

RELIANCE PRECISION MECHATRONICS LLP
(Registered in England, Partnership No. OC 308707)

CONDITIONS OF SALE
(October 2008)

1. GENERAL

- 1.1 **"The Company"** means Reliance Precision Limited and **"the Customer"** means the person, firm or company to whom a quotation is addressed or whose order is accepted by the Company and **"the Goods"** means the goods the subject of such quotation or order. **"The Conditions"** means these conditions of sale and the **"Contract"** means the contract for the sale of Goods by the Company to the Customer governed by these Conditions.
- 1.2 All prices quoted by the Company are based upon these Conditions. Should any Customer wish to contract with the Company otherwise than on the terms of the Conditions, special arrangements can be made and a revised price quoted by the Company.
- 1.3 In the absence of any such special arrangement (which shall not bind the Company unless made in writing and signed on the Company's behalf by a person duly authorised for that purpose) all quotations given and all agreements made by the Company and any additions or amendments thereto shall be subject to the Conditions which supersede and shall be taken to override any terms or conditions proposed or stipulated by the Customer.
- 1.4 No order, which has been accepted by the Company, may be cancelled or varied by the Customer except with the agreement in writing of the Company. If the Company accepts a cancellation by the Customer in relation to all or any of the Goods, the Company shall have the right to charge the Customer an administration charge which shall reflect the costs and expenses incurred by the Company up to the time of cancellation including payment to cover the Company's loss or other damage resulting.
- 1.5 If any statement or representation has been made to the Customer by the Company or its officers, employees or agents (other than on the terms contained in these Conditions) upon which the Customer wishes to rely, it shall only be entitled to do so if the statement or representation is endorsed on the quotation and then only if the Company subsequently confirms in writing to the Customer that the Customer is entitled to rely on the statement or representation.
- 1.6 Unless otherwise agreed in writing, any reference to Incoterms shall be defined in accordance with Incoterms 2000.
- 1.7 The singular in all cases shall imply the plural and vice versa and the masculine shall include the feminine and vice versa.
- 1.8 Any reference herein to a statutory provision shall include references to any statute or statutory provisions which amends, extends, consolidates or releases the same and shall include any orders regulation codes of practice instruments or other subordinate legislation made thereunder and any conditions attaching thereto.

2. **LIMITS OF CONTRACT**

No binding contract is created until an order is accepted in writing by the Company and all prior correspondence and oral communications are to be regarded as superseded and not forming part of these Conditions or the Contract. Prices quoted are subject to revision by the Company for errors and omissions at any time.

3. **TECHNICAL DATA**

All drawings, descriptive matter, price lists or advertisements, whether or not supplied with the quotation or tender are approximate only and intended merely to give a general idea of the Goods described therein and shall not form part of these Conditions. Unless supplied or approved by the Company, the Company undertakes no responsibility for sites or foundations, or for any framework or support, or for compliance with any local bylaws or statutory regulations, or for the fulfilment of any special requirements which the Customer may be bound to observe or fulfil.

4. **AGENTS**

The term "agent" as applied to those persons, firms or companies either in the United Kingdom or elsewhere with whom the Company has made arrangements for the sale of its Goods is a nominal one and indicates only that they are local representatives appointed for the convenience of Customers and through whom enquiries or orders may be received and dealt with by the Company. Save as provided in Clause 1.5 above, they are not authorised by the Company to incur any liability nor give any guarantee or warranty whatsoever on behalf of the Company other than the offering for sale of the Company's Goods upon the terms of the Conditions.

5. **HEALTH AND SAFETY**

- 5.1 Where the Goods are supplied to the Customer's specification or design the Customer shall be responsible for ensuring that so far as is reasonably practicable the Goods are so designed as to be safe and without risk to health when properly used, that such testing and examination is carried out as may be necessary for ensuring the Goods are so designed and that adequate information shall be available in connection with the use of the Goods at work, about the use for which they are designed and that they have been tested and about any conditions necessary to ensure that when put to that use, the Goods will be safe and without risk to health.
- 5.2 The Customer shall indemnify the Company against any claims which may be made against the Company whether under the Health and Safety at Work Act 1974, the regulations made thereunder or under any other relevant legislation, arising out of any failure on the part of the Customer to carry out the foregoing responsibilities and for all costs and expenses incurred by the Company in dealing with any such claims and rectifying any defects in the Goods.

