

Terms and Conditions of Purchase of DRS Data Service Limited

1 Definitions

"Conditions" shall mean these general conditions of contract for the purchase of Goods together with any amendments thereto agreed between the Buyer and the Seller;

"the Buyer" shall mean DRS Data Services Limited, its successors and assigns;

"Seller" shall mean the person, firm or Company with whom the Contract is made by the Buyer;

"Goods" shall mean the items which are the subject of the Contract;

"Order" shall mean the written instructions of the Buyer to supply Goods;

"the Contract" shall mean:

a) where the Seller submits an offer to the Buyer the Seller's offer and the acceptance thereof by the Buyer; and

b) in all other cases, the Order and the Seller's acceptance thereof, together with the Conditions and any documents incorporated by express reference and any additions or variations thereto given on the Buyer's Order form or Order Amendment form duly signed on its behalf.

2 Exclusive operation of the conditions

Unless otherwise specifically agreed in writing, any offer and/or acceptance of an Order by the Seller shall be deemed to constitute an acceptance of and agreement to comply with the conditions and all express conditions conflicting with the Conditions are hereby excluded.

3 Quality and description

3.1 All Goods supplied shall if applicable and unless otherwise agreed in writing:

a) conform as to quantity, quality and description with the particulars stated in the Contract;

b) be of sound materials and workmanship and shall be of premium quality;

c) correspond with samples, patterns or specifications, if any, referred to in the Contract;

d) be capable of the standard of performances specified in the Contract;

e) comply with the appropriate British Standard or equivalent specification, unless otherwise agreed;

and

f) be fit for the purpose for which they are supplied under the Contract.

3.2 If the Seller proposes to change the design of any dimension or technical specification of the goods he shall promptly deliver to the Buyer full details of the proposed change, which if given orally shall be confirmed in writing as soon as is practicable.

4 Statutory obligations

The Seller shall comply with all relevant statutes, rules, regulations and by-laws and EEC directives affecting the performance of the Contract.

5 Inspection, testing and progressing (if applicable)

5.1 The Buyer by its authorised officers and agents shall at all reasonable times be granted access to the Seller's works and be allowed to monitor the testing of the Goods and to inspect and progress the Goods during manufacture and on completion. Such inspection, progressing and testing shall not be interpreted as acceptance by the Buyer of the Goods or any of them or relieve the Seller of any obligation under the Contract. Before despatching the Goods, the Seller shall inspect and test them for compliance with the Contract and, if so requested, shall supply the Buyer with certificates of the results of such inspection and testing in such form as may reasonably be required.

5.2 Any reference to "Seller" in this clause includes any sub-contractor of the Seller.

6 Delivery

6.1 Time is and shall remain of the essence of this Contract for delivery. Delivery shall be deemed to be made on receipt of the Goods by the Buyer in accordance with all terms of the Contract. The Goods shall be delivered on the dates and at the rates and at the places specified in the Contract.

6.2 The Buyer acting reasonably may delay or alter such dates, rates and places upon giving the Seller reasonable notice in writing of such alterations.

6.3 If the Seller fails to deliver in accordance with the Contract then subject to the provisions of Clause 13 hereof and following prior consultation with the Seller the Buyer may cancel the Contract or any part of it and reserves all rights in damages and otherwise arising.

6.4 The Seller shall ensure that prior to delivery all Goods are marked in accordance with the provisions of the Contract and instructions of the Buyer given thereunder.

6.5 Goods shall be packed in such a manner as to reach the places of delivery undamaged and in good condition.

6.6 Returnable cases, packages and other containers shall be supplied by the Seller free of charge unless previously agreed in writing. Where previously requested in writing, such cases, packages and other containers will be returned to the Seller but, whilst reasonable care will be taken to ensure that they are received back by the Seller in good condition, such return shall be at the Seller's risk and expense.

6.7 The Seller shall provide in respect of each consignment:

a) a packing note with the Goods detailing the Buyer's Order number, description, code number and quantity of Goods consigned; and

b) an advice note to the Buyer, as instructed on the Order, giving details as for (a) above and stating a reasonable time for notification of non-arrival of any Goods and, if appropriate, the estimated time of arrival at destination.

