

Terms and Conditions of Business

1. INTERPRETATION

“the Goods” mean the items of products specified in an Order supplied by the Company to the Customer under a Contract “the Company” means ST Electronics (UK) Limited

“the Contract” means a contract for the supply of Goods and/or Services by the Company to the Customer “the Customer” means the person or company placing an order or to whom the Goods and/or Services are supplied

“the Order” means the purchase order supplied by the Customer for Goods and/or Services on the basis of the Quotation

“the Quotation” means the quotation for the Goods and/or Services to be supplied by the Company to the Customer

“the Services” means the design and testing of Goods and/or any other services specified in the Order, supplied by the Company to the Customer under a Contract

“these Conditions” means the terms and conditions set out in this document and (unless the context otherwise requires) includes any special terms and conditions agreed in writing between the Company and the Customer

1.1. Words importing the singular only shall include the plural and vice versa and reference to persons shall include bodies corporate and vice versa

1.2. The headings shall be for reference only and shall not affect the construction of these Conditions.

2. INCORPORATION

2.1. These Conditions apply to all Contracts to the exclusion of any other representations, conditions or terms subject to which the Contract is purported to be made or stipulated referred to or implied by the Customer and any of the terms or provisions of the Order which are inconsistent with these Conditions shall not be part of the Contract and shall not be binding on the Company.

2.2. No variation to the Contract or these Conditions shall be binding unless agreed in writing by the Company.

3. ORDERS

3.1. No Order received from a Customer by the Company shall constitute a Contract until accepted by the Company in writing.

4. PRICE AND PAYMENT

4.1. The price for the sale of Goods and/or supply of Services shall be the price specified in the Order subject to Condition 4.2 below

4.2. Quotations are subject to acceptance within one month from their date, unless otherwise stated. Quotations must be accepted by the Customer in writing, by placing an Order. Purported acceptance of a Quotation after the expiry of the acceptance period shall be deemed to be a request by the Customer for the Company to provide a new Quotation.

4.3. All prices are Ex Factory and are exclusive of packing unless otherwise stated.

4.4. All prices shall be in pounds sterling, unless otherwise agreed by the Company.

4.5. Unless otherwise agreed, payment is due immediately. Where a Customer has previously arranged credit facilities, payment is due 30 days from date of invoice. The Customer shall pay all accounts in full and may not exercise any rights of set-off or counterclaim against invoices submitted by the Company. Time for payment shall be of the essence.

4.6. If the Customer fails to make payment on the due date then, without prejudice to any other right or remedy the Company may have, the Company shall be entitled to:

4.6.1. cancel the Contract and any other contracts between the Company and the Customer, and/or

4.6.2. suspend the provision of Services or further deliveries of the Goods to the Customer, and/or

4.6.3. charge interest (both before and after any judgment) on the amount unpaid at the rate of 2.5% per month calculated on a daily basis from the date of the invoice until payment is made.

