STANDARD CONDITIONS OF CONTRACT ("the Conditions")

IN RESPECT OF BODYCOTE HEAT TREATMENTS LIMITED; BODYCOTE H.I.P. LIMITED; AND BODYCOTE SURFACE TECHNOLOGY LIMITED

Interpretation
In these Conditions the following expressions shall, unless the context requires, have the following meanings:
"BHT" means Bodycote Heat Treatments Limited registered in England and Wales with company number 1025652.
"BHIP" means Bodycote HLP. Limited registered in England and Wales with company number 1276450.
"BST" means Bodycote MLPace Technology Limited registered in England and Wales with company number 187951.
"Company" means one of BHT, BHIP, and BST each being a subsidiary company of Bodycote plc, in respect of which company an order for a Process is given or Company means one of BHI, CHIT; and BS I cach cening a subsulary cumpany or outpute pic, in respect or which company on order in the acceptance of a quotation for a Process is received.

Contract means any contract formed between the Customer and the Company for the application of a Process to Goods.

Costomer means the person, firm or company placing any order with the Company for a Process.

Coods' means the goods (or any part of them) to which Processing is to be applied by the Company pursuant to the Contract.

Hazards of Processing' means including, but not limited to:

In respect of the Processes detailed at i. of the definition below, cracking, distortion and failure to respond to the Process; and of the effects of hardenability,

In respect of the Processes detailed at i. of the definition below: cracking: distortion and failure to respond to the Process; and of the effects of hardenability; sharp corners; sepregation; manufacturing listory; and section size. In respect of the Processes detailed at ii. of the definition below: dimensional or surface change (such as dimpling) associated with the elimination of significant internal pores or thermal distortion; modification of microstructure due to application of pressure and temperature including localised effects in materials exhibiting segregation; and surface condition being affected by outgassing or residual gas.

In respect of the Processes detailed at iii. of the definition below: distortion; thread damage; discolouration; tempering back hardness; overspray; chemical attack to base material; mechanical damage; embrittlement of high tensile steaks; and contamination of Goods in process.

"Process" and "Processing" means, as appropriate:

Heat treatment, brazing, electron beam welding, any associated processes and any other treatment or process applied by BHI.

Metallurgical coatings and finishes, thermal spraying, any associated processes and any other treatment or process applied by BST.

"Suitable for Processing" means the Goods must be in a clean condition, consisting only of the specified material free from any oil, grease, dirt, chemical or other contaminating matter when handed to the Company or its agent for Processing.

General

General

Libras otherwise expressly agreed in writing by a director of the Company these Conditions are the only terms on which the Company accepts any order or Goods for Processing. These Conditions apply to all orders, whether or not these Conditions were specifically referred to at the time of ordering, to the exclusion of all other terms and conditions including any contained in an acceptance of a quotation, a form of order or any other document issued by the Customer. Further, no conditions of any trade association or ordiner body, or which would or might but for this Condition be implied or incorporated by custom or trade usage, magnitations, course of dealings or otherwise shall be deemed to be incorporated in the Contract and all of the same are hereby expressly excluded from the Contract. Delivery of the Goods to the Company or collection of the Goods by the Company (as the case may be) shall be deemed to be incorporated in the Contract and all of the scapedance of these Conditions.

The Company and the Customer acknowledge that these Conditions have been given due consideration and that they are considered fair and reasonable by the Company (as the Customer).

Each order placed by the Customer for Processing by the Company shall be deemed to be an offer by the Customer to purchase Processing services subject to

these Conditions.

No order placed by the Customer which the Company has accepted may be cancelled or varied by the Customer except with the written agreement of it Company. The Customer shall be liable for all losses (including loss of profit, costs, damages, charges and expenses) suffered or incurred by the Company as result of such cancellation or variation.

Without prejudice to Conditions 25 and 32 below, any representations to be binding upon the Company must be specifically agreed to in writing by the Company the Company considered in the Customer account of 18 below, no representation wheth coals of in writing has been made by any of the Company's agents representatives or employees which has led the Customer to enter into the Contract.

Quotations
Unless previously withdrawn, the Company's quotations are only open for acceptance within three months from the date thereof and, where given without sight of the Goods, are provisional only.

Specifications, descriptions and illustrations contained in the Company's catalogues, brochures or other advertising materials in whatever form, whether hard copy format, electronic format or otherwise, are intended to give only a general idea of the services concerned and the possible result of any Processing and no such specifications, descriptions or illustrations shall form any part of the Contract or form any warranty or representation by the Company.

