall use its best endeavours to maintain such confidentiality and shall not make any disclosure to any third party without the consent of the Purchaser. The Supplier's obligations of confidentiality shall continue to subsist notwithstanding delivery of the Goods or any confidential material. The right of property herein shall remain at all times with the Purchaser. Following delivery of all the Goods, all information in writing or other material form shall be delivered to the Purchaser.
12. In the event of the Purchaser wishing to suspend the Purchase Order for reasons such as but not limited to, weather Conditions, Acts of God, actions of any Government of industrial action the Purchase Order may be suspended at the Purchaser's option until the circumstances giving rise to the suspension have ceased, subject to the Supplier's right to recover payment for all work executed up to the

date of suspension, in accordance with the terms of the Purchase Order together with such other charges occasioned directly by the suspension as the Purchaser shall consider reasonable.

**13. TERMINATION**

- (a) In the event of any breach of any of the Conditions of the Purchase Order (including these Conditions) including a failure to deliver by the due date then the Purchaser without prejudice to any other rights, may terminate the Purchase Order and may return any Goods supplied under the Purchase order for full credit by the Supplier.
  - (b) In the event of the Supplier going into liquidation or having a receiver or an administrator appointed of in the event of its becoming apparently insolvent or committing an act of bankruptcy or making an arrangement with its creditors the Purchaser without prejudice to any other rights may terminate this contract with immediate effect and may return the Goods supplied under the Purchase Order for full credit.
  - (c) If the Supplier is prevented from supplying the Goods by reason of force majeure for a period in excess of two weeks, the Purchaser shall have the right to terminate this contract with immediate effect.
  - (d) The Purchase Order may be terminated at any time by the Purchaser. On receipt of such notice the Supplier shall cease production under the Purchase Order. The Purchaser shall pay a fair and reasonable price for all work delivered or in a deliverable state at the date of such notice with all other reasonable charges occasioned by the termination.
14. The Supplier shall indemnify and keep indemnified the Purchaser in relation to all loss, damage, expense or claims incurred by or made against the Purchaser arising out of any breach by the Supplier's warranties or any breach of any of the Conditions to be implemented by the Supplier under this Purchase order and also in relation to the Goods supplied hereunder except to the extent to which such loss, damage or expenses or claim may be attributable to the negligent act or omission of the Purchaser or any of its employees.
  15. Without prejudice to any other rights under these Conditions of Purchase (including Condition 3 hereof) express or implied, hereunder, under statute or otherwise, which the Purchaser may have, the Supplier undertakes at the Purchaser's option either to repair or replace or refund the price or reduce the price to an appropriate level in respect of any Goods which fail to conform with the requirements set out in Condition 2 hereof or which are found to be defective or inadequate within a period of six months from the date of delivery or within a period of six months from the date of delivery or within a period of six months from the date of commission whichever period is the longer.
  16. The Purchase order for Goods is placed on condition that component parts of identical replacements will be available to the Purchaser in the United Kingdom on reasonable commercial terms for a period of at least five years from the date of the Purchase Order.
  17. No failure or omission by either the Supplier or the Purchaser to carry out or observe any of the stipulations, conditions or obligations to be performed hereunder shall, except as herein expressly agreed to the contrary, give rise to any claim against the other party or be deemed to be a breach of contract if such failure or omission arises from cause reasonably beyond the control of the party claiming force majeure.
  18. The Supplier shall be responsible for the safety of all persons engaged in the supply of the Goods and for all persons who may be affected by the activities of the Supplier and shall procure that all works undertaken by it and that the Goods supplied by it comply with all the Purchaser's safety regulations and procedures and with applicable safety legislation including the Health and Safety at Work Act 1974 and in particular Section 6 thereof.
  19. The terms and conditions set out in the Purchase order and the Conditions represented the entire terms and conditions of the agreement between the Supplier and the Purchaser and any amendment or variation thereof shall be required to be made in writing.
  20. The Supplier shall if requested by the Purchaser enter into an Agreement with the Purchaser for the subsequent service and maintenance of the goods in accordance with the terms of an Agreement to be negotiated.
  21. The Purchaser's failure at any time to require strict performance or compliance by the Supplier of any of its obligations or with any provisions under this Purchase Order and Conditions shall not waiver or diminish the Purchaser's rights subsequently to demand strict performance of that obligation or any other or strict compliance with that provision or any other.
  22. It is agreed that the Purchaser's rights hereunder are in addition to and shall not operate to limit or diminish any rights available to the Purchaser at common law and or under the Sale of Goods Act 1979 and any re-enactment or amendment thereof.
  23. The Purchase order shall be governed construed and take effect in accordance with the law of Scotland and the Supplier and the Purchaser prorogate the non-exclusive jurisdiction of the Scottish Courts.