

CONDITIONS OF PURCHASE

Unless otherwise expressly agreed in writing these are the only conditions upon which Atlantic Plastics Ltd is prepared to procure the Goods set out in the Order.

In these Conditions:

"Company" means Atlantic Plastics Ltd

"Contract" means the contract for the supply of the Goods.

"Supplier" means the person, firm or company to whom the Order is addressed;

"Goods" means the goods (or any of them) described in the Order and any replacements and in the case of an Order for services or work includes (where the context so permits) the services to be supplied or work to be performed pursuant to the Order;

"Specification" means the description or drawings of Goods and details (if any) of their manufacture and performance;

"Order" means the purchase order placed by the Company for the supply of Goods on these Conditions and includes all Specifications issued pursuant thereto

The headings are for convenience only and shall not affect construction of these Conditions.

1 EFFECT OF THESE CONDITIONS

1.1 All terms or conditions proffered by the Supplier are hereby excluded. No variation to these conditions shall be effective unless agreed in writing signed by an authorised person on behalf of the Company. Acceptance of the Supplier's conditions of sale or any other terms inconsistent herewith shall not be implied from any act, omission or series of acts or omissions on the part of the Company.

1.2 All variations to these conditions agreed at the time of placing the Order are specified on the Order in the event of inconsistency between these conditions and the Order form the Order form shall prevail.

1.3 Save as specified on the Order the Supplier shall not subcontract nor assign the benefit of all or a material part of the Order without the prior consent of the Company. The Company reserves the right to assign the benefit of the Contract (subject to reasonable notice to the Supplier) to any of its associated companies. The Supplier shall be responsible for all work done and goods supplied by subcontractors

1.4 The Company reserves the right to require a performance guarantee from the Supplier's ultimate holding company to be issued prior to commencement of work on the Contract or at any such time thereafter as the Company shall specify

1.5 INCOTERMS: Incoterms (2000 Edition) shall apply to contracts with non-UK resident Suppliers.

2 VARIATION OF ORDER

The Company may (at its sole option) at any time change the Specification and quantity of Goods and the delivery date (subject to an equitable adjustment of price).

3 CONFORMITY WITH ORDER, QUALITY AND DESCRIPTION

3.1 Goods shall in all respects:

3.1.1 conform as to quality, design and description with the particulars of the Order;

3.1.2 be of merchantable quality and fit for their respective purposes;

3.1.3 be equal to the approved samples, patterns or specifications;

3.1.4 be adequately packed and wrapped at the Supplier's expense to protect against all risks of damage or deterioration;

3.1.5 comply with requirements set out in the statutes or regulations applicable at the date of delivery;

3.1.6 conform with all descriptions applied thereto by the Supplier or otherwise appearing in supporting literature supplied in respect of Goods.

3.2 The Supplier shall despatch with the Goods or under separate cover with its advice note all certificates of conformity, instructions and other documents required to be issued pursuant to the Contract and in the absence of an advice note or in case of default, or failure of Goods or documents to conform with the Order the Company shall be entitled to reject Goods

3.3 The Supplier shall not without the Company's prior written consent exceed quantities stated on the Order nor modify the Specification

3.4 The Supplier shall, prior to delivery notify the Company giving details of Goods which are perishable or have a life expectancy of limited duration and of any circumstances likely to affect the quality of Goods and shall issue appropriate instructions as to storage, handling and use of Goods. Such details and instructions shall form part of the description of Goods. The Supplier shall indemnify and keep indemnified the Company against all loss (including, but without limitation, complete or partial loss of goods whether or not the subject of the Order, loss of profit and of any contract) arising out of the Supplier's errors in or omissions from or failure to issue appropriate instructions.

4 INSPECTION AND TESTING

Prior to delivery, the Supplier shall test Goods for conformity with the Order. The Company relies on the Supplier's skill and judgement in assessing quality and fitness for purpose. The Supplier shall on request provide the Company free of charge with evidence and results of testing. The Company's authorised representatives may upon reasonable notice to the Supplier have access to monitor the progress of work by the Supplier or subcontractors on an Order and may attend and observe testing of and inspect Goods but such attendance shall not constitute the Company's acceptance of Goods.

5 DELIVERY

5.1 Subject to condition 5.4 time of delivery shall be of the essence of the Contract. The Supplier shall notify the Company forthwith of any likely delays.