4.7. The Company reserves the right to issue interim invoices.

5. DELIVERY AND ACCEPTANCE

- 5.1. Delivery dates are approximate and not an essential term of the Contract unless due to the circumstances of any particular case the Company expressly agrees guaranteed delivery dates and the Contract so provides in writing. The Company however shall not be liable for any loss or damage (direct or indirect) occasioned by delayed delivery. It is the responsibility of the Customer to provide adequate insurance cover against the risk of delay if Goods and/or Services are required by a specific date.
 - 5.2. In any event times for delivery given in good faith run only from the date that the Customer gives the Company sufficient information to enable it to proceed with the Order, and/or the Company has had opportunity to confirm the credit worthiness of the Customer.
 - 5.3. Unless otherwise stated the cost of delivery is not included in the purchase price.
 - 5.4. Where the cost of delivery is included the Company reserves the right to select the method of delivery (unless expressly agreed in writing).
 - 5.5. Where delivery is made by post or a carrier the terms and conditions of the Post Office or the carrier used shall apply.
 - 5.6. Subject to Condition 10 the Goods shall be deemed to have been delivered to and accepted by the Customer complete, in a satisfactory condition and fully in accordance with the Contract unless the Customer notifies the Company to the contrary within 72 hours of the dispatch by the Company to the Customer or the carrier (as the case may be) followed by a complete claim in writing to the Company within 14 days of the dispatch.
 - 5.7. The Customer is responsible for the insurance of Goods during delivery.
- 6. OWNERSHIP AND RISK**
- 6.1. Risk in the Goods shall pass to the Customer on delivery or if the Customer fails to take delivery of the Goods at the time when the Company has tendered delivery of the Goods or when possession is taken by a carrier (whichever is the sooner).
 - 6.2. Notwithstanding delivery, property in the Goods shall not pass to the Customer until the full price of the Goods has been paid to the Company. Until property passes, the Customer shall hold the Goods as a bailee in a fiduciary capacity for the Company and shall (so far as reasonably practicable) keep the Goods properly stored and separate and readily identifiable as the property of the Company.
 - 6.3. If the Customer sells the Goods in the ordinary course of its business it shall receive the proceeds of sale thereof on trust for the Company and shall keep such proceeds separate from its other monies.
 - 6.4. If the price is not paid on the due date or the Company has reasonable ground for believing the Customer to be insolvent or otherwise unable to pay its debts the Customer irrevocably permits the Company to enter upon its premises to repossess any Goods to which pursuant to this Condition it has title (but without being liable for any damage caused by so doing), immediately after the Company has given notice of its intention to so do and to permit the Company to use or sell any of those Goods and so terminate (without liability to the Customer) the Customer's right to possess, use or otherwise deal in them.
 - 6.5. The Customer shall keep the Goods insured to their full replacement value until payment by it to the Company has been made in full.
 - 6.6. The Company shall be entitled to maintain an action for the price of the Goods notwithstanding that title in them has not passed to the Customer.
- 7. GUARANTEE**
- 7.1. In respect of Goods manufactured by the Company, the Company warrants that the Goods shall for the warranty period (as defined below) be free from defects in materials or workmanship. The warranty extends only to the repair or replacement, at the sole option of the Company, of Goods which are returned carriage prepaid to the Company. Provided that the Company shall be under no liability for any defect or deficiency judged by the Company to be caused by wear and tear or of improper or unskilled handling or storage of the Goods or by any repair or attempted repair by any one other than the Company or caused by the Goods having been subjected to any unusual physical or electrical stress or in respect of any defect in the Goods arising from any drawing, design or specification supplied by the Customer. The warranty period for the Company's workmanship shall be 12 months from delivery and the warranty period for all components or materials shall be 3 months from delivery.
 - 7.2. In the case of components or products not of the Company's manufacture, but supplied by the Company as part of an Order, the Company shall assign (where possible) to the Customer such rights as it may have against the manufacturer, which shall be taken in extinction of and

substitution for any rights which the Customer would otherwise have had against the Company.

8. LIMITATION OF LIABILITY

8.1. Where Goods are sold for use in the Customer's trade or business the Customer must satisfy himself that the Goods he has ordered are fit for the purpose for which the Goods are required. All advice and recommendations given by the Company during the Contract shall be made in good faith. No advice or recommendations given shall in any circumstances constitute a warranty by the Company as to the accuracy of such advice or recommendations and the Company shall not be held liable for any loss or damage that may be suffered (whether directly or indirectly) as a result of the Customer relying upon such advice or recommendations.

8.2. The Company cannot be held responsible for errors in the Specification, drawings, electronic data or bills of material after they have been approved or supplied by the Customer.

8.3. The Customer agrees that the express obligations and warranties made by the Company in these conditions are in lieu of, and to the exclusion of, any other warranty, condition, term, undertaking or representation of any kind, express or implied, statutory or otherwise, relating to anything supplied, or any services provided, under or in connection with the Contract including (without limitation) any warranty as to the condition, quality, performance or fitness for purpose of anything supplied, or any services provided, or any part of them.

8.4. The following provisions set out the Company's entire liability to the Customer in respect of:

8.4.1. any breach of its contractual obligations arising under the Contract, and

8.4.2. any tortious act or omission of the Company, including negligence, arising out of or in connection with the Contract.