The Company may make any changes to the specification, materials or finishes which are required to conform with any applicable safety or other statutory.

33 After examination of samples of the Goods, the Company has the right to amend any quotation or decline to accept Goods for Processing or not to proceed with 3.4

any order.

The Company may, by giving notice to the Customer at any time up to receipt of the Goods by the Company for Processing, increase any price quoted to reflect any increase in the cost of Indoor, materials or other manufacturing costs and transport costs. In addition to the amount specified in the quotation the following shall be payable if appropriate:

any applicable value added tax package, insurance, freight, travel costs, bank charges, storage charges and disbursements incurred on behalf of the Customer, whether on the Company's premises or elsewhere; 3.5

premises or eisewhere; insurance incurred by the Company, in its absolute discretion, in respect of any property belonging to the Customer in the possession of the Company, with prior notice, the cost of all sub-contractors employed by the Company unless included in the quotation; any additional costs incurred by the Company in accordance with the Conditions; and any special standards or specifications required for the performance of the Process.

er hereby warrants that it is either the owner of the Goods delivered to or accepted by the Company for Processing or that it is authorised by the e Goods to accept these Conditions on such owner's behalf.

Transportation of Goods

Transportation of Goods

Unless otherwise stands in the quotation, charges for carriage, packing, storage, handling, customs clearance, customs duties and insurance are payable by the Customer. The Dustomer undertakes at its own expense and risk both to deliver the Goods to the Company's works on the date and at the time notified by the Company and to collect them within 10 working days after notification by the Company that the Processing has been completed.

If the price quoted by the Company includes transport of the Goods to and from the Company's works, the Company will arrange transport by whatever method the Company considers appropriate (which may be transport by a third party carrier, rather than by the Company). The Company will insure the Goods are transported by the Company in the Company in the Company will insure the Goods are transported by the Company in the Company will insure the Goods are transported by the Company in the Company in the Goods are transported by the Company in the Company in the Goods are transported by the Company in the Company in the Goods are transported by the Company in the Company in the Goods are transported by the Company that packing materials, cases, cartons and pallets will be returned to the Customer but wherever possible these will be returned to the Customer with the Goods.

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The cost of any variation or modification to the order requested by the Customer after the date of the acceptance of order shall, if such variation or modification is accepted by the Company under Condition 2.4 above, be borne by the Customer.

Suitability of Boods for Processing
It shall be the Customer's responsibility to ensure that the Goods are Suitable for Processing, If at any stage the Company in its sole discretion considers that the Goods are not Suitable for Processing for the Incompany superior of the Company's quotation or otherwise, the Company will advise the Customer as soon as its measonably practicable and shall be entitled to discontinue Processing forths. The Company shall thereupon notify the Customer of the Company's unstanding charges in respect of Processing carried out up to the date of such discontinuance and the Customer shall pay the same within 28 days of the date of such notification. Unless the Company agrees to arrange transport the Customer will be sufficient to the Company's works as soon as possible following notification of the discontinuance of the Processing.

The Customer andertakes that its Goods will not damage the Company's geogenetic flowing notification of the discontinuance of the Processing. The Customer andertakes that the Goods are Suitable for Processing, safe with respect to danger of toxicity, combustion, pollution or other harmful affect. The Customer harmful pays are considered to the Company's theorem and the Company's captioners's failure to comply with the provisioner of this Condition.

If the Customer is any doubt as to the suitability of its Goo

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anying Out of Work;

If with sequence of Processing and/or for collection and/or delivery of the Goods are estimates only and time shall not be of the essence in respect thereof, by times quoted for Processing shall run from receipt (at the place of Processing) by the Company of the Goods and of all information required by the Company order to put the Processing in hand.

any event, the time for completion of the Processing shall be extended by a reasonable period if completion of the Processing is delayed as a result of the titure or lack of instructions from the Oustoner, or by any cause beyond the Company's control.