5.2 Goods shall be delivered strictly in accordance with the Order. The Company reserves the right to specify delivery to the premises of a third party. In the event that delivery of the Goods, or any part thereof, is not made on the date specified in the Order the Company shall be entitled to liquidated damages at the rate of 0.5% of the Contract price per week of delay or part thereof up to a maximum of 10% of the Contract price.

5.3 The delivery note despatched with the Goods shall state Order number, full details of consignment, date of despatch, name of carrier, and shall contain a list of other accompanying documents.

5.4 The Company shall be entitled at its absolute discretion to defer delivery without any liability for storage or other charges from the Supplier. In such case Goods shall not be invoiced until delivery has taken place.

5.5 Goods found on delivery not to conform with the Specification or Order or to be damaged or defective may be returned to the Supplier within a reasonable time after delivery at the Supplier's risk and expense. The Supplier shall (at the Company's sole option) either supply replacements or remedy such defects or damage to the Company's reasonable satisfaction. The making of payment shall not prejudice the Company's rights under this condition.

5.6 The Supplier's failure to adhere to any provision of the Contract shall entitle the Company at its sole option at any time after the date for performance or delivery to treat the Contract as repudiated in whole or in part (without prejudice to any other rights it may have) and the Company shall not be prejudiced by any delay in exercising such option or any indulgence granted to the Supplier.

5.7 If the Contract provides for delivery by instalments the Company shall be entitled to default in delivery of one instalment as breach of contract (without prejudice to any of its other rights and remedies).

6 RISK AND PASSING OF TITLE

6.1 Subject to conditions 6.4 and 6.5 below and to the Company's right to reject Goods title and risk of loss or damage to the Goods shall pass to the Company when the Goods are off-loaded at point of delivery

6.2 The Supplier shall be responsible for transport and unloading costs incidental to the Contract and liable to insure Goods to their full replacement value against all risks of damage or loss prior to completion of delivery.

6.3 The Supplier shall upon request provide such evidence of product liability insurance cover (to a minimum of £2 million) in respect of the Goods as the Company may reasonably require.

6.4 Where goods are retained by the Supplier pending delivery instructions title shall pass to the Company when Goods are ready for despatch but risk shall remain with the Supplier until delivery in accordance with the Company's instructions

6.5 Part payments for Goods made in advance of delivery are part payments of the Contract's price and title to materials procured or manufactured by the Supplier towards performance of the Contract shall pass to the Company at the date of such payments up to the total value thereof

7 PRICE AND PAYMENT

7.1 The price stated on the Order shall remain fixed and binding until completion of delivery.

7.2 Prices stated on the Order are inclusive of all packaging, carriage, insurance and freight charges and exclusive of VAT and the Supplier shall not be entitled to increase the price by reason of any variation to such costs.

7.3 Subject to the Company's receipt of Goods and documents required to be issued pursuant to the Contract

7.4 Where the Company has agreed advance or progress payments the Supplier shall upon request procure the issue by its bankers of a guarantee of immediate reimbursement upon demand.

7.5 Payment by the Company of any amount or in towards the Contract price shall not constitute the Company's admission as to the Supplier's performance of its obligations or a waiver of the Company's rights.

7.6 Where extra charges for pallets, stowages, crates and other packaging have been agreed on the Order subject to being credited upon return to the Supplier, the Company's delivery note signed by any servant or agent of the Supplier shall be conclusive evidence that such packaging has been returned.

8 INDEMNITY

The Supplier shall at all times indemnify and keep indemnified the Company against:

8.1 all costs, damages, or other loss (including legal expenses) incurred by reason of any claim for infringement of any letters, patent design, trademark or name or violation of any third party right resulting from the use or sale of Goods and (in the case of Specification supplied by the Supplier) the performance by the Supplier of its obligations under the Contract; and

8.2 all actions, suits, claim costs, demands, expenses or other loss, loss of property, death or injury to any person howsoever arising to the extent occasioned or contributed to by any defect in or failure of the Goods or any act or omission of the Supplier, its agents or subcontractors; and

8.3 all indirect or consequential loss, costs, damages or expenses sustained by or claimed against the Company and arising out of the Supplier's breach of contract or any other circumstances mentioned in this condition