8.5. Any act or omission on the part of the Company falling within Condition 8.4 shall for the purposes of this Condition 8 be known as an "Event of Default".

8.6. The Company accepts liability to the extent that it results from the negligence of the Company for death or personal injury, without limit.

8.7. In all other cases not falling within this Condition 8 the Company's total liability (whether in contract, tort, including negligence, or otherwise) for each Event of Default or series of connected Events of Default shall not exceed the total consideration payable by the Customer to the Company for the Goods and/or Services (as the case may be) listed in the Order.

8.8. If a number of Events of Default are connected or otherwise give rise substantially to the same loss, they shall be regarded as giving rise to only one claim under the Contract.

8.9. The Customer hereby agrees to afford the Company not less than 30 days (following notification thereof by the Customer) in which to remedy any Event of Default hereunder.

8.10. Except in the case of an Event of Default arising under Condition 8.6 above, the Company shall have no liability to the Customer in respect of any Event of Default unless the Customer shall have served notice of the same upon the Company within one year of the date it became aware of the circumstances giving rise to the Event of Default or the date when it ought reasonably to have become so aware.

8.11. Nothing in the Agreement shall operate to limit or exclude any liability for fraud.

8.12. The Customer acknowledges and agrees that the allocation of risk contained in this Condition 8 is reflected in the price of the Goods and/or Services.

8.13. The Company shall in no circumstances (including negligence) be liable for any special, indirect or consequential loss or damage of any kind whatsoever (including, without limitation, loss of profit, contracts, bonuses, loss of or corruption to data, special loss or damage, loss of production, or loss of goodwill) even if the Company has been advised of their possibility or if such loss or damage is foreseeable.

8.14. The Company shall be relieved of all liability whatever and to the extent to which fulfilment of its obligation is prevented, frustrated or impeded as a consequence of conforming to any statute, or any rule, regulation, order or requisition made thereunder, force majeure, or by any cause beyond its control.

9. HEALTH AND SAFETY AT WORK ACT

9.1. Goods when used in normal or prescribed applications within the parameters set for mechanical and electrical performance in the technical data provided should not cause any danger or hazard to health or safety if normal engineering practices are observed and they are handled/used in applications by trained/skilled persons in accordance with the relevant

legislation regulations and the accepted rules of art for the industry concerned. Where required, Goods must be properly monitored, maintained and serviced in the general interests of health and safety.

FORCE MAJEURE

Neither party shall be liable for any delay in performing, or failure to perform, any of its obligations (other than a payment obligation) under the Contract due to any cause outside its reasonable control. Such delay or failure shall not constitute a breach of the Contract and the time for performance of the affected obligation shall be extended by such period as is reasonable. Any costs or losses arising from such delay shall be borne by the party incurring the same.

10. TERMINATION

10.1. The Company may terminate the Contract forthwith by notice to the Customer upon the happening of any of the following events

10.1.1. Where the Customer being an individual becomes bankrupt or being a corporation goes into liquidation or has a receiver administrative receiver or administrator appointed over all or any of its assets or fails to comply with the demand that is mentioned in Section 123 of the Insolvency Act 1986 or is unable or is deemed to be unable to pay its debts or makes any voluntary arrangement with its creditors;

10.1.2. Where the Customer is in breach of any of these Conditions.

10.2. Upon termination of the Contract the Customer shall pay to the Company all amounts due (calculated by reference to the time spent at the applicable rates together with any expenses incurred on the Customer's behalf) up to the date of termination.

11. MISCELLANEOUS

11.1. The Contract is personal to the Customer who shall not assign or charge the benefit thereof without the prior written consent of the Company.

11.2. The Contract shall in all respects be construed and operated in accordance with English law and the parties acknowledge and accept the exclusive jurisdiction of the English Courts.

