

GENERAL CONDITIONS OF CONTRACT

1. In these Conditions, unless the context otherwise requires,
 - (a) "Group" means PEEL HOLDINGS GROUP including any company in the same group (as defined in Section 53 of the Companies Act, 1989) as PEEL HOLDINGS (GUERNSEY) LTD;
 - (b) "the Order" means the order (and any special conditions attached thereto or referred to therein) to which these Conditions relate;
 - (c) "Company" means the person to whom the Order is addressed;
 - (d) "Goods" means the equipment, goods, materials or other articles (if any) described or otherwise identified in the Order; and
 - (e) "Services" means the work (if any) described or otherwise identified in the Order.
2. The Order constitutes an offer by the Group which may be accepted by the Company only in writing or by actual execution of the Order in accordance with these Conditions. In the event of any conflict between these Conditions and any contained in or attached to the Order, the latter shall prevail.
3. Acceptance of the Order will be deemed to bind the Company to the terms and conditions contained in the Order and to the following terms and conditions, and no Goods or Services shall be supplied or performed by the Company, its employees, agents or representatives, except in accordance therewith. In the event of any conflict between such terms and conditions and those of the Company, the former shall prevail.
4. All Goods and Services supplied or carried out shall be of the quality indicated in the Order or, if better, of the quality to be implied from any dealings between the parties or, in default of such indication, of the best quality and shall comply with the description in the Order and with every express or implied requirement heretofore communicated to the Company by the Group whether by the Order, by course of dealing between the Group and Company or in any other manner whatsoever.
5.
 - (a) The Goods are to be delivered carriage paid and the Services are to be performed at the premises indicated in the Order unless the Company is instructed otherwise in writing by the Group and the Company will be responsible for and will bear the cost of unloading all materials and of placing them as requested by the Group at the said premises;
 - (b) with every supply of Goods or Services a supply note in duplicate is to be sent to the Group by the Company describing the Goods or Services supplied. Valid invoices due in respect of Goods or Services supplied shall be payable in pounds sterling by the Group within sixty (60) days net of month end subsequent to full completion of delivery to the Group's satisfaction or, as the case may be, pursuant to acceptance as set out in 6 below. Where the Goods or Services are subject to Value Added Tax or any other tax or duty, the amount legally demandable is to be rendered as a separate item of account and, if required by the Group, the Company will produce bona fide evidence of the amount paid by them in respect thereof. If any payment is not made in full by the Group in accordance with these conditions, the Company may charge interest on the outstanding amount from the due date until full payment is made, at the rate of 1% above the base lending rate from time to time of the Royal Bank of Scotland plc. Interest shall not be payable in respect of any amount in dispute as notified to the Company unless such amount is subsequently agreed or held to be payable by the Group; and

(c) the Company shall supply the Goods and/or Services on the date or dates indicated in the Order.

6. Goods brought by the Company to the premises of the Group in connection with the Order shall be deemed to be the property of the Group but nonetheless at the risk of the Company until the Group shall have accepted the Goods and related Services as satisfactory under the written certificate of the Group which shall be given at such time and subject to observance and performance of such prior conditions as may be specified in the Order.

7. (a) The Group reserves the right to reject any Goods or Services which in the opinion of the Group are faulty and/or do not comply with the requirements of the Order and these Conditions. The Group may at the Company's risk and expense return any Goods rejected under this sub-clause to a place of business of the Company being the nearest such place of business or any such place of business which the Group may reasonably consider convenient;

(b) any breach by the Company of any provision of any kind whatsoever of the Order and/or these Conditions regarding the time of supply, quality of Goods or Services or otherwise, shall (whether or not the Group has accepted the Goods or Services or any part thereof, and whether or not the property in the Goods has passed to the Group), entitle the Group in its absolute discretion either to treat this Order as repudiated or to treat such breach as a breach of warranty giving rise to a claim for damages;

(c) if the Company shall have a winding up order or administration order made against it or it shall enter into or become subject to a scheme, composition or voluntary arrangement with his creditors or there shall be commenced a winding-up dissolution administrative receivership or analogous proceedings of or in respect of the Company or any of the Company's assets then, without prejudice to any other remedy of the Group, it shall be lawful, without avoiding the Order, to take the work wholly or partially out of the hands of the Company and to employ another company to purchase the Goods or similar items or to carry out or complete the Services; and whatever expenses the Group is put to thereby shall be paid by the Company to the Group; and

(d) the Company shall (without prejudice to any other rights of the Group) indemnify the Group against any consequential loss or damage sustained by the Group or for which the Group is liable as a result of the failure of the Company to perform the Services or supply the Goods in accordance with the terms of the Order.

8. The Order or any part of it may be cancelled at any time by the Group giving the Company notice in writing signed by a duly authorised person for and on behalf of the Group. A fair and reasonable price shall be paid for all work completed or in progress at the time of cancellation and received by the Group but subject thereto the Group shall not be liable for any loss (including consequential loss) caused to the Company whether directly or indirectly by any such cancellation.