6.8 If the Buyer so requires, a production schedule to meet the agreed delivery date will be supplied by the Seller within ten working days of the receipt of an Order or request from the Buyer for such schedule. The production schedule shall include such details as:

a) the number of weeks required to prepare drawings;

b) the number of weeks required to purchase and have available all materials; and

c) a fabrication schedule, showing the number of weeks required for each of the various operations to complete the Goods (including testing).

6.9 From time to time during the performance of the Contract, as may be reasonably required by the Buyer, the production schedule will be brought up to date and will show the proportion of completion in each of the above sections (a), (b) and (c).

7 Rejections

7.1 If Goods delivered by the Seller are not in accordance with the Contract, the Buyer may reject such Goods. As soon as practicable, and not later than ten working days after such rejection, the Buyer shall give the Seller notice of such rejection, specifying the reason therefore, and within five working days of such notice the Seller shall retake possession of the rejected Goods.

7.2 The Buyer shall have the right to require the Seller, at the Seller's own risk and expense to expeditiously replace or repair, as appropriate, any rejected Goods.

7.3 If the Seller fails to fulfil his obligations to the Buyer under this clause then the Buyer shall have the right to:

a) cancel the Contract or any part of it and reserves all rights in damages and otherwise arising; or

b) recover from the Seller all extra costs and expenses arising from the delivery of defective Goods, including those of carriage, repairing, removing or cutting out, re-instating and testing defective Goods, purchasing Goods elsewhere if appropriate, and storage. Such extra costs and expenses may be deducted from amounts, if any, due from the Buyer to the Seller.

7.4 Where the Seller replaces or repairs Goods under any provision in this clause, the Conditions shall apply to the replaced or repaired Goods.

8 Marked Goods

Goods marked with any mark used or owned by the Buyer shall not be disposed of to any third party without the prior written consent of the Buyer unless such markings are first erased or removed to the satisfaction of the Buyer.

9 Guarantees

Without prejudice to the rights of the Buyer under the Contract the Seller shall guarantee the Goods against defects arising for a period of 12 months from the date of delivery of any Goods or from the date of delivery of any defective Goods repaired or replaced under the provisions of Clause 7 hereof.

10 Property and Risk

10.1 Without prejudice to the rights and obligations of the parties under the Contract, except as provided under Clause 7 and unless otherwise agreed in writing, the property and risk in the Goods shall pass to the Buyer on delivery.

10.2 Unless otherwise agreed in writing all tools, patterns, drawings, designs and other documents or equipment supplied by the Buyer or made specifically at their expense or partial expense on their behalf shall be and remain the property of the Buyer and the Seller shall be responsible for their safe custody and return. They shall not be disposed of by the Seller or Seller's sub-contractors or agents to any third party nor used except for the purpose of implementing the Contract.

10.3 The Seller acknowledges that all information, copyrighting, knowhow or designs or other intellectual property developed or created by the Seller for the Goods are commissioned by the Buyer and belong to the Buyer and the Seller as beneficial owner hereby assigns the same to the Buyer and shall provide the Buyer with all information, drawings, diagrams, specifications and lists developed or created by the Seller for the purposes of the Contract.

11 Payment

11.1 The Seller shall send to the Buyer a detailed priced invoice or invoices not later than the seventh day of the month following the month of delivery unless otherwise instructed on the Order, clearly stating the Order and item numbers and the settlement terms and containing all information required to be stated on a tax invoice for VAT purposes.

11.2 Unless otherwise specified in the Contract, payment shall be made within 30 working days of the receipt by the Buyer of the Seller's properly rendered invoice, issued in respect of Goods delivered in accordance with Clause 6. Payment shall not operate as a waiver of any of the rights of the Buyer under the Contract.

12 Indemnities

12.1 The Seller shall keep the Buyer fully indemnified against any action, liability, cost or expense arising by reason of:

a) the breach of any provision of Clause 3 or 4 of the Conditions;

b) any infringement or alleged infringement of any letters, patent, registered design, copyright or trade mark relating to Goods supplied to the Buyer or any process relating to the Contract, provided that this indemnity shall not apply in respect of any infringement arising as the result of the correct use by the Seller of a design supplied by the Buyer; or

c) any injury, loss or damage to persons or property caused or contributed to by the negligence of the Seller, his servants, his sub-contractors or his Agency or by faulty design, workmanship or materials except to the extent that the injury, loss or damage caused by the negligent act or omission of the Buyer; the Seller shall maintain insurance cover against such liabilities and shall produce the policy and latest premium receipt to the Buyer on demand.

