

STANDARD CONDITIONS OF PURCHASE

1. Definitions

“Buyer” means Daifuku Logan Ltd.

“Seller” means the person, firm or company to whom the Order is addressed.

“Goods” means the articles or things or any of them described in the Order.

“Specification” means the technical description (if any) for the Goods contained or referred to in the Order.

“Order” means the order placed by the Buyer for the supply of the Goods.

2. Introductory Condition

The terms and conditions herein contained shall govern all contracts entered into by the Buyer for the supply to the Buyer of the Goods. No conditions, warranty or other terms which the Seller may seek to impose shall apply to the Buyer. It is agreed that only these conditions shall apply to contracts between the Seller and the Buyer and any documents sent by the Seller which have printed on them conditions have been and shall be sent by the Seller and received by the Buyer on the understanding that they appear on the documents because they are printed thereon but have no legal effect whatever, and the Seller's acceptance of this Order shall constitute a waiver by the Seller of any rights to rely on such conditions.

3. Acknowledgement and Acceptance

No order is valid unless :

- (i) It is placed on the Buyer's official order form, and
- (ii) The Seller accepts it in writing within the time, if any, specified on the order form.

4. Variations

No variation of these conditions shall have any effect unless it is agreed by both parties in writing. The Buyer shall be bound by no waiver of any of these conditions save in so far as such waiver is contained in writing.

5. Quality and Description

Subject to Clauses 11 and 12 the Goods shall :

- (i) Conform as to quantity, quality and description with the particulars stated in this Order;
- (ii) Be of sound materials and workmanship;
- (iii) Be equal in all respects of the samples patterns or specifications provided or given by either party;
- (iv) Be capable of any standard of performance specified in the Order;
- (v) If the purpose for which they are required is indicated in the Order, either expressly or by implication, be fit for that purpose;

6. Inspection and Testing

- (i) Before despatching the Goods, the Seller shall carefully inspect and test them for compliance with the Order and/or Specification (if any). The Seller shall, if requested by the Buyer, give the Buyer reasonable notice of such tests and the Buyer shall be entitled to be represented thereat.
- (ii) The Seller shall also, at the request of the Buyer, supply to the Buyer a copy of the Seller's test sheets and/or inspection reports certified by the Seller to be a true copy. In such instances the Seller shall retain the original documents for a period of five years.
- (iii) The Buyer and the authorised representative of the Buyer's customer will be entitled to inspect and test the Goods during manufacture, processing or storage. If this right is exercised, the Seller shall provide or shall procure the provision of all such facilities as may reasonably be required for such inspections and tests.
- (iv) If as a result of any inspection or tests under sub-clauses (i) and/or (ii) and/or (iii) of this Clause the Buyer is of the reasonable opinion that the Goods do not comply with the Order and /or Specifications (if any) or are unlikely on completion of manufacture or processing so to comply the Buyer shall inform the Seller accordingly in writing and the Seller shall take such steps as may be necessary to ensure such compliance.

7. Delivery

The Goods, properly packed and secured in such a manner as to reach their destination in good condition under normal conditions of transport, shall be delivered by the Seller at, or despatched for delivery to, the place or places and in the manner specified in the Order or as subsequently agreed.

8. Storage

If for any reason the Buyer is unable to accept delivery of the Goods at the time when the Goods are due and ready for delivery, the Seller shall, if his storage facilities permit, store the goods, safeguard them and take all reasonable steps to prevent their deterioration until their actual delivery and the Buyer shall be liable to the Seller for the reasonable cost (including insurance) of his so doing.

9. Passing of Property

- (i) Subject to the provisions of sub-clause (ii) of this Clause, the property and risk in the Goods shall pass to the Buyer on delivery without prejudice to any rights of rejection which may accrue to the Buyer under these conditions or otherwise.
- (ii) If the Seller postpones delivery at the request of the Buyer pursuant to Clause 8, the property in the Goods shall pass to the Buyer 7 days after the date of receipt of notification from the Seller that the Goods are due and ready for delivery or on such other date as may be agreed but the Goods shall nevertheless remain there at the Seller's risk until delivery has been completed.

10. Time

- (i) The Seller shall deliver the Goods at the time specified in the Order. Time shall begin to run from the date of acceptance by the Seller of the Order or the date on which the Seller is placed in possession of such information and drawings as may be necessary to enable him to start work on the Goods, whichever may be the later, and shall be of the essence of the contract.
- (ii) If owing to industrial disputes or any causes outside the Seller's control the Seller is unable to deliver the Goods within the specified time then provided that the Seller shall have given the Buyer notice in writing without delay of his intention to claim an extension of time, the Buyer shall grant to the Seller such extension of time as may be reasonable.
- (iii) If the Seller is in the position of being able to supply some but not all of his customers the Buyer shall be given priority over all other of the Seller's customers.
- (iv) If the Goods or any portion thereof are not delivered within the time or times specified in the Contract or any extension thereof the Buyer shall be entitled to determine the Contract in respect of Goods undelivered as aforesaid and of any other Goods already delivered under the Contract which cannot be effectively and commercially used by reason of the non-delivery of the Goods undelivered as aforesaid. On such determination the Buyer shall be entitled :
 - (a) To return to the Seller at the Seller's risk and expense any of the Goods already delivered but which cannot be effectively and commercially used as aforesaid and to recover from the Seller any monies paid by the Buyer in respect of such Goods.
 - (b) To recover from the Seller any additional expenditure reasonably incurred by the Buyer in obtaining other Goods in replacement of those in respect of which the Contract has been determined.