Be Company may, at its seel discretion, undertake to give priority in carrying out a particular Process. A surcharge may be imposed by the Company for the riving out of priority work. Details of these arrangements will be issued by the Company on request. 8.4

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If the Company is an any way prevented from or delayed in performing any of the Company's obligations under the Contract by reason of decisions or actions of any Covernment or other authority, war or threat of war, fire, explosion, material damage to or failure of plant and equipment, severe weather conditions, materials shortages or imadequaces, interruption or reduction in communications, delay or reduction of availability in oblamport, power or utilities, failure or delay in obtaining materials required for Processing, any strikes, lock-outs or industrial disputes (whether or not howing the Company's work force), accident or any other cause beyond the Company's control, the Company shall be entitled at the Company's absolute discretion partially or totally to suspend performance of the Contract or a period equal to the delay caused by such events and shall not be liabiled in any way for such failure to perform the Soligations under the Contract or for such delay.

If the period for performance of the Contract is extended as a result of such suspension by more than one month the Contract may be terminated (as regards any Goods which have not undergone Processing) by the Company or the Customer to take delayery of and/or collection and without prejudice to a three Company is unlikely to to require the company is rights to require the Customer to take delayery of and/or collection and without prejudice to a register of the Company is unlikely to make the available Processing capacity among its Customers as the Company in its absolute discretion considers fit and without incurring any liability whatsoever to any Customer.

Pegment Terms
Unless otherwise agreed in writing by the Company, payment in full in cleared funds of all sums due under the Contract shall be made in pounds sterling for such other currency as the Company shall specify) on the 15th day of the month following the month of the date of the invoice is sued by the Company.

Time for payment shall be of the essence. Without prejudice to the Company so other rights and remedies, interest shall be payablent at felter as well as before judgment and in default of payment being made on time the Company and shall accure from day to day on all overdue payments as well as before judgment and in default of payment being made on time the Company may; suspend any further Processes being carried out for the Customer, after or withdraw credit terms, and ament terms, prices or service levels.

Any payments due under the Contract shall be made in full without any deduction whether by way of set off, counterclaim or otherwise unless otherwise agreed by the Company in writing or unless the Lustomer has a valid court order requiring an amount equal to such deduction to be paid by the Company not the Customer Where the Company specifies that payment will be made by letter of credit, the Customer must establish and maintain in favour of the Company and it is a company to the Company in writing be not present the contract of Goods or Processing will take place until such a letter of credit with or confirmed by a bank in England satisfactory to the Company, No delivery or collection of Goods or Processing will take place until such a letter of credit with or Company and such of the Company and interest of the Company and the Co

Each Contract shall be subject to the Company being satisfied as to the Customer's credit status both prior to and during the period of the Contract. If the Company becomes dissatisfied with the Customer's credit status at any time, the Company may suspend performance of the Contract or withhold delivery of the Goods until the Osstomer satisfies the Company as to the Customer satisfies the Company shall deem

appropriate.

Duties and Reporability

While every effort will be taken to Process the Customer's work correctly, Customers are reminded of the possible Hazards of Processing (which hazards can occur even though the Processing is properly carried out). The Customer hereby acknowledges that the Contract is entered into in full knowledge, awareness and acceptance by the Customer of such Hazards of Processing, In addition, in respect of the Processes detailed at iii. of the definition of Process, the Company shall be under no abligation to ensure that any Goods are an exact match, or that one batch exactly matches another whether the colour of hins have defined by reference to a sample or by description. Where a colour or finish is specified in the Contract by reference to a sample or description the Customer shall accept as complying with the Contract all Goods which are a commercial match with the sample or correspond with the description, as the case may be, and are a commercial match with each other in accordance with the standard generally recognised in the industry.

The Company warrants that it will carry out its obligations under the Contract in good faith and with reasonable care and skill and in accordance with any agreed specification. This warranty shall be the only warranty given in respect of such obligations. Subject to Condition 11.9 below, all other conditions and warranties expressed or implied by statute, common law or otherwise are hereby excluded.

Subject to Condition 11.9 below, the Company shall not in any event be laided for any breach of the warranty given in Condition 11.2 above or for any breach of the Contract or breach of statutory duty or tort (including by the Company have taken into account the current state of knowledge in the Processing of Company shall not the Goods are made from the correct retained and designed to appropriate engineering standards with final machining allowances and have not been subject to any process or treatment by any person other than the Company which re

ess the Customer thereafter affords the Company a reasonable opportunity to inspect the relevant Goods and if so requested by the Company returns the gedly damaged Goods or the Goods the subject of allegedly incorrect Processing to the Company's works at the Customer's expense for inspection to take

lace there, and heless the Customer has made no use of the Goods alleged to be damaged or the subject of allegedly incorrect Processing after it discovers or ought reasonably have discovered that such Goods were damaged or the subject of incorrect Processing, and neless the Goods have not been subjected to misuse or improperly or incorrectly stored after delivery to or collection by the Customer, and niless and only to the extent that the allegedly damaged Goods or the Goods the subject of allegedly incorrect Processing exceed 3% of each batch (losses of pro 3% of each batch being accepted as normal in the Processing industry and in processing large quantities of small parts). The light of the great dispanity between the value of the Goods undergoing Processing and the proper for Processing and deby the Company, the liability of the