6. **PRICE**

- 6.1 Unless a quotation or tender has been submitted by the Company, the price of the Goods shall be the price as at the date of despatch notwithstanding any price specified in any order or order acceptance.
- 6.2 If a quotation or tender has been submitted by the Company it will accept orders which are received within the time limit specified therein at the price stated in that quotation or tender.
- 6.3 The price of the Goods shall be subject to the addition of Value Added Tax and other relevant taxes for the time being in force, the cost of inward and outward handling, delivery and collection charges, transportation, carriage and insurance costs incurred by the Company and the cost of any special packing or packing cases required by the Customer for the Goods up to the point of Delivery as specified in these Conditions.
- 6.4 Any increase in costs or expenses arising from any act or omission or any special requirements of the Customer or any modifications made at the Customer's request may, at the Company's option, be charged to the Customer.
- 6.5 All quotations or tenders made or submitted by the Company and all orders accepted by the Company are made on the condition that the Customer's free issue materials shall be reasonably soft, homogenous and suitable for rapid machining. Should any material or blanks submitted to the Company be spoilt owing to the material not complying with these requirements or being otherwise defective or hard, the Customer shall in addition pay to the Company the cost of any remedial work carried out by the Company. The Customer shall also pay to the Company the cost of any replacement by the Company of any of its cutters or other tools and any other indirect or consequential loss or damage (including loss of profit) incurred by the Company if the Customer's materials do not comply with this Condition.

7. **VARIATIONS TO SPECIFICATION**

The Company reserves the right to substitute other components or materials of equivalent strength and quality when the components or materials specified by the Customer are not readily available to the Company.

8. **RELEASE CONDITIONS**

All Goods are supplied in accordance with our ISO9001 registration. Two further levels of certification are available:

C of C ISO9001 - supplied with a Certificate of Conformity.

TRACEABLE - supplied with a Certificate of Conformity. Additionally, the Company holds supplier certification for material components used in manufacture and for any sub-contracted processes.

9. DELIVERY

"**Delivery**" means the physical delivery of the Goods into the possession of the Customer or its representatives as detailed in the Order or as agreed between the parties from time to time in writing.

- 9.1 Time for Delivery is given as accurately as possible but is not guaranteed. In no event shall the Customer be entitled to make, or purport to make, time for Delivery of the essence of the Contract.
- 9.2 The Company may, upon giving written notice to the Customer, deliver the Goods at an earlier time and date than the time and date stipulated in the quotation or order.
- 9.3 Risk in the Goods shall remain with the Company until whichever is the earlier of Delivery by the Company or collection of the Goods by the Customer or payment for the Goods by the Customer, at which time risk in the Goods shall be transferred to the Customer.
- 9.4 The Company may Deliver the Goods in instalments and invoice the Customer as if each instalment comprised a separate contract upon the terms of the Conditions.
- 9.5 If Delivery or manufacture of the Goods is delayed through any act or omission of the Customer, the Company may put the Goods into storage at the Customer's risk and expense and/or at its option invoice the Customer for the amount of work executed by the Company up to the date of such delay.
- 9.6 Without prejudice to the foregoing, failure by the Customer to take Delivery of any one or more instalments of Goods delivered in accordance with these Conditions shall entitle the Company to treat these Conditions as repudiated by the Customer either in whole or in part.
10. Acceptance of the goods shall take place when the customer confirms acceptance in writing in accordance with contract or takes the goods into use. In the absence of such written acceptance, or taking into use, the goods shall be deemed to have been accepted by the customer twenty one (21) days after delivery in accordance with the contract unless the goods have been rejected for a demonstrable non compliance with the specifications at an earlier date.