11.3. Any notice required or permitted to be given by either party to the other under or in connection with these Conditions shall be in writing and shall be delivered by hand or sent by first class post or facsimile to the other party at its registered office or principal place of business or such other address as may at the relevant time have been notified in writing pursuant to this provision to the other party giving the notice. Any notice sent by post shall be deemed to arrive in the case of inland mail 48 hours after posting and in the case of overseas mail 5 days after posting and in the case of notice sent by facsimile on the date of despatch if a business day or if not a business day on the next following business day.

11.4. No waiver by the Company of any breach of the Contract by the Customer shall be considered as a waiver of any subsequent breach of the same or any other provision.

11.5. The headings are inserted for convenience only and shall not affect construction of these Conditions.

A person who is not a party to the Contract pursuant to the Contracts (Rights of Third Parties) Act 1999 has no rights to enforce any term of the Contract but this does not affect any right or remedy which exists or is available apart from that Act.

Conditions Of Purchase

DEFINITIONS

In these conditions of purchase “the Buyer” means ST Electronics (UK) Ltd.. “the Supplier” means the person or company to whom this purchase order is addressed “Conditions” means the terms and conditions set out in this purchase order. “Contract” means a contract between the Supplier and the Buyer for the supply of Goods which is subject to the Conditions (as varied if it be the case, in accordance with clause 2.2 below), “Purchase Order” means a purchase order subject to the Conditions and otherwise substantially the form of this purchase order and “Specification” includes any specification, design , plan , prototype drawing, software, data or other information relating to the Goods.

Where a Contract or Purchase Order is for the provision of services, the word ‘Goods’ shall be read, where the context permits, as meaning and/or including any services which the Supplier contracts to provide.

OPERATIVE CLAUSES

1. Exclusion of Supplier’s Terms and Conditions

Every supply of Goods to the Buyer by the Supplier is made on the Conditions and all terms and conditions proposed by the Supplier (except to the extent that they are repeated in and are not inconsistent with the Conditions) are hereby expressly excluded.

2. Basis of Purchase

2.1 The Purchase Order constitutes an offer by the Buyer to purchase the Goods from the Supplier subject to the Conditions. No verbal or written order request or enquiry for Goods is binding on the Buyer unless set out in a Purchase Order signed by the duly authorised representative of the Buyer.

2.2 No variation to a Purchase order or the Conditions is binding on the Buyer unless agreed in writing between the authorised representative of the Buyer and the Supplier.

2.3 Execution by the supplier of a Purchase Order in whole or in part constitutes acceptance thereof.

3. Specification

3.1 The quantity quality and description of the Goods shall be specified in the Purchase Order and /or any applicable Specification supplied by the Buyer to the Supplier and referred to in the Purchase Order. The Supplier shall immediately notify the Buyer of any instances of non-conformance of the Goods with the Specification.

3.2 Any Specification supplied by the Buyer to the Supplier, or specifically produced by the Supplier for the Buyer, in connection with the Contract, together with any dies, moulds, tools and materials and any intellectual property rights in the Specification, shall be and remain the exclusive property of the Buyer.

3.3 The supplier shall not disclose to any third party or use any Specification except to the extent that it becomes within public knowledge otherwise than as a result of a breach by the Supplier of this Clause **3.3** as required for the purpose of the performance by the Supplier of the Contract.

4. Prices

Unless otherwise stated in the Purchase Order all prices are fixed and include the cost of packing and delivery and all taxes (other than VAT) and other dues.

5. Delivery

- 5.1** The Goods shall be delivered to the address for delivery specified in the Purchase Order on the date or within the periods stated therein, between 08:30 and 17:00 hours on a week day which is not a bank holiday.
- 5.2** The time of delivery of the Goods (and of performance of any services comprised therein) is of the essence of the Contract.
- 5.3** A packing note quoting the number of the Purchase Order must accompany each delivery or consignment of the Goods and must be displayed prominently.
- 5.4** If the Goods are to be delivered by instalments, each instalment will be treated as a single contract and not severable.
- 5.5** The Buyer shall be entitled to reject any Goods delivered which are not in accordance with the Contract, and shall be deemed not to have accepted any Goods until the Buyer has had a reasonable time to inspect them following delivery or, if later, within a reasonable time after any latent defect in the Goods has become apparent.
- 5.6** If goods are not supplied in accordance with the Contract, then without prejudice to any other remedy to which it shall be entitled whether pursuant to the Conditions, or otherwise, the Buyer shall be entitled to terminate the Contract and to be repaid forthwith any price or obtain equivalent Goods or rectification from a suitable source, the cost whereof shall be reimbursed by the Supplier to the Buyer.