9 PROPRIETARY INFORMATION

9.1 The Supplier shall keep in strict confidence all confidential information relating to the products, business technology, procurement or technical requirements of the Company or any of its associated companies (as defined above) which may come into the Supplier's possession in the course of carrying out the Order and the Supplier shall not without the Company's prior written consent use nor disclose the same to any person for any purpose other than for execution of the Order

9.2 The Supplier shall not without the Company's written consent use the Company's name or otherwise hold itself out as associated with the Company in any advertising or publicity material or in any other manner

9.3

9.3.1 Copyright in all drawings supplied by the Company to the Supplier belongs to the Company and drawings and other items provided by the Company to the Supplier shall be used solely for the purposes of the Order and remain the property of the Company and the Supplier shall return the same without charge to the Company forthwith upon demand

9.3.2 Drawings, patterns or other items produced by the Supplier upon the Company's instructions pursuant to the Order shall be used only for the purposes of the Order. The Supplier shall upon request supply copies of the same free of charge to the Company

9.4 The Supplier shall forthwith upon request and in any event upon termination of the Contract return to the Company all Specifications drawings, samples, issue items (as defined in condition 1.1) and other material whatsoever supplied by the Company to the Supplier pursuant to the Order and not keep any copies of the same.

9.5 In the event that the Supplier has been licensed to the Company, the Supplier shall forthwith upon request and in any event upon termination of the Contract deal with in such a manner as the Company shall, at its absolute discretion direct any items upon which such mark shall appear and if the subject of a Registered User Agreement shall upon request by the Company sign such Notice of Cessation as Use of such trade or service mark as the Company may require.

10 SUPPLY OF PERSONNEL

All personnel provided by the Supplier for carrying out the Order shall at all times be deemed to be in the employment of the Supplier, and shall comply in all respects with site rules applicable to Company's premises.

11 MATERIALS AND TOOLING

11.1 At all times whilst the Supplier has in its possession any free issue material supplied to it by the Company for performance of an Order ("Issue Items") Issue Items shall remain the Company's property but shall be at the Supplier's risk and the Supplier shall:

11.1.1 use Issue Items economically and solely for performance of the Order and certify to the Company incorporation of Issue Items in goods as required by the Order;

11.1.2 whilst not in use keep Issue Items separate and readily identifiable as the Company's property;

11.1.3 at its own expense keep Issue Items insured for full replacement value against all usual risks and apply proceeds of such insurance for replacement of Issue Items;

11.1.4 store safely, treat with due care and keep in good condition (fair wear and tear excepted) all Issue Items;

11.1.5 not without the Company's prior written consent sell, dispose of or destroy Issue Items and at its own expense make good or replace all Issue Items damaged or lost due to its own negligence; and

11.1.6 forthwith upon demand from the Company yield up Issue Items to the Company or its authorised agents

11.2 At all times whilst the Supplier has in its possession any tooling or other equipment loaned or supplied to it by the Company for performance of an Order ("Tooling") Tooling shall remain the Company's property and the Supplier shall:

11.2.1 keep Tooling separate and readily identifiable as the Company's property.

11.2.2 at its own expense keep Tooling insured for full replacement value against all usual risks and apply proceeds of such insurance for replacement of Tooling;

11.2.3 store safely, treat with due care and keep in good condition (fair wear and tear excepted) all Tooling;

11.2.4 not without the Company's prior written consent sell, dispose of or destroy Tooling;

11.2.5 not without the Company's prior written consent use the Tooling other than for Orders placed by the Company;

11.2.6 at its own expense make good or replace all Tooling damaged or lost due to its own negligence; and

11.2.7 forthwith upon demand from the Company yield up Tooling to the Company or its authorised agents

11.3 The Contract price shall be inclusive of Tooling costs incidental to the Order. Tooling costs in full shall be shown as a separate item on the invoice. Passing of title to Tooling shall be simultaneous with passing of title to Goods and the Supplier shall upon request make Tooling available for collection by the Company at any time thereafter.

12 WARRANTY

12.1 In the absence of any warranty of longer duration expressly given in writing the Supplier warrants the Goods free from defects for the period of 24 months from date of delivery or (if later) date of commission ("Warranty Period"). This warranty is in addition to and without prejudice to any of the provisions of these conditions or of the Company's statutory or common law rights under the Contract or otherwise.