11. LOSS OR DAMAGE IN TRANSIT

- 11.1 The Company shall not be liable for any loss of or damage to the Goods whilst in transit unless written notice thereof is given to the Company by the Customer (a) in the case of loss or damage to Goods delivered to the Customer within 7 days of the date of Delivery; or (b) in the case of Goods not Delivered within 10 days of the date upon which the Customer is notified that the Goods have been consigned for Delivery. Provided that if the Customer proves (i) that it was not reasonably practicable for him to give such notice to the Company within the appropriate period; and (ii) that notice was given within a reasonable time, the Company shall not be entitled to rely on the time limits stipulated by this Condition.

11.2 The Company shall not be liable for any loss or damage to the Goods where the Goods are transported by an outside freight carrier unless the Customer has complied in all respects with the freight carrier's conditions of carriage for notifying claims for loss or damage in transit.

11.3 Any liability which the Company may incur for loss of or damage to the Goods whilst in transit shall in no case exceed the invoice value of the Goods and in no circumstances shall the Company be liable for any indirect or consequential loss howsoever caused (including loss of profits).

12. TESTING

Unless otherwise agreed the Customer will be charged for physical tests of materials (including the operational costs) required by the Customer to be conducted in his presence. The Customer will be given 7 days' prior notice of the date and time of the test and if he fails to attend the test, it will proceed in his absence and shall be deemed to have been made in his presence. Unless otherwise arranged the Customer has responsibility for ensuring that the capacity and performance of the Goods as specified in the tender, quotation or order are sufficient and suitable for this purpose.

13. PAYMENT

13.1 Unless otherwise agreed in writing, all accounts should be paid net in the invoice currency to the Company's bank account or at the Company's registered office within 30 days from the date of the invoice. Cheques and money orders shall be made payable to or to the order of the Company. Only the Company's official receipt will be treated as valid.

13.2 The Company shall be entitled to charge interest on all overdue accounts at a rate of 2% per month on the outstanding balance, or such other amount as reflects the genuine losses of the Company arising from late payment, until such time as payment is made in full. The Company reserves the right to claim interest under the Late Payment of Commercial Debts (Interest) Act 1998 where applicable.

13.3 Time for payment shall be of the essence.

14. PASSING OF PROPERTY

14.1 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: -

14.1.1 the Goods; and/or

14.1.2 all other sums which are or which become due to the Company from the Customer under any Contract

whether or not such sums are immediately payable.

14.2 The Company may recover Goods in respect of which title has not passed to the Customer on whichever is the earliest of the following dates: -

14.2.1 on the expiration of any agreed period of credit in relation to the Goods;

14.2.2 if the Customer, does anything or fails to do anything which would entitle a creditor to appoint a receiver to take possession of any of the Customer's assets or which would entitle any person (including the Customer itself) to present a Petition for winding up the Customer or to propose an application for an administration of or voluntary arrangement in relation to the Customer under the Insolvency Act 1986 or if a resolution is passed for the winding up of the Customer (otherwise than for the purposes of amalgamation or reconstruction whilst solvent) or if the Customer ceases or threatens to cease to carry on its business by reason of insolvency or approaching insolvency or otherwise;

14.2.3 in any event, if distress or execution is levied against any of the Customer's assets or if a judgement against the Customer remains unsatisfied for more than 7 days;

and the Customer irrevocably licenses the Company, its officers, employees and agents to enter upon any premises of the Customer, with or without vehicles, for the purpose either of satisfying itself that Condition 14.3 below is being complied with by the Customer or for recovering any Goods in respect of which title has not passed to the Customer. This right shall continue notwithstanding the termination of the Contract howsoever caused and without prejudice to the accrued rights of the Company thereunder.

