

W. S. H. TAYLOR ENGINEERING LTD. TERMS AND CONDITIONS OF BUSINESS

W.S.H. Taylor Engineering Limited ("the Company") sells and supplies Goods on the terms described below

ISSUE DATE APRIL 2005

1. ACCEPTANCE AND TELEPHONE ORDERS

- 1.1 Any specific Quotation is open for acceptance for a period of 30 days from the date of issue. If the Buyer purports to accept after that date the Company may proceed or decline at its discretion.
- 1.2 The Company does not accept responsibility for errors arising from telephone orders. These must be confirmed in writing and marked clearly "CONFIRMATION ONLY". The company does not accept responsibility for duplication of dispatch in the absence of such marking.

2. PAYMENT

- 2.1 Unless special terms are agreed, payment is due at the end of the month following invoice or following notification that the Goods are ready for dispatch whichever date is sooner.
- 2.2 All payments are to be made to the Company's registered office.
- 2.3 If payment is delayed for more than 21 days, the Company may treat this as a repudiation of the Contract and without prejudice to its other rights the Company may elect to be released from its obligations under the Contract (including any obligation to supply further Goods in an instalment Contract).
- 2.4 The Buyer is not entitled to withhold any payments or to refuse payment on the grounds of counterclaims which are disputed by the Company.

3. PRICE

- 3.1 Any price appearing in any price list is an invitation to treat and any order placed is an offer which the Company may accept or refuse.
- 3.2 Any price quoted is Ex Works and is exclusive of carriage unless the contrary is expressed.
- 3.3 All prices quoted or listed are net of value added tax which will be added as appropriate.
- 3.4 Any price quoted may be adjusted to take account of variations in the cost of labour, materials, or components prior to completion of the Order.

4. RETENTION OF TITLE AND RISK

- 4.1 The risk in the Goods shall pass to the Buyer and the Order shall be completed:-
 - 4.1.1 In the case of Goods sold for delivery, when the carrier takes possession of the Goods.
 - 4.1.2 In the case of Goods collected by the Buyer, its servants or agents, when the Goods leave the Company's premises.
- 4.2 In spite of delivery having been made, property in the Goods shall not pass from the Company until:
 - 4.2.1 The Buyer shall have paid the price of the Goods plus VAT in full: and
 - 4.2.2 No other sums whatever shall be due from the Buyer to the Company.
- 4.3 Until property in the Goods passes to the Buyer in accordance with clauses 4.2, the Buyer shall hold the Goods and each of them on a fiduciary basis as bailee for the Company. The Buyer shall store the Goods (at no cost to the Company) in such a way that they are clearly identified as the Company's property
- 4.4 The Company shall be entitled to recover the price of the goods (plus VAT) notwithstanding that property in any of the Goods has not passed from the Company.
- 4.5 Until such time as property in the goods passes from the Company, the Buyer shall upon request deliver up such of the goods as have not ceased to be in existence or resold, to the Company. If the Buyer fails to do so, the Company may enter upon any premises owned, occupied or controlled by the Buyer where the Goods are situated and repossess the Goods.
- 4.6 The Buyer shall not pledge or in any way charge by way of security for any indebtedness any of the Goods which are the property of the Company. Without prejudice to the other rights of the Company, if the Buyer does so, all sums whatever owing by the Buyer to the Company shall forthwith become due and payable.
- 4.7 The Buyer shall insure and keep insured the Goods to the full price against 'all risks' to the reasonable satisfaction of the Company until the date that property in the goods passes from the Company, and shall whenever requested by the Company produce a copy of the policy of insurance. Without prejudice to the other rights of the Company, if the buyer fails to do so, all sums whatever, owing by the Buyer to the Company shall forthwith become due and payable.

5 DAMAGE IN TRANSIT

No Claim for damage in transit, shortage of delivery or loss of goods will be entertained unless in the case of damage in transit or shortage of delivery, a separate notice in writing is given to the carrier concerned and to the Company within 3 days of receipt of the Goods, followed by a complete claim in writing within 14 days of receipt of the Goods and, in the case of loss of Goods, notice in writing is given to the carrier concerned and to the Company and a complete claim in writing made within 14 days of the date of the consignment. Where Goods are accepted from the carrier concerned without being checked, the delivery book of the carrier concerned must be signed 'not examined'.

6. WARRANTIES AND LIABILITY

6.1 Subject to the conditions set out below, the Company warrants that the Goods will correspond with their specification at the time of delivery and will be free from defects in materials and workmanship for a period of thirteen months from delivery.

6.2 The above warranty is given by the Company subject to the following conditions:

6.2.1 The Company shall be under no liability in respect of any defect arising from fair wear and tear, lack of proper maintenance, wilful damage, negligence, abnormal working conditions, failure to follow the Company's instructions (whether oral or in writing), misuse or alteration or repair of the goods without the Company's approval.

6.2.2 The Company shall be under no liability under the above warranty (or any other warranty, condition or guarantee) if the total price for the goods has not been paid by the due date for payment.

6.2.3 The above warranty does not extend to parts, materials or equipment not manufactured by the Company and not incorporated within the Company's manufactured goods in respect of which the Buyer shall only be entitled to the benefit of any such warranty or guarantee as is given by the manufacturer to the Company.

6.2.4 Goods incorporated into products manufactured by the Buyer are not covered by the Company's warranty unless the application of the Goods in any product manufactured by the buyer has first been approved in writing by the Company.