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In the light of the great disparity between the value of the Goods undergoing Processing and the charge for Processing made by the Company, the liability of the Company, the act of the warranty given in Condition 11.2 above; and for any breach of the Contract and including but not limited to negligence) misrepresentation or otherwise, is limited to re-Processing the Goods if real prevent of the Contract and including but not limited to negligence) misrepresentation or otherwise, is limited to re-Processing the Goods if re-Processing will achieve the requirements of the Contract or, if not, a payment of up to twice the charge made for Processing of the relevant Goods under the Contract which are the subject of a claim. In the case of breach of warranty given in Condition 11.2 above, instead of refunding or waiving the whole or the appropriate part of the charge for Processing the Goods under the Contract which are the undergoing of the relevant Goods under the Contract which are the Company of highlight in respect of such breach of warranty.

The Company shall not under any circumstances, whether in contract, tort (including negligence), breach of statutory duty or otherwise be liable for any loss of profit, loss of use, loss of husteles, loss of matriets, loss of contract, loss of evenue, loss of antialized savings or loss of goodwill (Meether arising as a direct loss or an indirect loss) or for any indirect or consequential loss, injury or damage of any, kind whether caused by negligence or otherwise howsever and whether or not such loss has been suffered by the Customer or by some third party to whom the Customer may be liable.

Subject to the other provisions of the Conditions any claim by the Customer or whom the Customer may be liable.

Soldy as Completion of the Processes under the Contract by the Company to the Customer.

Goods are and remain at all times whilst at the Company's works and fundes Conditions 5.2 above applies) during transportation to and from the Company's works at the entire risk of the

of the Goods.

Nothing in these Conditions shall exclude or restrict the Company's liability:

for breach of the Company's obligations arising under section 12 of the Sale of Goods Act 1979 or section 2 of the Supply of Goods and Services Act 1982;

for personal injury of eath resulting from the Company's negligence;

under section (23) of the Consumer Protection Act 1987;

for any matter which it would be liegal for the Company to exclude or to attempt to exclude its liability; or

for fraud or fraudulent misrepresentation.

The Customer acknowledges that the above provisions of this Condition 11 are reasonable and reflected in the price which would be higher without the

provisions and the Customer will accept such risk and/or insure accordingly.

provisions and the Customer will accept such risk and/or insure accordingly.

Sub-Contracting and Assignment
The Company may sub-contract the whole or any part of the Contract funless specifically instructed otherwise in writing by the Customer, at or prior to the time the Contract is made). The Company may also store all or any part of the Goods on premises other than the Company's premises.

The Company may assign, delegate, licence or hold on trust all or any part of its rights or obligations under the Contract.

The Contract is personal to the Customer which may not assign, delegate, licence or hold on trust or sub-contract all or any of its rights or obligations under the Contract without the Company's prior written consent.

Indemnity by Customer

The Customer will indemnify and keep indemnified the Company in full from and against all direct, indirect and consequential liability, loss, damages, injury, the customer will indemnify and keep indemnified the Company in full from and against all direct, indirect and consequential liability, loss, damages, injury, the customer will indemnify and keep indemnified the Company in full from and against all direct, indirect and consequential liability, loss, damages, injury, the customer will indemnify and keep indemnified the Company in full from and against all direct, indirect and consequential liability, loss, damages, injury, the customer will indemnify and keep indemnified the Company in full from and against all direct, indirect and consequential liability, loss, damages, injury, the customer will indemnify and keep indemnified the Company in full from and against all direct, indirect and consequential liability, loss, damages, injury, the customer will indemnify and keep indemnified the Company in full from and against all direct.

Customer will indemnify and keep indemnified the Company in full from and against all direct, indirect and consequential liability, loss, damages is and expenses (including legal expenses) awarded against or suffered or incurred or paid by the Company arising out of or as a result of or in con

tooling or vigs
Any tools or jigs made by the Company for the purpose of the Contract shall remain the Company's property notwithstanding that the cost thereof may be included in whole or in part in the price charged for Processing. All drawings and information relating to such tools and jigs remain the Company's property and the copyright therein remains vested in the Company and the Oustoner undertakes that it will not copy or make use of such tools, jigs, drawings or information for the benefit of itself or any third party without the Company's prior written consent.

