



GENERAL TERMS OF CONTRACT

1. DEFINITIONS

In these Terms:

"The Purchaser" means the person or entity placing the Order;

"The Order" means the order placed by the Purchaser;

"The Products" means the products called for in the Order and listed in the Order Acknowledgement;

"IPP" means International Precision Products B.V., the sole designated European supplier of the Products and recipient of the Order;

"The Contract" means the contract established between the Purchaser and IPP by the acceptance of the Order by IPP.

2. APPLICATION

These Terms constitute the governing conditions of the Contract, and any or all other terms or conditions contained in the Contract or the Order shall be inapplicable if and to the extent that they are contradictory to these Terms.

3. DELIVERY AND PAYMENT

IPP undertakes to act with due diligence and use reasonable endeavours to deliver the Products to the agreed schedule. Upon establishment of the Contract as defined at Clause 1 of these Terms IPP is committed to provision and supply the Products and the Purchaser is correspondingly committed to take delivery of and make due payment for the Products. This is a fundamental term of the Contract which shall prevail over all other terms or conditions of the Contract or of the Order and any and all representations which may purport to avoid or diminish any of the said commitments.

4. INVOICES

IPP's invoices are issued upon despatch of the Products and payment in full is due within 30 days of the invoice date or by such alternative date as specifically accepted and stated by IPP in the Order Acknowledgement. Notwithstanding any remedy available to IPP pursuant to these Terms or otherwise, IPP reserves the right to suspend delivery against the Order or any other order of the Purchaser or any firm or entity associated with the Purchaser in the event of any invoice remaining unpaid beyond its due date. IPP will charge legal interest of 0.9% per month for invoices paid later than due date.

5. CHANGES

IPP shall be entitled, upon notifying the Purchaser, to supply the Products incorporating changes or modifications which will not adversely affect the fit or function of the Products or increase the agreed price. Subject to Clause 3 of these Terms, any purported change by the Purchaser to the agreed specification or quantity or delivery schedule of the Products shall be admissible only if duly requested in writing by the Purchaser and accepted in writing by IPP, on the strict understanding that all implications of such purported change, including (but not limited to) re-work, retrospective modification or matters affecting delivery or the cost of supply, are fully accepted by the Purchaser. IPP will charge 1.5% per month for interest and warehouse costs to Purchaser for any extension of delivery time by Purchaser after confirmation of the purchase order to Purchaser by IPP.

6. PASSING OF RISK & PROPERTY

The Purchaser shall be responsible for the safekeeping of the Products following delivery and shall be liable for all risks of loss of or damage thereto, notwithstanding which the property in the Products shall pass to the Purchaser only when due payment therefore shall have been received in full by IPP. The Purchaser shall not be entitled to sell, deal with or otherwise dispose of any of the Products until the property therein shall have passed to the Purchaser in accordance with this Clause 6.

7. WARRANTY

IPP represents that the Products will comply with the specifications of fit and function of the Products quoted. IPP's obligation and liability under this warranty is expressly limited to repairing, reworking or replacing, at IPP's option, within twelve (12) months after the date of manufacture, any Product not meeting the specifications, or any Product that has been determined to have a defect in material of workmanship. IPP makes no other warranty, express or implied, and makes no warranty of merchantability or fitness for any particular purpose. IPP's obligations under this warranty shall not include transportation charges or costs of installation or any liability for direct, indirect or consequential damages or delays.

8. CANCELLATION

Any purported cancellation of the Order either in whole or in part shall only be admissible subject to the provisions of Clause 3 of these Terms, to proper and adequate notice in writing by the Purchaser to IPP and to the Purchaser's unconditional commitment to indemnify IPP for all resultant losses and expenses including (but not limited to) payment in full to IPP for all stock of the Products held or committed by IPP at the time of receiving such notice of cancellation and for any and all costs of IPP involved in the liquidation of its remaining commitments in connection with the Order.

9. DISPUTES

Any dispute or difference arising out of or in connection with the Contract shall, failing mutual resolution, be settled by a single Arbitrator to be appointed and acting in accordance with the rules of the International Chamber of Commerce in Paris, and the decision of such Arbitrator shall be final and binding upon the parties.

10. GOVERNING LAW

The Contract and these Terms shall be governed by and construed in accordance with the national law of the place of performance of the Contract.