6.3 Any claim by the Buyer which is based on any defect in the quality or condition of the Goods or their failure to correspond with specification shall (whether or not delivery is refused by the Buyer) be notified to the Company within 7 days from the date of delivery or (where the defect or failure was not apparent on reasonable inspection) within a reasonable time after discovery of the defect or failure. Where the Company has any doubt on the validity of any warranty claim the Company can request the return of the Goods to the Company's premises at the Buyer's cost for inspection and the decision of the Company will be final.

6.4 Where any valid claim in respect of any of the goods which is based on any defect in the quality or condition of the goods or their failure to meet specification is notified to the Company in accordance with these Conditions, the Company shall be entitled to send a replacement of the Goods (or the part in question) free of charge to the Buyer's address or, at the Company's sole discretion, refund to the Buyer the price of the Goods (or a proportionate part of the price), but the Company shall have no further liability to the Buyer.

6.5 Except in respect of death or personal injury caused by the Company's negligence, the Company shall not be liable to the Buyer by reason of any representation, or any implied warranty, condition or other term, or any duty at common law, or under the express terms of the Contract, for any consequential loss or damage (whether for loss or profit or otherwise) costs, expenses or other claims for consequential compensation whatsoever (and whether caused by the negligence of the Company, its employees or agents or otherwise) which arises out of or in connection with the supply of the Goods or their use or resale by the Buyer, except as expressly provided in these Conditions.

6.6 The Company shall not be liable to the Buyer or be deemed to be in breach of the Contract by reason of any delay in performing or any failure to perform, any of the Company's obligations in relation to the Goods, if the delay or failure was due to any cause beyond the Company's reasonable control.

7 INSOLVENCY OF BUYER

7.1 This clause applies if:

7.1.1 The Buyer makes any voluntary arrangement with its creditors or becomes subject to an administration order or (being an individual or firm) becomes bankrupt or (being a company) goes into liquidation (otherwise than for the purposes of amalgamation or reconstruction) or

7.1.2 An encumbrancer takes possession, or a receiver is appointed, of any of the property or assets of the Buyer or

7.1.3 The Buyer ceases, or threatens to cease, to carry on business or

7.1.4 The Company reasonably apprehends that any of the events mentioned above is about to occur in relation to the Buyer and notifies the Buyer accordingly.

7.2 If this clause applies then, without prejudice to any other right or remedy available to the Company, the Company shall be entitled to cancel the Contract or suspend any further deliveries under the Contract without any liability to the Buyer, and if any Goods have been delivered but not paid for, the price shall become immediately due and payable notwithstanding any previous agreement or arrangement to the contrary.

8 DELIVERY

- 8.1 Whilst every effort is made to adhere to delivery dates, any time or date given by the Company whether for the completion of the Contract or scheduled deliveries of the Contract is intended as an estimate only and the Company shall not be liable for any damages or losses direct, indirect or consequential upon delay and the Company makes no representation that delivery of the Goods shall be made by a certain date or at all.
- 8.2 Deliveries may be wholly or partially suspended and the time of such suspension added to the original Contract in the event of a stoppage or delay or interruption of work in the Company's establishment during the delivery period as a result of any cause beyond the reasonable control of the Company. The Company shall be entitled at any such time, on notice to the Buyer, to make partial deliveries only or to determine the Contract without prejudice in any case to rights accrued in respect of deliveries already made. The Buyer shall pay for the part of the Goods delivered, the same proportion of the price as the part delivered bears to the whole of the Goods agreed to be sold.
- 8.3 Delivery shall be taken by the Buyer within the period (if any) named in the quotation (extended in accordance with clause 8.2) or within 7 days of notification by the Company that the Goods are ready for delivery.

9 INFRINGEMENT

- 9.1 The Buyer shall indemnify the Company against all damages, penalties, costs and expenses to which the Company may become liable as a result of work done in accordance with the Buyer's drawings and/or specifications (whether supplied by the Buyer directly or indirectly) which involves the infringement of any letters patent registered design copyright or other intellectual property rights.

10 DRAWINGS AND SPECIFICATIONS

- 10.1 All descriptive matter and dimensions submitted with any quotation or contained in the Company's catalogue, price list or in any advertising matter or given orally or in any correspondence are approximate representations only, intended to present a general idea unless the contrary is stated expressly.
- 10.2 Whilst every reasonable precaution will be taken to ensure accuracy of the weights and dimensions shown on delivery notes, no term warranty or condition shall be implied thereby and any errors and/or omissions and/or discrepancies shall not be made the basis of any claim against the Company.
- 10.3 Any drawings and specifications supplied by the Company to the Buyer are supplied in strictest confidence and the Buyer shall not disclose them or copies of them to any third party without the written permission of the Company.

11 LIMITS OF CONTRACT

- 11.1 There shall be included in the Contract only such items as are specified in any quotation or acceptance and save as provided therein the Company shall not be bound by any statement, agreement or representation, oral and otherwise howsoever or by whomsoever made.
- 11.2 No alteration to, addition to, or qualification of these Terms and Conditions shall be binding upon the Company unless expressly accepted in writing by the Company.

12 GENERAL

- 12.1 Any notice required or permitted to be given by either party to the other under these Conditions shall be in writing addressed to that other party at its registered office or principal place of business or such other address as may at the relevant time have been notified pursuant to this provision to the party giving the notice.
- 12.2 No waiver by the Company of any breach of the Contract by the buyer shall be considered as a waiver of any subsequent breach of the same or any other provision.
- 12.3 If any provision of these Conditions is held by any competent authority to be invalid or unenforceable in whole or in part, the validity of the other provisions of these Conditions and the remainder of the provision in question shall not be affected thereby.

13 LEGAL CONSTRUCTION

This contract is or shall be deemed to be made in England and shall be construed according to English Law and the Buyer hereby submits to the jurisdiction of the English Courts.