

CONDITIONS OF SUPPLY

1. INTERPRETATION

- 1.1 The definitions and rules of interpretation in this condition shall apply in these conditions.
- Company:** Capital Refractories Limited;
- Conditions:** these Conditions of Supply;
- Confidential Information:** any information disclosed by one (the disclosing party) to another (the receiving party) if the disclosing party has notified the receiving party that the information is confidential, or the information could reasonably be supposed to be confidential;
- Combined Goods:** any Goods which have, following delivery to the Customer, been joined or connected in any way to other goods in such a way that the Goods are nevertheless readily identifiable and removable;
- Commercial Unit:** a unit of Goods, the division of which would materially impair the value of the Goods or the character of the unit;
- Contract:** any contract between the Company and the Customer for the supply of Goods and/or Services, incorporating these Conditions;
- Customer:** the person, firm or company who wishes to purchase Goods and/or Services from the Company;
- Free Issue Materials:** any physical material provided to the Company by the Customer which is to be used by the Company in the production of the Goods and/or the performance of the Services;
- Goods:** any goods agreed in the Contract to be produced by the Company for the Customer (including any part or parts of them);
- Incorporated Goods:** any Goods which have, following delivery to the Customer, been incorporated into other goods in such a way that the Goods are not readily identifiable and removable;
- Input Material:** any documents, files, plans, drawings, designs, content, text, images, logos, photographs or other materials, and any specification, instructions, data or other information provided by the Customer to the Company relating to the Goods and/or Services;
- Intellectual Property Rights:** any design rights, utility models, patents, inventions, logos, business names, trademarks, domain names, copyright, moral rights, rights in databases, source codes, reports, drawings, specifications, know how, trade secrets, rights in software, rights in the nature of unfair competition and the right to sue for passing off and any other equivalent or similar rights to any of the foregoing in any jurisdiction, whether registered or unregistered;
- Output Material:** any documents, files, plans, drawings, designs, content, text, images, logos, photographs or other materials, and any specification, data or other information provided by the Company to the Customer relating to the Goods and/or Services;
- Services:** any services agreed in the Contract to be performed by the Company for the Customer (including any part or parts of them) including any installation work to be undertaken in relation to the Goods.
- 1.2 A reference to a particular law is a reference to it as it is in force for the time being taking account of any amendment, extension, application or re-enactment and includes any subordinate legislation for the time being in force made under it.
- 1.3 Any reference to "**parties**" means the parties to the Contract and "**party**" shall be construed accordingly.
- 1.4 Any phrase introduced by the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding or following those terms.
- 1.5 Words in the singular include the plural and in the plural include the singular.

- 1.6 A reference to one gender includes a reference to the other gender.
- 1.7 Condition headings do not affect the interpretation of these Conditions.
- ### 2. APPLICATION OF TERMS
- 2.1 Subject to any variation under Condition 2.3 the Contract shall be on these Conditions to the exclusion of all other terms and conditions (including any terms or conditions which the Customer purports to apply under any purchase order, confirmation of order, specification or other document).
- 2.2 No terms or conditions endorsed on, delivered with or contained in the Customer's purchase order, confirmation of order, specification or other document shall form part of the Contract simply as a result of such document being referred to in the Contract.
- 2.3 These Conditions apply to the supply of all Goods and Services by the Company and any variation to these Conditions and any representations about any Goods and/or Services shall have no effect unless expressly agreed in writing and signed by an authorised representative of the Company. The Customer acknowledges that it has not relied on any statement, promise or representation made or given by or on behalf of the Company which is not set out in the Contract. Nothing in this Condition 2.3 shall exclude or limit the Company's liability for fraudulent misrepresentation.
- 2.4 Each written purchase order or acceptance of a quotation for Goods and/or Services by the Customer from the Company shall be deemed to be an offer by the Customer to purchase Goods and/or Services subject to these Conditions.
- 2.5 No order placed by the Customer shall bind the Company until the Company has accepted the Customer's order in writing.
- 2.6 Any typographical, clerical or other accidental errors or omissions in any sales literature, quotation, price list, acceptance of order, invoice or other document or information issued by the Company shall be subject to correction without any liability on the part of the Company.
- 2.7 No order placed by the Customer may be cancelled, varied, or deferred by the Customer, except with the agreement in writing of the Company and on terms that the Customer shall indemnify the Company in full against all loss (including loss of profit), costs (including the cost of all labour and materials used), charges and expenses incurred by the Company as a result of such cancellation, variation or deferment.
- 2.8 The Customer shall ensure that the terms of its order are complete and accurate.
- 2.9 The Company reserves the right to charge the Customer for any Output Material provided to the Customer.
- 2.10 Any quotation is given on the basis that no Contract shall come into existence until the Company has accepted the Customer's order pursuant to Condition 2.5 above. Any quotation is valid for a period of 30 days only from its date (unless otherwise specified), provided that the Company has not previously withdrawn it.
- ### 3. DESCRIPTION
- 3.1 The quantity and description of any Goods and/or Services shall be as set out in the Company's acceptance of the Customer's order issued pursuant to Condition 2.5.
- 3.2 Although reasonable precautions will be taken by the Company to ensure the accuracy of such information, all descriptive matter, weights, dimensions, and technical data supplied by the Company and any descriptions and illustrations contained in the Company's data sheets, technical bulletins, catalogues, price lists, website and other advertising matter are approximate only and are intended merely to convey a general description of the Goods and Services; they are not (unless it is expressly so stated in the Contract) deemed to form any part of any Contract and are not to be regarded as a warranty or representation. Where such descriptive matter, weights, dimensions and

