

TELEX COMMUNICATIONS (UK) LIMITED CONDITIONS OF PURCHASE

1. Prevailing Conditions

- 1.1 Any order placed by Telex Communications (UK) Limited ("the Company") in respect of the purchase of any of the supplier's goods or services ("the "Goods") shall be made under these conditions (the "Conditions") and by means of a purchase order made by the Company to the supplier.
- 1.2 Each order shall constitute an individually legally binding contract (each a "Contract") between the Company and the supplier.
- 1.3 These Conditions shall override any contrary, different or additional terms or conditions (if any), other documents or correspondence from the supplier and no addition, alteration or substitution of these Conditions will bind the Company or form part of any Contract unless they are expressly accepted in writing by an authorised representative of the Company.

2. Packing, marking and despatch of Goods

- 2.1 All Goods shall be properly packed, marked and despatched at the supplier's expense in accordance with the requirements of the Company.
- 2.2 In particular, the supplier shall mark the outside of each package with its name and with full details of the destination, and shall include a packing note stating the contents.
- 2.3 The Company shall not be liable to pay for or return to the supplier any packaging or crating.

3. Documents

- 3.1 On despatch of Goods the supplier shall send to the Company at the address for delivery an advice note specifying the means of transport, the weight, the number or volume of the Goods and the point and date of despatch.
- 3.2 A separate invoice for each order shall be sent by the supplier to the Company as soon as is reasonably practicable after despatch or performance.

4. Delivery or performance

- 4.1 Any time of delivery or performance stated on the relevant order shall be of the essence and if the supplier fails to deliver or perform within the specified time or on the specified date, the Company shall have the right to obtain other suppliers from elsewhere, any extra costs and loss of profits incurred by the Company being paid by the supplier.
- 4.2 In the event of any unforeseen circumstances arising beyond the control of the Company such as strikes, lock-outs, fires etc., which may prevent the use of Goods forming the subject of a Contract, deliveries of such Goods may, at the Company's option, be suspended.

5. Damage or loss in transit

The supplier will replace or repair free of charge Goods damaged or lost in transit; and in the case of damage, delivery shall not be deemed to have taken place until replacement or repaired Goods have been delivered.

6. Cancellation

If the supplier fails to complete any order in accordance with the delivery date(s) specified in the relevant order (or within a reasonable time if no delivery date is specified), the Company reserves the right:

- (a) to return any Goods already delivered and to cancel the order; and/or
- (b) to cancel the order as regards any undelivered goods or materials; and/or
- (c) to remove from the supplier's premises any goods or materials in the course of preparation for the purposes of the order and have them same completed elsewhere by any other contractor.

7. Inspection

- 7.1 All Goods shall be subject to inspection and test by the Company, and the Company shall have the right (at the supplier's expense) to reject such Goods as prove defective in materials and workmanship (as determined by the Company in its discretion), or otherwise fail to meet the requirements of the relevant order.
- 7.2 The Company will be entitled (at its own expense and on reasonable notice to the supplier) to inspect and test Goods during manufacture, processing and storage. If following such inspection the Company determines that the Goods do not comply with the relevant order, it shall notify the supplier accordingly, whereupon the supplier will take any steps as may be necessary to ensure that such Goods are altered or replaced in order to comply with the relevant order (as directed by the Company).

8. Quality

Goods (and any associated work to be done) the subject of an order shall conform to any specifications, drawings, samples of other description furnished, specified or approved by the Company and shall be fit for the purpose intended, merchantable and (where relevant) of good material and workmanship and free from defect. If a standard of performance is specified by the Company, the relevant Goods should be capable of the required performance.

9. Passing of property and risk

- 9.1 Without prejudice to any right of rejection which may accrue to the Company under these Conditions, property and risk in the Goods shall pass to the Company on delivery.
- 9.2 If the Company rejects any Goods in accordance with these Conditions, property and risk in such Goods shall pass back to the supplier within 48 hours after notice of such rejection is given to the supplier by the Company.
- 9.3 The Company accepts no liability (including, without limitation, in relation to damage) in respect of Goods which may remain in its possession after property in them has passed back to the supplier under Condition 9.2.