6. Terms of Payment

- 6.1** The Supplier shall be entitled to invoice the Buyer on or at any time after delivery of all Goods (or performance of all services comprised therein), and each invoice shall quote the number of the Purchase Order.
- 6.2** Unless otherwise stated in the Purchase Order, the Buyer shall pay the price of the Goods within 30 days after the end of the month of receipt by the Buyer of a proper invoice or, if later with in 30 days of acceptance of the Goods by the Buyer. Any invoice which fails to state clearly the correct reference of the Goods are set out in the relevant Purchase Order shall not be a proper invoice for the purpose of this condition.
- 6.3** The Buyer shall be entitled to set off against the price for the Goods any sums owed to the Buyer by the Supplier on whatever account.
- 6.4** Time for payment shall not be of essence of the Contract and the Supplier shall not be entitled to suspend or to cancel any delivery by reason of any failure by the Buyer to make and payment (under the Contract or otherwise)

7. Risk and Property

- 7.1** Risk of damage to or the loss of the Goods shall pass to the Buyer upon delivery to the Buyer in accordance with the Contract.
- 7.2** The property in the Goods, including any components thereof and/or raw materials incorporated therein shall pass to the Buyer upon delivery.
- 7.3** All property of the Buyer (including without limitation the Goods and the Specification) for the time being in the custody or possession of the Supplier shall be at the risk of the Supplier which shall at its own expense insure such property against the risk of loss and/or damage from whatever cause and all other usual risks.
- 7.4** All tooling in the custody or possession of the Supplier shall be maintained in good condition at the Supplier's expense.

8. Warranties and Liability

- 8.1** The Supplier warrants to the Buyer that the Goods are of satisfactory quality, fit form and function for any purpose held out by the Supplier in writing at the time of the Purchase Order and are and will be for twelve months after delivery, free from defects whether of design, material, workmanship or otherwise, correspond with any relevant Specification or sample, and comply with all applicable statutory requirements and regulations relating to their manufacture and supply throughout the World.
- 8.2** Without prejudice to any other remedy. If the Goods or any of them are not delivered or in the case of services are not performed in accordance with the Contract, the Buyer is entitled to require the Supplier to supply replacement Goods in accordance to with the Contract or treat the Contract as discharged by the Supplier's breach and to require immediate repayment of any part of the price which has been paid.
- 8.3** The Supplier shall indemnify the Buyer in full against all direct, indirect and consequential liability (all three of which terms include, without limitation, loss of profit, loss of business, depletion of goodwill and like loss), loss, damages, injury costs and expenses (including legal and other professional expenses) awarded against or incurred or paid by the Buyer as a result or in connection with:
- 8.3.1** late delivery, quality of materials or breach of any warranty given by the Supplier in relation to, the goods.
- 8.3.2** any claim or alleged claim that the Goods infringe of their importation, use or resale, infringes, any intellectual property or other right of any other person except to the extent that claim arises from compliance with any Specification supplied by the Buyer;
- 8.3.3** any liability under the Consumer Protection Act 1987 in respect of the Goods; and
- 8.3.4** any breach of the Contract and any other act or omission of the Supplier its employee or agents delivering the goods.
- 8.4** The Supplier represents warrants and undertakes to the Buyer that it has carried out all testing and evaluation and other work necessary to eliminate any risk of health or safety from the use of the Goods and that if any circumstances there is or maybe any such risk then no later than delivery of the Goods the Supplier will bring such circumstances to the attention of the Buyer in writing and provide free of charge full proper information about such circumstances and the safeguards to be observed to ensure that the Goods are used safely and without risk to health.