- technical data are expressly stated to form part of the Contract they may be varied to the extent permitted by normal manufacturing tolerances.
- 3.3 All Input Material shall be submitted in such formats and shall meet such standards and timescales for submission as may be prescribed by the Company from time to time, in the Company's absolute discretion. The Company reserves the right to refuse to perform any Services and/or produce any Goods if any Input Material is not submitted in the format prescribed, or does not meet the standard or timescale for submission prescribed, in each case by the Company. If the Company is requested to prepare any Input Material for a Customer or to assist any Customer in the preparation of any Input Material, all additional charges therefor shall be payable by the Customer. Other than where the Company has produced any chargeable Input Material for the Customer as aforesaid, the Company shall not be obliged to return any Input Material to the Customer.
- 3.4 All Free Issue Materials submitted by the Customer must, at the time that they are first provided to the Company, be accompanied by a declaration from the Customer stating:
- (a) the value of the Free Issue Materials; and
 - (b) any special characteristics of the Free Issue Materials.
- 3.5 All Free Issue Materials shall be handled by the Company at the Customer's own risk. The Customer shall be responsible for arranging for a suitable policy of insurance to provide adequate coverage for all Free Issue Materials against all risks which could arise in relation thereto whilst the Free Issue Materials are at the Company's premises (or otherwise under the Company's control), including theft, fire and water damage. For the avoidance of doubt, the Company shall not be responsible for anything which may occur whilst the Free Issue Materials are being handled by the Company, including any loss or damage which may occur to the Free Issue Materials whilst any process is being applied to the Free Issue Materials by the Company. Any surplus or waste materials derived from any Free Issue Materials may be disposed of by the Company at the Customer's cost, (if any) unless otherwise agreed with the Company in advance.
- 3.6 The Customer warrants that any Input Material and Free Issue Materials submitted by the Customer shall not cause the Company to infringe any Intellectual Property Rights of any other person. The Customer shall hold the Company harmless and shall fully indemnify the Company against any and all loss, damage, costs and expenses awarded against or incurred by the Company in connection with, or paid or agreed to be paid by, the Company, in settlement of any claim for infringement of any Intellectual Property Rights of any other person resulting from the Company's use of any Input Material or Free Issue Materials submitted by the Customer.
- 3.7 The Customer warrants that any Input Material and Free Issue Materials submitted by the Customer shall not contravene any applicable safety or other statutory or regulatory requirement. The Customer shall hold the Company harmless and shall fully indemnify the Company against any and all loss, damage, costs and expenses awarded against or incurred by the Company as a result of any breach of this warranty.
- 3.8 Without prejudice to Condition 3.1, the Company shall use its reasonable efforts to supply the Goods in accordance with any specification submitted by the Customer and approved by the Company, but may in any event effect minor modifications to the Goods without the Customer's approval in order to comply with any applicable safety or statutory requirements, or to effect enhancements to the Goods. The Company will notify the Customer in writing of any proposed material modifications to the Goods and the Customer shall be deemed to have accepted such modifications unless notice in writing to the contrary shall be received by the Company within 3 days of the date of the Company's notice to the Customer.
- 3.9 All Goods shall be supplied by the Company to any standard commercial tolerances that apply within the appropriate industry, unless the Customer notifies the Company in its order of any special tolerances that the Customer requires.
- 3.10 Subject to the provisions of Condition 9.1 (b), the Customer shall be solely responsible for ensuring the suitability of any Goods for any specific purpose.
- 3.11 The Goods will not undergo factory acceptance tests unless otherwise agreed in writing by the Company; if the Company agrees to undertake any factory acceptance test as aforesaid, the Customer will be required to pay an additional charge to the Company in respect thereof and an extension to the delivery date may also be required.
- 3.12 The Company will accept no liability for failure to attain any performance standards with respect to the Goods, unless they have been specifically agreed in writing by the Company (subject to any tolerances agreed to by the Company in writing), in which case the Company will accept liability in an agreed sum as liquidated damages. If the performance standards obtained on any test provided for in the Contract are outside the acceptance limits specified therein, the Customer will be entitled to reject the Goods, or (if applicable) accept the Goods and claim liquidated damages in accordance with this Condition 3.12. Before the Customer becomes entitled to claim liquidated damages or to reject the Goods in accordance with this Condition 3.12, the Company is to be given reasonable time and opportunity to rectify its performance.
- 3.13 All recommendations and advice given by or on behalf of the Company to the Customer as to any method of using or storing the Goods, or the Goods' suitability for use in any manufacturing process or in connection with any other materials, is in either case given without liability on the part of the Company. Capital's responsibilities during Installations and Sintering or Drying of Furnace Linings and other products; Regarding furnace lining installations, the purpose of Capital Refractories' personnel attending site is to observe that our material is installed according to our recommended procedures. Regarding the sinter or dry-out, the purpose of Capital Refractories' personnel attending site is to observe that our recommended ramp rate and hold time is achieved (temperature/time graphs available) and to observe the condition of the lining post sinter or dry-out. Other than with regards to the temperature ramp rate we do not offer advice and we do not control any procedures. Regarding the temperature measurement and, in the case of coreless induction furnaces the charge material, we can relate best practice we have observed in other foundries, but we are not giving advice or instructions. It is the responsibility of the customer to select the charge material and decide how they will control furnace/melt temperature. The furnace operator should be properly trained and have sufficient experience to control the power of the furnace/burners and temperature of the furnace/melt.
- 3.14 The Company reserves the right to substitute other materials or components of equivalent composition, strength and quality for use in producing the Goods in any instance where any materials or components specified by the Customer are not readily available to the Company.
- 3.15 The Customer undertakes that it will comply with and will procure that its employees, customers and every other person working with, on, or near or using the Goods shall comply in full with the instructions and recommendations made in any manual or handbook or instructions provided by the Company and that the Customer will comply with all other instructions given in connection with the use of the Goods.
- 3.16 The Goods are designed to be used without danger to health and safety where correctly used in accordance with the relevant