10. Liability for accidents and damage

10.1 The supplier shall indemnify the Company against all damages, penalties, costs, claims or other expenses which the Company may incur in respect of:

- (a) any action, suit, claim or demand (each a "Claim") by any company or person in respect of death or injury to any persons;
- (b) any loss of or damage to any property (whether the Company's or otherwise);
- (c) any loss of profits which the Company may suffer as a result of the occurrence of any of the above, in each case arising out of or attributable to (in whole or in part) the provision by the supplier of, or the use by the Company of, the Goods (or any work associated with them).

11. Defects liability

If any Goods prove defective under normal conditions of use within one year after supply or execution, the supplier shall (at the option of the Company) replace such Goods or carry out such repairs as are necessary, in either case at no cost to the Company.

12. Intellectual property rights

12.1 Save to the extent that the Goods specified in the relevant order are designed by the Company, the supplier warrants that such Goods and their sale or use will not infringe any third party intellectual property rights and will indemnify the Company and anyone selling or using any of the Company's products which incorporate the Goods against all damages, penalties, costs, claims or other expenses which may arise resulting from any infringement or alleged infringement of any third party intellectual property rights. Further, the supplier shall, at the Company's request, assist in the defence of any proceedings which may be brought against the Company or those selling or using the Company's products.

12.2 To the extent that any Goods incorporate intellectual property rights or software of the supplier (or any third party), the supplier hereby grants to the Company (or shall procure the grant to the Company by any relevant third parties) of an irrevocable, perpetual, non-exclusive, royalty-free, worldwide, freely assignable and sub-licensable licence in any such intellectual property or software.

13. Drawings, specifications etc

All specifications, patterns drawings, samples and information provided by the Company to the supplier shall remain the property of the Company and the supplier shall return the same to the Company on completion of the order. The supplier shall not disclose any such information to any third party without the express written consent of the Company.

14. Price variation

No variation in the price specified in the relevant order will be valid unless expressly accepted in writing by the Company.

15. Tooling

15.1 All tools, jigs, dies, fixtures, moulds, patterns, plant or other equipment (together, "tooling") supplied or paid for by terms of an order shall remain the Company's property.

15.2 All tooling shall be maintained and kept in good repair and replaced when necessary by the supplier and shall not without the prior written consent of the Company be used by the supplier in respect of any work other than that required in respect of orders received from the Company.

16. Termination at option of buyer

16.1 Any purchase order or any part of an order and/or performance of work under any order may be terminated by the Company at its option, in whole or in part at any time by written notice to the supplier.

16.2 Immediately upon receipt of any such notice of cancellation the supplier shall:

- (a) cease work under the relevant order;
- (b) at the Company's request, deliver to the Company all completed work which conforms to the quality requirement of such order and does not exceed, in quantity, the amount authorised by the Company;
- (c) At the Company's request, deliver work in progress (but not in excess of amounts authorised by the Company) and materials produced or acquired in the course of performance of the work terminated which are of a type and quality suitable for product supplies and which conform to the requirements of the relevant order; and
- (d) return to the Company all goods belonging to it in the possession of the supplier for the purposes of the relevant order.

16.3 The Company shall pay for all supplies delivered pursuant to Condition 15.2(b) at the agreed price and shall pay for work in progress delivered pursuant to Condition 15.2(c) at such rate as may be reasonable but the Company shall have no further liability to the supplier as a result of such termination.

17. Termination for cause by supplier

If the supplier:

- (a) breaches any Contract (whether in respect of time of delivery or otherwise); or
- (b) passes a resolution for its winding up, a court of competent jurisdiction makes an order for its winding up (other than, in each case, for the purposes of solvent amalgamation or reconstruction);
- (c) enters administration or suffers the appointment of an administrative receiver, a receiver over, or an encumbrancer taking possession of or selling an asset of, the supplier;
- (d) makes an arrangement or composition with its creditors generally or makes an application to a court of competent jurisdiction for protection from its creditors generally; or
- (e) (in respect of any supplier who is an individual) suffers the making of a bankruptcy order against him or dies, the Company shall be entitled to immediately terminate, in whole or in part, all Contracts with the supplier subsisting at the time of breach (or any of them) by written notice to the supplier.