9. Inspecting and Testing

- 9.1** The Buyer or any such person authorised by the buyer (including and regulatory authorities) shall have the right to access to the Suppliers premises for the purposes of, but not limited to, Inspection and testing of the Goods during manufacture, processing and storage, Such inspection and testing by the Buyer shall not relieve the Supplier of any obligation to the Buyer to which the Supplier would otherwise be subject nor shall create any estoppel in favour of the Supplier against the Buyer.
- 9.2** If as a result inspection or testing the Buyer is not satisfied that the Goods will comply in all respects with the Contract, then the Buyer shall be entitled within seven days thereafter to terminate the Contract and any monies paid to the Supplier by the Buyer and an amount equal to the cost to the buyer of any material provided to the Supplier by the Buyer shall be repaid immediately by the Supplier to the Buyer.

10. Termination

- 10.1** In addition to and without prejudice to the rights the conferred on it in clauses 5.6, 9.2 and 10.2 , the Buyer shall be entitled at any time to terminate the Contract in whole or in part upon payment to the Supplier of whichever is the lesser of (i) the balance of the amount payable by the Buyer to the Supplier under Contract and (ii) the aggregate of the amounts already expended by the Supplier in purchasing materials specifically for the purpose of and necessary for its performance of the Contract which have not

been incorporated in finished goods delivered to the Buyer and in unavoidable cancellations costs incurred by the Supplier to third parties in consequence of termination of the Contract after deducting from such aggregate the amount of any savings from which the Supplier will benefit in consequence of such termination.

- 10.2** The Buyer shall be entitled by notice in writing to the Supplier to terminate the Contract forthwith without compensation in any of the following events.
- 10.2.1** the Supplier committing any irremediable breach of its obligations under the Contract or any other contract between the Buyer and Supplier.
- 10.2.2** the Supplier failing within seven days of written notice requiring it so do to remedy and remediable breach of its obligations under the Contract or any such other contract.
- 10.2.3** the Supplier compounding with or negotiating for any composition with its creditors generally or failing to satisfy any final judgement within seven days thereof or suffering any execution over any of its assets;
- 10.2.4** the Supplier being insolvent, ceasing business or entering into liquidation or bankruptcy or any receiver or administrator of the Supplier or any of its assets being appointed.

11. General

- 11.1** The Purchase Order is personal to the Supplier and the Supplier shall not assign or transfer or purport to assign or transfer to any person any of its rights or subcontract any of its obligations under the Contract unless authorised in writing by the Buyer, Any such authorised assignment, transfer or subcontract shall include all of the Conditions contained herein.
- 11.2** The Supplier shall ensure that these Conditions and any relevant specific requirements stated on the Purchase Order shall be applied to any of its sub-suppliers involved in the fulfillment of the Purchase Order
- 11.3** Any notice required or permitted to be given party to the other under the Contract shall be in writing addressed to any other party as registered office or principal place of business or such other address as may be at the relevant time have been notified pursuant to this provision to the party giving notice.
- 11.4** The Contract Shall be governed by the laws of England. The Supplier submits to the jurisdiction of the English Courts.
- 11.5** Each right remedy of the Buyer under the Contract is without prejudice to any other right or remedy of the Buyer whether under the Contract or not.
- 11.6** If any provision of the Contract, Purchase Order or these Conditions is found by any court , tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid, void, voidable, unenforceable or unreasonable it shall, to the extent of such illegality, invalidity, voidness, voidability, unenforceability or unreasonableness, be deemed severable and the remaining provisions of the Contract. Purchase Order or Conditions (as the case may be) and the remainder of such provision shall continue in full force and effect.
- 11.7** Failure or delay by the Buyer in enforcing any provision of the Contract shall not be construed as a waiver of any of its rights under the Contract.
- 11.8** Any waiver by the Buyer of any breach of, or any default under any provision of the Contract by the Supplier shall not be deemed a waiver of any subsequent breach or default and shall no way affect the other terms of the contract.
- 11.9** The provisions of the Contracts (Right of Third Parties) Act 1999 are hereby excluded and shall not apply.