9. In the event of any matter whatsoever beyond the control of the Group causing the Group to cease to require the Goods or Services at the time anticipated by the Group when placing the Order then the Group shall be entitled at any time before the completion of supply in accordance with the Order and these Conditions to defer the date of supply or, if the contract is divisible, to defer the date of supply in respect of any Goods not supplied or Services not performed, and any such deferment shall not give rise to any legal right of action of any kind whatsoever on the part of the Company.

10. (a) The Company shall indemnify and keep indemnified the Group against injury (including death) to any persons (including any employee, agent, sub-

contractor or representative of the Company) or loss of or damage to any property including the Goods and Services which may arise out of any act or omission (whether caused by negligence or not) of the Company, or of any sub-contractor, employee, agent or representative of the Company arising out of or in consequence of the Company's obligations under the Order and against all claims, demands, proceedings, damages, costs, charges and expenses whatsoever in respect thereof or in relation thereto; and

(b) without limiting his responsibilities under sub-clause (a) above, the Company shall insure with a reputable insurance company against all loss and damage specified in sub-clause (a) above and all claims, demands, proceedings, damages, costs, charges and expenses whatsoever in respect thereof or in relation thereto and shall produce to the Group such policy of insurance and receipts for premiums in respect thereof if called upon to do so.

11. No variation in the price or prices stated in the Order will be accepted unless agreed in writing by the Group.
12. The Company shall not, without the written consent of the Group, assign, transfer or sub-let any contract with the Group which may come into existence in consequence of the Order.
13. The Company warrants that the design, construction and quality of any Goods or Services to be manufactured and/or supplied by him comply in all respects with any statute rule or order or regulation which may be in force at the time and further that the sale or use of the Goods or Services by the Group will not infringe any British or Foreign patent, trademark, trade name, registered design, copyright or any other like right. The Company undertakes to indemnify the Group against loss, damage, liability, costs or expenses which the Group may suffer or incur by reason of any breach of such warranties.
14. The Company shall ensure that any Goods or Services supplied maintain the standard of performance as set out in any specification attached to or set out in the Order or provided to or agreed with the Group for either;
 - (a) the period of any maintenance contract if the Goods or Services are to be maintained by the Company; or
 - (b) any warranty period if the Goods or Services are not to be maintained by the Company.

If the standard of performance specified has not been maintained then notwithstanding prior acceptance of the Goods or Services, the Company shall forthwith at its own expense supply to the Group such replacement or additional items of Goods or Services as may be necessary to achieve the standard or performance specified.

15. Without prejudice to any other provisions contained in the Order and these Conditions the Company agrees that he shall be responsible for making good with all possible speed at his own expense any defect in or damage to any portion of the Goods or Services which may develop during a period of twelve calendar months (or such other period as may be specified in the Order) after the acceptance of the Goods or Services (hereinafter called the "Warranty Period"), for that portion which results in a failure of the Goods or Services to fulfil the specification or function or to meet the level of performance detailed in the Order and these Conditions or arises from either defective materials, including software, workmanship or design (other than a design furnished or specified by the Group and for which the Company has disclaimed responsibility within a reasonable time after receipt of the Group's instructions) or any act or omission of the Company during the Warranty Period.

16. (a) The Company shall not, nor shall any of its employees, agents, sub-contractors or representatives, disclose to any person any information whatsoever concerning the Group or the customers of the Group which may be obtained in connection with the performance by the Company of the Order; and

(b) the Company shall not disclose the making of this Order in any publication or otherwise without the prior written consent of the Group; and

(c) the Company shall treat as confidential the Order and all designs, drawings, specifications and information supplied therewith as confidential and shall not disclose the same to any third party without the Group's written consent or infringe any copyright, patent, trademark, trade name, registered design or any other like right vested from time to time in the Group.

17. Any variation of any of the above terms and conditions and any consent on the part of the Group hereunder shall be binding on the Group only if in writing and signed by a duly authorised person for and on behalf of the Group.

18. No delay, neglect or forbearance on the part of either party in enforcing against the other party any term or condition of the Order or these Conditions shall either be or be deemed to be a waiver or in any way prejudice any right of that party under the Order and these Conditions.

19. If at any time a dispute shall arise between the Group and Company in relation to the Order either party may give the other notice in writing of the existence of such dispute and on the failure to agree a mutually acceptable solution the same shall be referred to the arbitration of two persons one to be appointed by the Group and one by the Company or other umpire, in accordance with the Arbitration Act 1996 or any statutory amendment or re-enactment thereof.

20. The Group is an Equal Opportunities Employer and expects the Company to adopt procedures which complement this policy .

21. The Group endeavours to adopt good environmental practices and where practicable will seek to favour suppliers who adopt environmentally sound practices.

22. The Laws of England shall apply to the Order and these Conditions which shall be enforceable in the Courts of England.