14.3 Until title to the Goods has passed to the Customer under these Conditions it shall possess the Goods as fiduciary agent and bailee of the Company. If the Company so requires the Customer will return the Goods in good condition and will meet any cost of the Company incurred in recovering or repairing the Goods in the event of the failure to comply with this sub-condition. The Customer shall ensure that Goods in respect of which title has not passed are stored separately from other goods and shall ensure that they are clearly identifiable as belonging to the Company. During such time as the Customer possesses the Goods with the Company's consent, the Customer may in the normal course of its business sell or hire the Goods as principal and without committing the Company to any liability to the person dealing with the Customer.

14.4 Notwithstanding that title in the Goods has not passed to the Customer, the Company shall be entitled to maintain an action for the price of the Goods.

14.5 Each paragraph and sub-paragraph of this Condition is separate, severable and distinct.

15. **VARIATIONS**

15.1 No variations to the Goods required by the Customer shall be binding on the Company unless agreed by the Company and the Customer in writing, including, as part of such agreement, any change to the price arising in consequence of the variation to the Goods.

15.2 If the Company agrees to any such variation, any dates quoted for Delivery shall be extended accordingly.

16. **PERFORMANCE**

The tolerances permitted by the British Standards Institution relating to limiting overloads and temperature rises shall apply to any performance figures. Performances are based upon the Company's experience and are such as the Company expects to be obtained, but are estimates only and are not guarantees. The Company shall be under no liability for failure to achieve such figures unless there is in writing a guarantee of performance expressly stating that the Company guarantees certain performance figures under an agreed sum as liquidated damages.

17. **GUARANTEE**

The Company undertakes to repair or replace, at the option of the Company, any Goods which are shown to be defective in materials or workmanship within six months of delivery or within six months of first being put into service whichever is the longer provided that the total period shall not exceed 12 months. Provided that the Company shall be under no liability under this guarantee if (a) the Customer has not paid in full for the Goods; or (b) the Customer has executed or attempted to execute repairs or alterations to the Goods or their installations which are not authorised by the Company; or (c) the Goods have not been used or maintained reasonably or properly by skilled operators; or (d) the Company has not been notified of any defect within one month of the defect becoming apparent; or (e) the Customer has failed in any other respect to adhere strictly to the terms of these Conditions.

18. **EXCLUSION OF LIABILITY**

18.1 Nothing in these Conditions or the Contract shall limit or restrict the Company's liability for death or personal injury caused as a result of the Company's negligence, nor does the Company restrict its liability for fraudulent misrepresentation under the Misrepresentation Act 1967.

18.2 Under no circumstances whatever shall the Company be liable for losses special to the particular circumstances of the Customer indirect or consequential including loss of profits, work required in connection with the removal of defective Goods and the installation of repaired or substituted Goods, damage to property and wasted expenditure.

18.3 The Company excludes all liability for any material or blanks sent by the Customer for machining, cutting the teeth, grinding or hardening and all such material or blanks submitted to the Company are submitted at the sole risk of the Customer. The Company shall not be liable for the failure of such parts due to any defects whatsoever. Every precaution is taken to avoid waste and extra material and blanks are only called for if considered necessary by the Company.

THE CUSTOMER'S ATTENTION IS IN PARTICULAR DRAWN TO THE PROVISIONS OF CLAUSE 18.4

18.4 The Company's liability in damages to the Customer whether in respect of one claim or the aggregate of various claims shall not exceed the Contract price of the Goods. The price of the Goods is based on the assumption that the liability of the Company is as set out herein. The Customer is advised to insure against any risk not accepted by the Company.