- National or International Standard, the rating for which the Goods were designed and accepted good practice. If the Customer intends to use the Goods under unusual conditions (especially if special risks to health and safety are posed), it shall be the sole responsibility of the Customer to ensure the safe use of the Goods in such circumstances.
- 4. DELIVERY AND PERFORMANCE**
- 4.1 Unless otherwise agreed in writing by the Company, delivery of the Goods shall take place at the Company's place of business. The Customer shall be responsible for arranging for the carriage of the Goods to the destination address. All transportation and carriage costs (including the cost of all related insurance coverage and the cost of loading and unloading the Goods) shall be borne by the Customer.
- 4.2 If specified by the Company, all pallets, packing cases and containers and other packing materials must be returned to the Company's place of business at the Customer's expense and in good condition within one month from date of receipt. If not so returned they may be charged for.
- 4.3 Any dates specified by the Company for delivery of the Goods are intended to be an estimate and time for delivery shall not be made of the essence by notice. If no dates are so specified, delivery shall be within a reasonable time. Should expedited delivery be agreed, the Company reserves the right to levy an extra delivery charge.
- 4.4 Unless otherwise agreed in writing by the Company, performance of the Services shall take place at the Customer's premises.
- 4.5 The Services supplied under the Contract shall be provided by the Company to the Customer from the date of acceptance by the Company of the Customer's order in accordance with Condition 2.5, unless otherwise specified by the Company. Time for performance of the Services shall not be made of the essence by notice.
- 4.6 Subject to the other provisions of these Conditions the Company shall not be liable for any direct, indirect or consequential loss (all three of which terms include pure economic loss, loss of profits, loss of business, depletion of goodwill and similar loss), costs, damages, charges or expenses caused directly or indirectly by any delay in the delivery of the Goods and/or performance of the Services (even if caused by the Company's negligence), nor shall any delay entitle the Customer to terminate or rescind the Contract unless such delay exceeds 180 days.
- 4.7 If for any reason the Customer fails to take or accept delivery of all or any of the Goods, or the Company is unable to deliver the Goods on time because the Customer has not provided appropriate instructions, documents, licences or authorisations:
- (a) risk in the Goods shall pass to the Customer (including for loss or damage caused by the Company's negligence);
 - (b) the Goods shall be deemed to have been delivered; and
 - (c) the Company may store the Goods until delivery, whereupon the Customer shall be liable for all related costs and expenses (including storage and insurance); or
 - (d) sell the Goods at the best price readily obtainable and (after deducting any reasonable costs and expenses in connection with the storage and expedited sale of the Goods), charge the Customer for any shortfall below the price for the Goods.
- 4.8 If the Company delivers to the Customer a quantity of Goods of up to 5% more or less than the quantity accepted by the Company, the Customer shall not be entitled to object to or reject the Goods or any of them by reason of the surplus or shortfall and shall pay for such goods at the pro rata Contract rate.
- 4.9 The Company may deliver the Goods by separate instalments and perform the Services in separate tranches. Each separate instalment or tranche shall be invoiced and paid for in accordance with the provisions of the Contract.
- 4.10 Each instalment or tranche shall be a separate Contract and no cancellation or termination of any one Contract relating to an instalment or tranche shall entitle the Customer to repudiate or cancel any other Contract or instalment or tranche.
- 4.11 The Customer must examine the Goods upon delivery and within 7 days thereafter notify the Company in writing of any defects. In default the Customer will be deemed to have examined and accepted the Goods. Where the Contract is for the sale of Goods making up one or more Commercial Units, the Customer accepting any Goods included in a Commercial Unit shall be deemed to have accepted all of the Goods making up the Commercial Unit.
- 4.12 Where the Company has agreed to undertake Services at the Customer's premises, the Customer shall:
- (a) ensure that the Customer's premises are free and clear of any obstacles or obstructions and be responsible for preparing and maintaining any relevant part of the Customer's premises for the performance of the Services and for reinstating any such part of the Customer's premises and undertaking any required making good and clean-up work once performance of the Services has been completed;
 - (b) ensure that conditions at the Customer's premises are suitable for the performance of the Services and that any utilities and amenities required to perform the Services are continuously made available, are in good working order and are provided to the Company without charge;
 - (c) ensure that any goods provided by the Customer in relation to the performance of the Services are suitable for the performance of the Services in all material respects;
 - (d) if requested to do so by the Company and without charge, provide facilities at the Customer's premises for the off-loading and storage of the Goods and the Company's tools, equipment and materials in a readily accessible and secure storage area protected from theft and damage and shall be solely responsible for the safekeeping of the Goods and the Company's tools, equipment and materials whilst the same are stored at the Customer's premises;
 - (e) take all steps to ensure the health and safety of the personnel of the Company whilst they are in attendance at the Customer's premises in connection with the performance of the Services and be solely responsible for ensuring the safety of any and all persons who are or may be present at the Customer's premises during the performance of the Services, including restricting access to those areas of the Customer's premises where the Services are to be performed to those individuals engaged in performing the Services, or providing assistance to those so engaged;
 - (f) provide prompt and unobstructed access to and egress from the Customer's premises;
 - (g) inform the Company of any unusual layout, composition or construction of the Customer's premises or its parts and for reporting any unusual conditions at the Customer's premises to the Company;
 - (h) ensure that any materials and/or surfaces upon which the Services are to be performed comply with any tolerances required by the Company and are of