Company shall in respect of all sums due or owing from the Customer under the Contract or any other contract between the Customer and the Company have eneral lien on all Goods and property of the Customer in the Company's possession (notwithstanding that Processing of such Goods or some of them may have project for all other contract of the Customer in the Company's possession (notwithstanding that Processing of such Goods or some of them may have project for all other property as it deems fit and apply the

dendial Information
periodications, drawings, technical descriptions and details of Processing (hereinafter called "information") submitted with the Company's quotation or wise supplied to the Customer pursuant to the Contract are supplied in confidence. The Customer shall keep the information confidential and shall not (save quired by law or unless the same is already in the public domain other than as a result of the default of the Customer) disclose the same to any third party ut the Company's prior written consent and shall use the same only for the purposes of the Contract.

wentions or new processes arising from the Contract and any applications for patents or similar protection, whether in the United Kingdom or elsewhere 16.2

An inventions or new processes aroung from the contract, and any approximation to patients or sample procedure, wherein it are unlied varigority of escapears.

Nothing in this Condition 16 shall prevent the Company from undertaking or offering to undertake for third parties any work or services similar to or designed to achieve the same results as the work or services provided under the Contract. 16.3

Termination

The Customer cannot terminate the Contract without the written consent of the Company which may be subject to such terms, as in the Company's absolute discretion, recompense the Company for all loss it may suffer as a result of such termination.

The Company shall be entitled, without prejudice to any of its other rights, to terminate the Contract or any other contract with the Customer forthwith by notice to the Customer:

if the Customer (whether under the Contract or any other contract behaves the Contract or any other contract with the Customer forthwith the Customer for the Cu

The Company shall be entitled, without prejudice to any of its other rights, to terminate the Contract or any other contract with the Customer forthwith by notice to the Customer.

If the Customer (whether under the Contract or any other contract between the Customer and the Company) is overdue with any payment or commits any breach of contract which is incapable of remedy or which (if the same is capable of remedy) the Customer fails to remedy following the Company's written notice to do so within the period specified in the said notice, or if any distress or execution shall be levied on the Customer's assets or if the Customer shall make or offer to make any arrangement or composition with creditors or commits an act of bankruptcy or if any petition or receiving order in bankruptcy or any administration order shall be presented or made against the Customer or, where the Customer is a lamited company, any resolution or petition to wind up the same (other than for the purposes of reconstruction or analysimation or a solvent company) shall be passed or an administration order made or if a receiver, manager, administrative receiver or admi

mpany in connection with such suspension or termination.

General Each right or remedy of the Company under the Contract is without prejudice to any other right or remedy of the Company under this or any other Contract. Nothing in the Contract shall create or be deemed to create a partnership between the parties.

The Contract contains all the provisions which the parties have agreed in relation to the subject matter of the Contract and supersede any prior written or oral agreements, representations or understandings between the parties. The Contract agrees that it has not been induced to enter into the Contract by a statement or promise which it does not contain save that the Contract shall not exclude any liability which the Company would otherwise have to the Customer in respect.

of promise which it does not contain save that the Contract shall not exclude any flability which the Company would otherwise have to the Customer in respect of any statements made fraudulently by the Company.

In the event of one or more of the provisions of the Contract being held by a competent authority to be invalid, illegal, or unenforceable, in whole or in part, the validity, legality or enforceablity of the remaining provisions of the Contract and the remainder of the provision in question shall not be affected therety all notices to be served by one party on the other must be in writing and shall be deemed duly delivered or served at the time of service if delivered personally and forty eight hours after posting if posted by first class or arimal pre-paid post in each case to the registered address, if applicable, or if not applicable the last known address of the other party.

No failure or delay by the Company to exercise any right, power or remedy will operate as a waiver of it nor will any partial exercise preclude any further exercise of the same or of some other right, power or remedy.

For the purpose of the Contracts (Rights of Third Parties) Act 1999, the Contract does not and is not intended to give any rights or any right to enforce any of its provisions to any person who is not a party to it.

The Contracts thall be governed by and construed in accordance with the laws of England and Wales and the Customer submits to the exclusive jurisdiction of the English Courts.

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