19. **SUSPENSION OR CANCELLATION**

19.1 If the Customer fails to pay the Company on the due date any sum payable hereunder or commits any continuing or material breach of the Conditions or Contract or if the Customer, does anything or fails to do anything which would entitle a creditor to appoint a receiver to take possession of any of the Customer's assets or which would entitle any person (including the Customer itself) to present a petition for winding up the Customer or to propose an application for an administration of or voluntary arrangement in relation to the Customer under the Insolvency Act 1986 or if a resolution is passed for the winding up of the Customer (other than for the purposes of amalgamation or reconstruction whilst solvent) or if the Customer ceases or threatens to cease to carry on its business by reason of insolvency or approaching insolvency or otherwise or if anything analogous to any of the foregoing under the law of any jurisdiction occurs to the Customer, the Company may without prejudice to its other rights, demand immediate payment by the Customer of all unpaid accounts and either suspend or cancel further deliveries or cancel this and any other contract between the Company and Customer without any liability attaching to the Company in respect of such suspension or cancellation. If the Company cancels the Contract it shall be entitled to recover the administration charge under Clause 1.4.

20. **LIEN**

The Company shall have a general lien in respect of all sums due from the Customer upon all Goods to be supplied to such Customer or upon which work has been done on the Customer's behalf and, on 14 days' written notice to the Customer may sell such Goods and apply the proceeds towards the satisfaction of the sums due to the Company.

21. **INTELLECTUAL PROPERTY**

21.1 The Customer warrants that any design, drawing, specification, or instruction furnished or given to the Company shall not be such as to cause the Company to infringe any trade marks, registered or unregistered design rights, UK patent or foreign patent, copyright, confidential information, know-how and other intellectual property rights of any nature ("Intellectual Property") in the execution of the Customer's order. The Customer shall indemnify the Company against all claims, actions and costs made or brought against the Company (whether in England or elsewhere) in respect of the infringement of Intellectual Property.

21.2 All Intellectual Property in all Goods, drawings, documents, confidential records, data text, diagrams, images (in any tangible or electronic medium whatsoever including paper based materials, computer programs, software, CD's, audio and/or visual tapes) ("Materials") supplied by the Company, whether produced by itself or a third party, are supplied on the express understanding that the Intellectual Property is reserved to the Company (or the third party) and that the Customer will not, without the written consent of the Company, give away, loan, exhibit or sell any Materials or other information or extracts from them or copies of them or use them in any way except in connection with the Goods in respect of which they are issued.

21.3 All claims for alleged infringement of Intellectual Property received by the Customer relating to the Goods must be notified immediately to the Company. If requested by the Company, the Company shall be entitled to have conduct of any proceedings relating to any such claim in such manner as the Company thinks fit and the Customer shall provide to the Company such reasonable assistance as the Company may request. The cost of any such proceedings shall be borne by the Company.

22. GENERAL

22.1 The Company shall be under no liability for any failure to perform any of its obligations under these Conditions or the Contract if and to the extent that the failure is caused by an act of God, governmental restriction, condition or control or by reason of any act done or not done pursuant to a trade dispute, shortage of labour or materials or breakdown of machinery or any other matter (whether or not similar to the foregoing) outside the control of the Company.

22.2 If any part of or whole provision of these Conditions shall be or become invalid, unenforceable or void, the remainder of the provision is in question and the other provisions shall remain valid and enforceable.

22.3 The Contract and these Conditions are entered into between the Company and the Customer as principals and the Customer shall not be entitled to assign the benefit or burden of its or of any interest in them without the prior written consent of the Company. The Company shall be entitled to sub-contract the whole or part of its obligations under these Conditions and or to assign its interest in the Contract.

22.4 A person who is not a party to these Conditions or the Contract shall have no rights pursuant to the Contracts (Right of Third Parties) Act 1999 ("the Act") to enforce any term of these Conditions or the Contract. Any right or remedy of a third party, which exists or is available apart from the Act, is not affected.

22.5 Failure by the Company at any time to enforce a Condition shall not be construed as a waiver of such Condition or any other Conditions. Any waiver by the Company of any breach of, or any default under, any provision of the Contract by the Customer shall not be construed as a waiver of any subsequent breach or default and will in no way affect the other terms of the Contract.

22.6 The Contract and these Conditions shall be construed in accordance with English law and shall be subject to the exclusive jurisdiction of the English Courts. Nothing in this Condition shall limit the right of the Company at its sole discretion to bring proceedings in connection with this Contract in any other Court of competent jurisdiction.