adequate strength to withstand any work undertaken on them by the Company;

- (i) be responsible for removing any of the Customer's property or any other property from that part of the Customer's premises where the performance of the Services is to take place where there is any risk that said property may be damaged during the performance of the Services;
- (j) at all times during the performance of the Services ensure, insofar as it is reasonably practicable to do so, that other trades or operations are not undertaken on that part of the Customer's premises where the performance of the Services is to take place, so as to ensure that the Services can be performed in one continuous, uninterrupted operation during the Company's normal working hours;
- (k) be responsible at its own cost (other than for statutory obligations placed solely on the Company) for obtaining all consents and permissions necessary for the performance of the Services in accordance with these Conditions and shall indemnify and keep indemnified the Company against any actions, proceedings, costs, charges, claims or demands arising out of or in connection with any breach of this Condition 4.12 (k);
- (l) provide the Company with all information, co-operation and support that may be required to enable the Company to carry out its obligations to the Customer; and
- (m) effect and maintain appropriate insurance at the Customer's premises on an all risks basis and in an adequate amount.

5. NON-DELIVERY

5.1 The quantity of any consignment of Goods as recorded by the Company on despatch from the Company's place of business shall be conclusive evidence of the quantity received by the Customer on delivery unless the Customer can provide conclusive evidence proving the contrary.

5.2 The Company shall not be liable for any non-delivery of the Goods (even if caused by the Company's negligence) unless the Customer gives written notice to the Company of the non-delivery within 48 hours of the time when the Goods would in the ordinary course of events have been received.

5.3 Any liability of the Company for non-delivery of the Goods shall be limited to replacing the Goods within a reasonable time or issuing a credit note at the pro rata Contract rate against any invoice raised for such Goods.

6. RISK AND TITLE

6.1 Risk of damage to or loss of the Goods shall pass to the Customer:

- (a) in the case of Goods to be delivered at the Company's place of business, at the time when the Company notifies the Customer that the Goods are available for collection; or
- (b) in the case of Goods to be delivered other than at the Company's place of business, at the time of delivery of the Goods to the Customer's premises, or such other location as shall be notified by the Customer to the Company in advance of despatch of the Goods.

6.2 Title to the Goods shall not pass to the Customer until the Company has received in full (in cash or cleared funds) all sums due to it in respect of:

- (a) the Goods; and
- (b) all other sums which are or which become due to the Company from the Customer on any account.

6.3 Until title to the Goods has passed to the Customer, the Customer shall:

- (a) hold the Goods on a fiduciary basis as the Company's bailee;
- (b) store the Goods separately from all other goods held by the Customer so that they remain readily identifiable as the Company's property;
- (c) not remove, deface or obscure any identifying mark or packaging on or relating to the Goods;
- (d) maintain the Goods in satisfactory condition and keep them insured against all risks for their full price from the date of delivery and indemnify the Company against all loss or damage of whatsoever nature affecting the Goods;
- (e) notify the Company immediately if it becomes subject to any of the events listed in Conditions 12.1 (d) to 12.1 (j) inclusive;
- (f) not assign to any other person any rights arising from a sale of the Goods without the Company's written consent;
- (g) not pledge or in any way charge by way of security for any indebtedness any of the Goods (and if the Customer does so, all moneys owing by the Customer to the Company shall, without prejudice to any other right or remedy of the Company, forthwith become due and payable); and
- (h) give the Company such information relating to the Goods as the Company may require from time to time, but the Customer may resell the Goods in the ordinary course of its business, provided that it shall hold the entire proceeds of any such resale upon trust for the Company until the Goods have been paid for in full and shall keep all such trust monies in a separate bank account which shall not be overdrawn and in which such trust monies are not mingled with its own or any other monies. Nothing in this Condition 6.3 (h) shall constitute the Customer as the Company's agent and the Customer acknowledges and agrees that a sale by an administrator or liquidator as part of or in connection with the sale of the assets or part of the assets of the Customer is not in the ordinary course of the Customer's business.

6.4 If:

- (a) the Customer is late in paying for the Goods; or
- (b) the Customer is late in paying for any other goods or services supplied by the Company; or if
- (c) before title to the Goods passes to the Customer, the Customer becomes subject to any of the events listed in Conditions 12.1 (d) to 12.1 (j) inclusive or the Company reasonably believes that any such event is about to happen and notifies the Customer accordingly, then:
- (d) without limiting any other right or remedy the Company may have, the Company may at any time require the Customer to deliver up the Goods and, if the Customer fails to do so promptly, the Company may enter the premises of the Customer or the premises of any third party where the Goods are stored or kept in order to recover them and all and any costs, charges and expenses incurred by the Company in so taking possession of the Goods (including legal fees) shall be payable by the Customer upon demand. The Customer shall not keep the Goods at any premises at which the Customer does not have the right to grant access to the Company. Nothing in this Condition 6.4 (d) shall affect the right of the Company at any time to inspect

the Goods whilst the Goods are stored or kept at the Customer's premises or the premises of any third party.