13 Force Majeure

13.1 Where either party is unable to perform the Contract in the time specified by reason of unforeseen circumstances beyond their control and whose effects they could not have avoided and cannot overcome by the use of reasonable diligence and foresight they shall be entitled to a reasonable extension of time for performance.

13.2 In any such event the party concerned shall immediately notify the other party in writing and estimate how long these circumstances are likely to continue.

13.3 The party concerned shall take all reasonable steps to avoid further or consequential delay and to proceed with the due performance of the Contract.

14 Sub-contracting and assignment (if applicable)

14.1 Save in respect of materials, minor items and parts of Goods of which the makers are specifically named in the Contract, the Seller shall not sub-contract the Contract or any part of it without the previous consent in writing of the Buyer, which consent shall not be unreasonably withheld provided the Seller:

a) ensures that his assignee sub-contractor is bound by all the applicable provisions of the Conditions; and

b) if requested by the Buyer for the purposes of progressing and quality control, sends the Buyer un-priced copies of the sub-contract, quoting the Buyer Order number;

c) if so requested by the Buyer the Seller shall procure the assignee to enter into a direct contract with the Buyer to perform the Contract in all respects in accordance herewith.

14.2 Such sub-contracting shall not relieve the Seller of any of his responsibilities under the Contract.

14.3 The Buyer reserves the right at any time to assign its rights hereunder to any third party.

15 Secrecy

Obligations of secrecy entered into by the parties shall continue for a period of ten years from the date of the Contract notwithstanding the sooner termination or expiry of the Contract.

16 Advertisement

The Seller shall not, without previous written consent of the Buyer, advertise or make known that the Seller supplies or has supplied Goods to the Buyer.

17 Termination

17.1 Without prejudice to Clauses 6 and 7, if either party is in substantial breach of any of its obligations hereunder the other party may give notice that if the breach is not rectified within 10 working days of such notice that it reserves its right to terminate the Contract or any part of it and reserves all rights in damages

17.2 If the Seller becomes bankrupt or insolvent, or has a receiving order made against him, or compounds with his creditors, or, being a corporation, commences to be wound up (not being a member's voluntary winding up for the purpose of reconstruction without insolvency), or carries on business under a receiver for the benefit of creditors, or any of them, the Buyer shall have the right:

a) to cancel the Contract forthwith by written notice to the Seller or to the liquidator, the receiver, judicial manager or administrator or to anyone in whom the Contract may become vested without prejudice to the existing rights and obligations of the Seller and the Buyer respectively; or

b) to give such liquidator or such other person, the option of performing the Contract up to an amount to be agreed.

17.3 Without prejudice to the above, this Contract may be cancelled at any time by the Buyer by notice in writing in which event the Buyer will pay for and accept delivery of all finished Goods manufactured by the Seller at the date of cancellation and shall pay the Seller a fair and reasonable sum in respect of all work in progress at the date of cancellation subject to such work in progress being transferred to the Buyer.

18 Disputes

18.1 If any dispute or difference of any kind whatsoever shall arise between the Buyer and the Seller in connection with or arising out of the Contract this shall be settled amicably by discussion between the parties. Failing such settlement and provided that either of them shall have given to the other notice in writing of the existence of such dispute or difference, such dispute or difference shall be referred to an arbitrator to be agreed between the Buyer and the Seller and failing such agreement within ten working days from the receipt of such notice in writing the dispute or difference shall on application of either party be referred to an arbitrator nominated by the President for the time being of The Chartered Institute of Arbitrators and any such reference shall be deemed to be a submission to arbitration within the meaning of the Arbitration Act 1950, or any statutory re-enactment of amendment thereof for the time being in force.

18.2 Notwithstanding any disputes or differences and unless the Contract shall be terminated, both parties shall continue with the due performance of the Contract.

19 Applicable Law

The Contract shall be construed and shall operate in all respects in conformity with English law.

20 Notices

Notices shall be validly given if sent by special delivery to the addresses for the parties stated respectively on the Order and the Seller's offer or acceptance as applicable or to any subsequently notified address.