12.2 The Supplier shall as soon as reasonably practicable after notice from the Company that a defect has appeared during the Warranty Period, at its own expense collect and within a reasonable time thereafter replace or at the Company's sole option repair the defective Goods in question. The Supplier shall bear and pay all costs incidental to such replacement including (but without limitation) the charges in respect of removal of defective Goods and supply or fitting of replacements

12.3 The replacement of Goods under this condition shall not prejudice the Company's rights to claim against the Supplier in respect of such defect, or limit, or reduce the liability of the Supplier's liability for loss or damage (other than damage to the Goods in question) arising directly or indirectly out of the defective Goods.

13 TERMINATION

13.1 Subject to payment for work done pursuant to the Order under condition 13.2 below, the Company shall be entitled by notice at any time to terminate the Contract in whole or in part

13.2 Upon termination under conditions 13.1 or 14 the Supplier shall immediately discontinue work on the Order and shall within two months thereafter submit its claim for expenses incurred pursuant to the Order. The Supplier shall take all reasonable steps to mitigate its loss and the Company shall not be liable for claims submitted more than two months after termination.

13.3 In addition and without prejudice to the generality of condition 13.1 the Company shall be entitled to terminate the Contract:

13.3.1 in case of the Supplier's breach of any provision of the Contract by 10 days' notice specifying breach and action required to remedy such breach (if remediable) such termination to take effect upon the Supplier's failure before expiry of such notice to remedy breach; and

13.3.2 by notice forthwith upon the occurrence of any of the events specified in condition 14.

13.4 The Company shall be entitled forthwith upon termination pursuant to this condition to take possession of Goods title to which has passed to it and Tooling and issue items wherever situated and the Supplier hereby irrevocably authorises the Company to enter onto its premises for such purpose.

14 INSOLVENCY

The Supplier shall give notice to the Company forthwith upon the occurrence of any of the following events:

14.1 the Supplier committing an act of bankruptcy or entering into any composition or arrangement for the benefit of its creditors; or

14.2 the Supplier becoming insolvent or the presentation of a petition for the appointment of an Administrative Receiver or Administrator or for the winding-up of the Supplier (other than for a members' voluntary winding-up of a solvent company for the purpose of a bona fide reconstruction); or

14.3 the appointment of an Administrative Receiver or Administrator in respect of the whole or any part of the Supplier's undertaking or assets whereupon the Company shall be entitled at its sole option (without prejudice to its other rights under the Contract) by notice to terminate the Order or suspend delivery.

15 WAIVER

No waiver of any of the Company's rights under the Contract shall be effective unless in writing signed by an authorised person on behalf of the Company. A waiver shall apply only to the specific circumstances in which it is given and shall be without prejudice to the enforcement of the Company's rights in relation to different circumstances or the recurrence of similar circumstances.

16 NOTICES

Notice under these conditions shall be properly given if in writing and sent by first class post, facsimile or electronic mail to the address of the intended recipient as stated in the contract or to such address as the Company and Supplier from time to time notify to each other as their respective addresses for service and shall be deemed served in the case of postal notice on the expiry of 48 hours from time of posting, in the case of facsimile, on the expiry of 15 minutes from completion of transmission by the sender and, in the case of electronic mail, when the sender's computer indicates dispatch.

17 CONSTRUCTION AND JURISDICTION

17.1 English Law shall govern construction and operation of the Contract.

17.2 If at any time any question, dispute or difference arising under or in relation to this Contract shall arise between the parties they shall attempt to resolve the same by using an alternative dispute resolution ("ADR") procedure agreed between the parties. The costs and fees associated with such ADR procedure shall be paid equally by the parties.

17.3 In the event that the parties cannot agree on a suitable ADR procedure within six (6) weeks of the original notification of the matter, or if the said question, dispute or difference cannot be resolved by the ADR procedure, then such question, dispute or difference shall be submitted to the exclusive jurisdiction of the Courts of England and Wales for resolution.

18 GENERAL

18.1 Each of these conditions and each paragraph hereof shall be construed as a separate condition and should any provision be found to be invalid or unenforceable or an unreasonable restriction of the Company's liability then such provision shall apply with such modification as may be necessary

18.2 For the avoidance of doubt a person who is not a party to this Contract shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms and the parties to this contract reserve the right to amend or rescind the Contract without giving notice to, or requiring the consent of, any third party.

18.3 The Contract sets out the entire agreement and understanding between the parties in respect of the subject matter of the Contract