6.5 With respect to any Combined Goods, the Company shall be entitled to remove and repossess the Combined Goods pursuant to Condition 6.4 (d) regardless of the practical difficulty of so doing or any damage caused to such other goods in the course of taking all reasonable steps to effect such removal (whether such other goods belong to the Customer or to third parties) and the Customer waives any claim it may have against the Company for any damage caused to its goods as a result of taking such reasonable steps and shall indemnify the Company in full against any claim made against the Company by any third party arising out of or in connection with such reasonable steps being taken by the Company.

6.6 With respect to any Incorporated Goods, the Customer shall store such Incorporated Goods separately and shall notify the Company of the precise location and position thereof and the ownership of such Incorporated Goods and the property therein shall vest in the Company. Upon any sale of any Incorporated Goods by the Company, then if the proceeds of sale exceed the price or the balance of the price of the Goods due to the Company from the Customer, the Company shall apply the balance of the proceeds of sale as follows:

- (a) firstly, by reimbursing the Company for the cost and expense of the taking of possession of and arranging for the sale of the Incorporated Goods and any damages which the Company has suffered as a result of any repudiation of the Contract by the Customer;
- (b) secondly, by paying any sums due and owing to other creditors of the Customer in respect of other items and materials used in connection with the manufacture of the Incorporated Goods where the property in such items and materials has remained vested in such other creditors by reason of effective retention of title clauses and the claims of such other creditors pursuant to such retention of title clauses have been notified to the Company by the Customer or its liquidator, administrator or receiver, or by such other creditors.

7. PRICE

7.1 Unless otherwise agreed by the Company in writing, the price for the Goods and/or Services shall be the price confirmed in the Company's acceptance of the Customer's order issued pursuant to Condition 2.5, but the Company reserves the right to vary the price and to invoice the Customer at the price ruling at the date of despatch of the Goods and/or performance of the Services.

7.2 If the cost to the Company of performing the Company's obligations under the Contract shall be increased by reason of the making or amendment of any law or of any order, regulation, or by-law having the force of law that shall affect the performance of the Company's obligations under the Contract, the amount of such increase shall be added to the Contract price.

7.3 The Company reserves the right, by giving notice to the Customer at any time before delivery of the Goods and/or performance of the Services, to increase the price of the Goods and/or Services to reflect any increase in any cost to the Company which is due to any factor beyond the control of the Company (including any foreign exchange fluctuation, currency regulation, alteration of duties, increase in transportation costs and any increase in the costs of labour, materials or other costs of production), or if there is any change in delivery dates, quantities or specifications for the Goods and/or Services which is requested by the Customer, or for any delay or failure on the part of the Customer to provide any Input Material or Free Issue Materials, or for any delay caused by any instructions of the

Customer, or for any failure of the Customer to give the Company adequate, accurate or complete information or instructions or to comply with any of the individual requirements of Condition 4.12.

7.4 Unless otherwise agreed in writing between the Customer and the Company, the Contract price shall be exclusive of Value Added Tax.

7.5 Unless otherwise agreed in writing between the Customer and the Company, all prices for the supply of Goods are given by the Company on an ex works basis and the Customer shall be liable to pay the Company's charges for transport, packaging and insurance.

7.6 The Company reserves the right to apply a minimum order charge.

7.7 Any waiver or reduction of any price will only be applicable if agreed by the Company in writing.

8. PAYMENT

8.1 Subject only to any special terms agreed in writing between the Company and the Customer, the Company shall be entitled to invoice the Customer for the price of the Goods and/or Services on or at any time after acceptance of the Customer's order.

8.2 Provided that the Customer has produced credit references which in the Company's opinion are satisfactory, then unless otherwise agreed by the Company in writing, settlement terms will be net 30 days from the invoice date. In all other cases payment shall be made in advance upon submission by the Company of a pro-forma invoice. Without prejudice to the foregoing provisions of this Condition 8.2, the Company reserves the right at any time to demand full or partial payment from the Customer before proceeding or proceeding further with the Customer's order.

8.3 The time of payment of the price shall be of the essence of the Contract.

8.4 No payment shall be deemed to have been received until the Company has received cleared funds. In the event that the Customer tenders payment by cheque and said cheque is returned unpaid to the Company, the Customer shall reimburse the Company for any bank charges incurred by the Company.

8.5 The Customer shall make all payments due under the Contract in full without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise unless the Customer has a valid court order requiring an amount equal to such deduction to be paid by the Company to the Customer.