11. Rejection

- (i) The Buyer may by notice in writing to the Seller reject the Goods if the Seller fails to comply with his obligations under Clause 6 hereof and may also by notice in writing to the Seller reject any Goods which are found not to be in accordance with the Contract.
- (ii) The Buyer shall when giving notice of rejection specify the reasons therefore and shall thereafter return the rejected Goods to the Seller at the Seller's risk and expense. In such case the Seller shall within a reasonable time replace such rejected Goods with Goods which are in all respects in accordance with the Contract.
- (iii) Any money paid by the Buyer to the Seller in respect of any rejected Goods not replaced by the Seller within a reasonable time together with any additional expenditure over and above the contract price reasonably incurred by the Buyer in obtaining other Goods in replacement shall be paid by the Seller to the Buyer.

- (iv) The above provisions are in addition to and not a substitution for any other remedies which the Buyer may have for breach of contract.

12. Guarantee

Without prejudice to any other remedy which the Buyer may have for breach of contract

- (i) If within the period after delivery named in the Order or if no period is named within the period of one year after delivery the Buyer gives notice in writing to the Seller of any defect in the Goods which shall arise under proper use from faulty design, materials or workmanship, then the Seller shall with all possible speed replace or repair the Goods so as to remedy the defect without cost to the Buyer.
- (ii) The Buyer shall at its sole option as soon as practicable after discovering any such defect or failure, return the defective Goods or part thereof to the Seller and at the Seller's risk and expense for replacement or repair or request the Seller to attend the Buyer's premises or at the place of installation of the Goods for the purpose of removing, repairing and/or replacing and refitting the defective Goods or parts thereof without cost to the Buyer.

13. Carriage

All Goods are to be delivered carriage paid.

14. Payment

Payment of the price less any discount provided for in the Order shall be made within the period after delivery specified in the Order or if delivery is postponed at the request of the Buyer as provided in Clause 8 within the same period after the date when the property in the Goods has passed to the Buyer under the provisions of Clause 9(ii).

15. Care and Return of Patterns, Dies, Etc.

- (i) All patterns, dies, moulds or other tooling and any material supplied by the Buyer or prepared or obtained by the Seller for and at the sole cost of the Buyer shall be and remain the property of the Buyer.
- (ii) The Seller shall maintain all such items in good order and condition and insure them against all risk whilst in his custody and on completion of the Contract or as otherwise directed by the Buyer shall return them to the Buyer in good order and condition.

16. Insurance of Buyer's Goods Etc

- (i) The Seller shall insure any material or property sent to the Seller by the Buyer for any purpose in connection with the Contract against any damage which may occur to it whilst in the Seller's custody.
- (ii) The Seller shall insure adequately against all loss, damage, injury or other claims incurred to or by the Seller or the Buyer and the Seller's or the Buyer's personnel and equipment, and without prejudice to the generality of the foregoing shall be adequately insured for third party and employer's liability.

17. Statutory Requirements

The Seller warrants that the design, construction and quality of the Goods to be supplied under the Contract comply in all respects with all relevant requirements of any Statute, Statutory Rule or Order or other instrument having the force of law which may be in force at the time when the same are supplied.

18. Infringement of Patent, Trade Marks and Other Rights

The Seller shall indemnify the Buyer against all actions, claims and demands, costs, charges and expenses arising from and incurred by reason of any infringement or alleged infringement of Letters Patent, Registered Design, Trade mark or Copyright by the use or sale of any Goods supplied by the Seller, provided that the particular purpose of such Goods has been made known, expressly or by implication, to the Seller. The Buyer for its part warrants that any design or instruction furnished or given by it to the Seller shall not be such as to infringe any Letters Patent, Registered Design, Trade Mark or Copyright in the execution of the Order.

19. Use of Information

All designs, drawings, specifications and information supplied in connection with the Contract are confidential, and their use must be strictly confined to the Seller's own works for the purpose of the Contract. All such designs, drawings, specifications and information and all copies thereof must be returned to the Buyer on completion of the Order.

20. Assignment and Sub-contracting

The Seller shall not without the consent in writing of the Buyer assign or transfer or sub-contract the Contract or any part of it to any other person except as part of a company amalgamation or reconstruction.

21. Default, Bankruptcy or Liquidation

If the Seller commits any breach of the terms and conditions of the Order or suffers distress or execution or becomes insolvent or commits an act of bankruptcy, or enters into arrangements or composition with his creditors or goes or is put into liquidation (other than solely for amalgamation or reconstruction) or a receiver is appointed over any part of the Seller's business the Buyer may without prejudice to any other rights which may have accrued or which shall accrue to it

- (i) Terminate the order summarily by notice in writing without compensation to the Seller ; or
- (ii) Give any such receiver or liquidator or other person the option of carrying out the Order, on such terms as the Buyer may specify.

22. Indemnity

The seller shall indemnify the Buyer in respect of all damage or injury to any other person or to any property and against all actions, suits, claims, demands, costs, charges or expenses arising as a result of the negligence of the Seller, his servants or agents or as a result of any fault in the Goods supplied by the Seller.

23. The Law of the Contract

Unless otherwise expressly agreed in writing, the Contract shall be subject to English law and the Seller shall submit to the jurisdiction of the Courts in England.