18. Confidentiality

Each party undertakes that it will not divulge or communicate to any person, except its professional representatives or advisers (or as may be required by law or any legal or regulatory authority), any Confidential Information concerning the other party which may have or may in future come to its knowledge and each of the parties shall use its reasonable endeavours to prevent the publication or disclosure of any Confidential Information. For the purposes of this Condition, "Confidential Information" shall mean all information relating to either party's business or financial or other affairs (including future sales and targets of either party) which is not in the public domain.

19. Assignment and subcontracting

The supplier shall not assign or sub-contract any of its obligations under any Contract or any part of them without the prior written consent of the Company. The Company shall be entitled to assign the whole or part of its rights and obligations to any other member of the Company's group (which, for the purposes of this Condition, shall constitute any subsidiary company, parent company or other subsidiary of any parent company).

20. Work on company's premises

Where the order provides for work to be done on the Company's premises or elsewhere the following conditions shall apply:

(a) The supplier (together with any authorised sub-contractor) or any persons employed by or carrying out work on its behalf shall:

(i) not commit any act on the premises which will render the Company liable at common law or by virtue of any statute; and

(ii) observe the Code of Safe Working Practice for suppliers issued by the Company and all statutory provisions and regulations relating to the safety of persons using the premises. The Code of Safe working Practice shall be available for inspection by the supplier who shall be deemed to have knowledge of its contents.

(b) The supplier, authorised sub-contracts (if any), or persons employed by or carrying on work on their behalf:

(i) shall comply with all requirements as to security on entering or leaving the premises;

(ii) shall not commence the contract works until authorised to do so in writing by the person made known by the Company to the supplier as having authority to authorise the commencement of the contract work; and

(iii) shall comply with any instruction by the Company or its authorised representative pertaining to the carrying out of the contract work.

(c) The supplier or authorised sub-contractor shall insure and keep insured during the continuance of the contract against all liabilities mentioned in Condition 8 above and the indemnity provided by such insurance shall be for a sum of not less than £500,000 or such other sum as may be specified by the Company for any one accident.

(d) The supplier shall maintain an employer's liability insurance for a minimum limit of indemnity of £2 million for any one occurrence.

(e) The supplier shall provide a certificate completed by their insurance broker or insurance company confirming details of public liability and employers liability insurance held prior to commencement of any contract work.

(f) The supplier shall be responsible for new works being installed or erected at the premises and will maintain insurance to cover loss or damage to such works until completion of the contract.

21. Notices

Any notice under the relevant purchase order shall be given by post addressed to the address stated on the order of the Company and supplier or such address as either may notify to the other in writing for the purpose.

Any notice so served shall be deemed to be received in the ordinary course of post.

22. Arbitration

Either party may (but shall not be obliged to) refer any dispute under these Conditions to an arbitrator appointed by agreement, or failing agreement, by the President or the Law Society of England on the application of either party, and the provisions of the Arbitration Act, 1996 (or any statutory modification or re-enactment thereof) shall apply.

23. Variation

No variation of these Conditions shall be valid and binding unless the terms thereof have been agreed in writing by both the Company and the supplier.

24. Invalidity and severability

24.1 If any provision of these Conditions is or becomes invalid, illegal or unenforceable in any respect under the law of any jurisdiction, the validity, legality and enforceability under the law of that jurisdiction of any other provision shall not be affected or impaired in any way thereby.

24.2 If any provision of these Conditions shall be held to be void or declared illegal, invalid or unenforceable for any reason whatsoever, such provision shall be deemed to be deleted from these Conditions and the validity of the remaining provisions shall not be affected.

25. Exclusion of third party rights

The Contracts (Rights of Third Parties) Act 1999 shall not apply to these Conditions nor any Contract made under them and no person other than the Company and the supplier shall have any rights under any such Contract, nor shall these Conditions or any Contract be enforceable under that Act by any other person.

26. Proper law

These Conditions and any Contract made under them shall be governed in accordance with English law and the parties agree to submit to the exclusive jurisdiction of the English Courts.