8.6 Any failure by the Customer to pay the Company any sum by the due date for payment and/or the occurrence of any one or more of the events set forth in Conditions 12.1 (d) to 12.1 (j) inclusive in relation to the Customer shall entitle the Company, at any time and without notice to the Customer and without limiting any other remedy available to the Company under these Conditions, the Contract, or otherwise:

- (a) at its option, to charge interest at the rate of six percent (6%) per annum above the Bank of England's base lending rate from time to time calculated on a daily basis (whether before or after any judgment) until payment in full is made (a part of a month being treated as a full month for the purpose of calculating interest);
- (b) to charge the Customer with any costs incurred by the Company in the course of collecting outstanding monies due to the Company from the Customer;
- (c) to suspend any warranty for the Goods and/or Services or any other goods or services supplied by the Company to the Customer, whether or not they have been paid for;
- (d) to appropriate any payment made by the Customer to such of the Goods and/or Services as the Company may think fit;

- (e) to set off any amount owed by the Company to the Customer against any amount owed by the Customer to the Company on any account whatsoever;
 - (f) to terminate the Contract, or suspend or cancel the further delivery of any Goods or the performance of any Services, including, without limitation, stopping the delivery of any Goods in transit;
 - (g) to withdraw or reduce any agreed monthly credit limit; and
 - (h) to cancel any discount (if any) offered to the Customer.
- 8.7 The Company reserves the right to claim interest at the rate set under section 6 of the Late Payment of Commercial Debts (Interest) Act 1998 and also to claim fixed sum compensation under section 5A of that Act (as amended by section 3 of The Late Payment of Commercial Debts Regulations 2013) to cover the Company's credit control overhead costs.
- 8.8 All payments payable to the Company under the Contract shall become due immediately on its termination despite any other provision.
- 8.9 For the avoidance of doubt, and notwithstanding the exercise of any remedy by the Company in accordance with Condition 8.6, or under any other of these Conditions, the Contract, or otherwise, the Customer shall remain liable to pay and shall pay the Company at the Contract rate, any and all payments subsisting at the relevant time.
- 8.10 Any sums paid by deposit, retainer or prepayment may not under any circumstances be refunded.
- 8.11 The Company shall retain a general lien on the full value of all Goods and Services against all or any of the Customer's property in the Company's possession until such Goods and Services have been fully paid for.
- 9. WARRANTIES**
- 9.1 The Company warrants that (subject to the other provisions of these Conditions):
- (a) on delivery, the Goods shall be free from any defects in materials and workmanship and shall conform to their specification; and
 - (b) if the Customer has made it expressly known to the Company in the Customer's order that the Goods shall be suitable for a particular purpose and the Company has expressly stated in the Company's acceptance of the Customer's order issued pursuant to Condition 2.5 that it will supply Goods suitable for that purpose, then the Goods shall be reasonably fit for the purpose so stated; and
 - (c) any Services will be performed with reasonable skill and care.
- 9.2 The Company shall not be liable for a breach of any of the warranties in Condition 9.1 unless:
- (a) the Customer gives written notice of any defect or deficiency to the Company within 7 days from the date of delivery of the Goods or the date of completion of performance of the Services; and
 - (b) the Company is given a reasonable opportunity after receiving the notice of examining the Goods and the Customer (if asked to do so by the Company) returns such Goods to the Company's place of business at the Company's cost for the examination to take place there.
- 9.3 The Company shall not be liable for a breach of any of the warranties in Condition 9.1 if:
- (a) the Customer makes any further use of any Goods which the Customer has alleged to be defective after giving notice of any such defect; or
 - (b) the Customer alters or repairs the Goods without the prior written consent of the Company; or
 - (c) the defect arises because the Customer failed to follow any oral or written instructions as to the storage, installation, commissioning, use or maintenance of the Goods or (if there are none) good trade practice; or
 - (d) the defect arises from any Input Material, Free Issue Materials and/or any instructions submitted by the Customer, or from fair wear and tear, wilful damage, negligence, abnormal working conditions or from any misuse of the Goods, or otherwise as a result of failure of the Customer to comply in full with any manual or handbook or instruction containing the technical specifications and operating instructions supplied by the Company for the Goods; or
 - (e) the Goods have been used for an application other than that specified at the time the Customer's order was accepted, or otherwise not in accordance with the Company's instructions; or
 - (f) the full price for the Goods and/or Services has not been paid by the time for payment stipulated in Condition 8.2; or
 - (g) the defect is of a type specifically excluded by the Company by notice in writing.
- 9.4 Subject to Condition 9.2 and Condition 9.3, if the Goods and/or Services do not conform to the warranties in Condition 9.1:
- (a) the Company shall at its option repair or replace such Goods (or the defective part) or refund the price of such Goods at the pro rata Contract rate provided that, if the Company so requests, the Customer shall, at the Company's expense, return the Goods or the part of such Goods which is defective to the Company. The Company shall, if it opts to replace the defective Goods, then deliver replacement Goods to the Customer (at the Company's expense) and ownership of the defective Goods shall, if it has vested in the Customer, re-vest in the Company; and/or
 - (b) the Company shall re-perform any Services which are proved to the reasonable satisfaction of the Company not to have been performed with reasonable skill and care, or at the Company's option, shall refund any monies already paid by the Customer for any such Services.
- 9.5 If the Company complies with Condition 9.4 it shall have no further liability for a breach of any of the warranties in Condition 9.1.
- 10. LIMITATION OF LIABILITY**
- 10.1 Subject to Condition 4, Condition 5, Condition 9 and Condition 12, the following provisions set out the entire financial liability of the Company (including any liability for the acts or omissions of its employees, agents and sub-contractors) to the Customer in respect of:
- (a) any breach of these Conditions;
 - (b) any use made or resale by the Customer of any of the Goods, or of any product incorporating any of the Goods and any use made by the Customer of any of the Services; and
 - (c) any representation, statement or tortious act or omission including negligence arising under or in connection with the Contract.
- 10.2 All warranties, conditions and other terms implied by statute or common law (save for the conditions implied by section 12 of the Sale of Goods Act 1979 and section 2 of the Supply of Goods and Services Act 1982) are, to the fullest extent permitted by law, excluded from the Contract.
- 10.3 Nothing in this Condition 10 excludes or limits the liability of the Company:

- (a) for death or personal injury caused by the Company's negligence; or
- (b) under section 2(3), Consumer Protection Act 1987; or
- (c) for any matter which it would be illegal for the Company to exclude or attempt to exclude its liability; or
- (d) for fraud or fraudulent misrepresentation.

10.4 Subject to Condition 10.2 and Condition 10.3:

- (a) the Company's total liability in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the Contract shall be limited to the Contract price; and
- (b) the Company shall not be liable to the Customer for loss of profit, loss of use, loss of business, or depletion of goodwill in each case whether direct, indirect or consequential, or any claims for consequential compensation whatsoever (howsoever caused) which arise out of or in connection with the Contract.

11. INDEMNITY

The Customer shall hold the Company harmless and keep the Company fully and promptly indemnified against all direct, indirect or consequential liabilities (all three of which terms include loss of profit, loss of business, depletion of goodwill and like loss), loss, damages, injury, costs and expenses (including financing costs and legal and other professional fees and expenses) awarded against or incurred or paid by the Company as a result of or in connection with any claim made by or against the Company in respect of any liability, loss, damage, injury, cost or expense whatsoever, howsoever and to whomsoever occurring, to the extent that such liability, loss, damage, injury, cost or expense arises directly or indirectly from any act or omission of the Customer, or from the Customer's fraud, negligence, failure to perform or delay in the performance of any of its obligations under the Contract, subject to the Company confirming such costs, charges and losses to the Customer in writing.

12. TERMINATION

12.1 Without prejudice to any other rights or remedies which the parties may have, either party may terminate the Contract without liability to the other immediately on giving notice to the other if:

- (a) the other party fails to pay any amount due under the Contract on the due date for payment and remains in default not less than seven days after being notified in writing to make such payment; or
- (b) the other party commits a material breach of any of the terms of the Contract and (if such a breach is remediable) fails to remedy that breach within 30 days of that party being notified in writing of the breach; or
- (c) the other party repeatedly breaches any of the terms of the Contract in such a manner as to reasonably justify the opinion that its conduct is inconsistent with it having the intention or ability to give effect to the terms of the Contract; or
- (d) the other party suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or (being a Company) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or (being a natural person) is deemed either unable to pay its debts or as having no reasonable prospect of so doing, in either case, within the meaning of section 268 of the

- (e) Insolvency Act 1986 or (being a partnership) has any partner to whom any of the foregoing apply; or the other party commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with its creditors other than for the sole purpose of a scheme for a solvent amalgamation of that other party with one or more other companies or the solvent reconstruction of that other party; or
- (f) a petition is filed, a notice is given, a resolution is passed, or an order is made, for or on connection with the winding up of that other party other than for the sole purpose of a scheme for a solvent amalgamation of that other party with one or more other companies or the solvent reconstruction of that other party;
- (g) an application is made to court, or an order is made, for the appointment of an administrator or if a notice of intention to appoint an administrator is given or if an administrator is appointed over the other party; or
- (h) a floating charge holder over the assets of that other party has become entitled to appoint or has appointed an administrative receiver; or
- (i) a person becomes entitled to appoint a receiver over the assets of the other party or a receiver is appointed over the assets of the other party; or
- (j) a creditor or encumbrancer of the other party attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of its assets and such attachment or process is not discharged within 14 days; or
- (k) any event occurs, or proceeding is taken, with respect to the other party in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in Conditions 12.1(d) 12.1(j) (inclusive); or
- (l) the other party suspends or ceases, or threatens to suspend or cease, to carry on all or a substantial part of its business; or
- (m) there is a change of control of the other party (as defined in section 574 of the Capital Allowances Act 2001).

12.2 On termination of the Contract for any reason:

- (a) the Customer shall immediately pay to the Company all of the Company's outstanding unpaid invoices and interest and, in respect of any Goods and/or Services for which no invoice has been submitted, the Company may submit an invoice, which shall be payable immediately on receipt; and
- (b) the accrued rights and liabilities of the parties as at termination and the continuation of any provision expressly stated to survive or implicitly surviving termination, shall not be affected.

12.3 On termination of the Contract (however arising), Conditions 6-11 and 18 shall survive and continue in full force and effect.

13. ADDITIONAL EXPORT TERMS

13.1 In these Conditions "Incoterms 2010" means the international rules for the interpretation of credit terms at the International Chamber of Commerce as in force at the date when the Contract arises. Unless the context otherwise requires, any term or expression which is defined here or given a particular meaning by the provisions of Incoterms 2010 shall have the same meaning in these Conditions.

13.2 Where the Goods are supplied for export from the United Kingdom, the provisions of this Condition 13 shall (subject to any

- special terms agreed in writing between the Customer and the Company) apply, notwithstanding any other provisions of these Conditions.
- 13.3 The Customer shall be responsible for complying with any legislation or regulations governing the importation of the Goods into the country of destination and for the payment of any duties on them. The Contract shall be subject to the procurement by the Customer at the Customer's own expense of any import licence and any other authorisations necessarily required for the import of the Goods into the country to which the Goods are to be exported, but failure to obtain any such documents shall not entitle the Customer to cancel the Contract.
- 13.4 The import licence number and expiry date shall be furnished at the time the order for the Goods is placed with the Company, otherwise production of the Goods will not be proceeded with. In the event of the import licence expiring before the Goods have been made available it shall be the responsibility of the Customer to obtain the renewal of such licence. The Company shall not be liable for any expense or loss caused by delay in obtaining such licence or the renewal thereof.
- 13.5 Unless otherwise agreed in writing between the Customer and the Company, the Goods shall be delivered Ex Works the Company's place of business and the Company shall be under no obligation to give the Customer the notice relating to insurance mentioned under Section 32(3) of the Sale of Goods Act 1979.
- 13.6 The Customer shall be responsible for arranging for the testing and inspection of the Goods at the Company's place of business before shipment. The Company shall have no liability for any defect in the Goods which would be apparent on inspection and in respect of which notification is made after shipment, or in respect of any damage to the Goods whilst in transit during shipment.
- 13.7 Payment of all amounts due to the Company shall be made against presentation of shipping documents and in accordance with the provisions of Condition 8.2.
- 14. CONFIDENTIALITY AND INTELLECTUAL PROPERTY RIGHTS**
- 14.1 The Customer and the Company agree that in the course of the Company supplying Goods and/or Services to the Customer, the parties may disclose to each other certain Confidential Information. The Customer and the Company agree that each party will maintain the Confidential Information's confidentiality and not disseminate it to any third party without the disclosing party's prior written consent, save that this obligation shall not apply to any Confidential Information that either party has a duty (whether legal or otherwise) to communicate or that is in the public domain or is already in the receiving party's possession through no fault of the receiving party. The Customer shall not use any Confidential Information for any purpose other than to carry out the Customer's obligations to the Company.
- 14.2 The Customer acknowledges the Company's ownership of any Intellectual Property Rights in any Output Material and in any Goods and/or Services provided to the Customer pursuant to the Contract and agrees not to contest the Company's ownership or use of any such Intellectual Property Rights. Without limitation, the Customer shall not acquire any such Intellectual Property Rights or any licence or grant of rights therein, nor shall the Customer register or attempt or permit to be registered, any such Intellectual Property Rights or any licence or grant of rights therein. No Output Material may be copied or reproduced in whole or in part without the prior written consent of the Company. The Customer further acknowledges that any and all Intellectual Property Rights developed by the Company in performing any Services and in producing and supplying any Goods shall become vested and shall vest in the Company absolutely.

15. ASSIGNMENT AND SUBCONTRACTING

- 15.1 The Company may assign the Contract or any part of it to any person, firm or company.
- 15.2 The Customer shall not be entitled to assign the Contract or any part of it without the prior written consent of the Company.
- 15.3 The Company, but not the Customer, shall be entitled to subcontract any or all of its obligations under all or any part of the Contract.

16. FORCE MAJEURE

- The Company reserves the right to defer the date of delivery and/or performance, or to cancel the Contract or reduce the volume of the Goods and/or Services ordered by the Customer (without liability to the Customer) if it is prevented from or delayed in the carrying on of its business due to circumstances beyond the reasonable control of the Company including Acts of God, governmental actions, war or national emergency, acts of terrorism, protests, riot, civil commotion, fire, explosion, flood, epidemic, lock-outs, strikes or other labour disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials, provided that, if the event in question continues for a continuous period in excess of 180 days, the Customer shall be entitled to give notice in writing to the Company to terminate the Contract.

17. GENERAL

- 17.1 Each right or remedy of the Company under the Contract is without prejudice to any other right or remedy of the Company whether under the Contract or not.
- 17.2 The Contract constitutes the entire agreement between the parties with respect to its subject matter and supersedes all prior and contemporaneous agreements and understandings between the parties.
- 17.3 If any provision of the Contract 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 and the remainder of such provision shall continue in full force and effect.
- 17.4 Failure or delay by the Company in enforcing or partially enforcing any provision of the Contract shall not be construed as a waiver of any of its rights under the Contract.
- 17.5 Any waiver by the Company of any breach of, or any default under, any provision of the Contract by the Customer shall not be deemed a waiver of any subsequent breach or default and shall in no way affect the other terms of the Contract.
- 17.6 The parties to the Contract do not intend that any term of the Contract shall be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person that is not a party to it.
- 17.7 The formation, existence, construction, performance, validity and all aspects of the Contract shall be governed by English law and the parties submit to the exclusive jurisdiction of the English courts.

18. COMMUNICATIONS

- 18.1 All communications between the parties about the Contract shall be in writing and delivered by hand or sent by pre-paid first class post or sent by fax or email:
- (a) (in case of communications to the Company) to its registered office or such changed address as shall be notified to the Customer by the Company; or
 - (b) (in the case of the communications to the Customer) to the registered office of the addressee (if it is a company) or (in any other case) to any address of the Customer set out in any document which forms part of the Contract or such other address as shall be notified to the Company by the Customer.
- 18.2 Communications shall be deemed to have been received:

- (a) if sent by pre-paid first class post, two days (excluding Saturdays, Sundays and bank and public holidays) after posting (exclusive of the day of posting); or
- (b) if delivered by hand, on the day of delivery; or
- (c) if sent by fax or email, on a working day prior to 4.00 pm, at the time of transmission and otherwise on the next working day.

Dated: 11th October 2022