

ADRECO LIMITED – TERMS AND CONDITIONS OF SALE

1. GENERAL

1.1 These terms and conditions (“these conditions”) apply to all contracts for the sale or provision of goods and (unless otherwise stated) services by Adreco Limited, company registration number 1312605 based at 17-19 Avant Business Centre, Third Avenue, Bletchley, Milton Keynes, MK1 1DR (“the Company”) to any customer (“the Buyer”) and supersede and are to the exclusion of any terms and conditions previously used by the Company and any other understandings and arrangements with the Buyer in respect of any goods or services. References to “we”, “us”, or “our” are to the Company and references to “you”, and “your” are to the Buyer. Headings in these conditions are for convenience only.

1.2 No addition to, nor variation or waiver of, these conditions nor any other terms or conditions including any proffered by the Buyer or printed on or referred to in the Buyer’s purchase order or other documents or which would otherwise be implied by law shall have any legal effect and apply to any contract with the Company unless expressly agreed in writing on behalf of the Company by a duly authorised officer or employee of the Company and then only to the extent agreed and expressly referring to the addition, variation, waiver or (as the case may be) adoption of any other terms and conditions. Subject to that these conditions continue to apply at all times notwithstanding anything done by or on behalf of the Buyer inconsistent with them.

1.3 The Buyer agrees that save for any representation or warranty in these conditions or otherwise expressly given in writing on behalf of the Company by a duly authorised officer or employee of the Company it has not relied upon any representation or warranty in entering into the contract to which these conditions relate or in any other respect concerning the goods or services ordered including (without limitation) any information in any sales literature, quotation, price list, acceptance of offer, invoice or other document issued by or on behalf of the Company and any advice, recommendation or other information issued by or on behalf of the Company or otherwise in respect of the goods or services to be supplied including (without limitation) any descriptions and illustrations in respect of the goods or anything used in their production, information as to storage, use or application as to their durability or tolerance, fitness for any purpose different from the purpose for which they would normally be used or otherwise including in the case of any tools as to their output. Save for any representation or warranty in these conditions or as expressly agreed the Buyer hereby agreed to waive all rights and remedies available to it in respect of all representations and warranties save as regards any fraud and as regards representation and warranties in these conditions or as agreed, agrees to waive any right to terminate or rescind the contract in whole or in part or to reject any good and to limit the Buyer’s remedy to damages save as regards any fraud.

2. ORDERS, ACCEPTANCE AND PRICE

2.1 Any quotations given are subject to confirmation upon receipt of the Buyer’s written order or confirmation in writing of a verbal order. Any quotation may also be revised to take account of any variation of the order or any changes to prices or other factors prior to the Company’s acceptance. Quotations remain valid for a period of 90 days.

2.2 The Buyer’s order and any variation of it must be in writing or if verbal confirmed in writing within 10 days of the original discussion, unless the requirement for confirmation is waived by the Company or superseded by acceptance and performance of the order.

2.3 Orders once accepted by the Company cannot be varied or cancelled by the Buyer save as provided for in these conditions.

2.4 The Buyer must have proof of acceptance of any order in writing signed on behalf of the Company by a duly authorised officer or employee of the Company unless the requirement is waived by the Company or superseded by the performance of the order.

2.5 The Company will endeavour to notify the Buyer of any changes to the price or other factors which may impact upon the order placed before accepting the order.

2.6 If the Buyer intends the goods for a specific purpose different from their common purpose this must be specifically drawn to the Company’s attention in writing at the time of the order or as soon as reasonably practicable afterwards and prior to any acceptance by the Company.

2.7 If goods are to be manufactured to the Buyer’s specification, design and/or in accordance with plans, drawings or other information supplied by the Buyer then it is the Buyer’s responsibility to ensure that all relevant information and documentation is supplied to the Company at the time of the order or as soon as practicable afterwards and prior to any acceptance by the Company and to ensure that the information supplied is true, complete and accurate in all respects. The Buyer confirms that the Company may (subject to the terms of any confidentiality agreement entered into between the parties) use the information and documents supplied in any manner which the Company thinks fit to perform its obligations including taking copies of written information and manufacturing samples and other goods. The Company shall be under no liability in respect of any defect (including without limitation any failure to perform or fulfil any particular purpose in goods) arising from any drawing, design, specification or other information supplied by the Buyer.

2.8 Unless otherwise stated all orders are accepted on condition that any fluctuation in the cost of materials and/or other direct or indirect costs beyond our control or other matters beyond our control or any act or omission of the Buyer may result in an increase in the price of such part of any order as remains to be delivered.

3. QUANTITIES

Except by agreement in writing with the Company signed by a duly authorised officer or employee, delivery up to 10% above or below the quantities of moulded product ordered shall be permissible without any price adjustment or any right for you to terminate or rescind the contract in whole or in part or reject any goods.

4. CANCELLATION BY THE BUYER

Except by agreement in writing with the Company signed by a duly authorised officer or employee no order accepted by us for goods manufactured to a Buyer’s specification, design and/or in accordance with other plans, drawings or information supplied by the Buyer may be cancelled without payment against our invoice for the full cost of special manufacture incurred up to the date of cancellation, including the cost of tools, dies and other items (including materials and embodiment parts including any such items in excess of those required to fulfil orders from the Buyer accepted by the Company if such excess shall have arisen as a result of a Supplier imposing minimum order requirements on the Company) purchased or manufactured specifically for execution of the order in question provided that if we subsequently sell any goods manufactured we will re-imburse you up to the maximum amount that you pay us and issue you with a credit note. All deposits are non-refundable and shall be forfeited by the Buyer in the event of cancellation. Any other order placed by you once accepted maybe cancelled by you on condition that if for any reason within a period of one calendar month of cancellation we are unable to sell any of the goods set aside to meet your order and/or sell any of the goods set aside for a price less than you would have paid us. We may in our discretion invoice you for the goods not sold and as regards any goods sold for any price deficiency.

5. DEFAULT BY THE BUYER

5.1 We shall have the right to stop manufacture, delivery and performance of any order and also at our discretion to determine the contract in respect of any undelivered goods if the Buyer defaults in payment of any sum due to us (taking into account any discount and credit arrangements that we have agreed) or if we become aware of any circumstances referred to in condition 14 as applying to the Buyer or the Buyer fails to take delivery of any goods.

5.2 In the circumstances provided in condition 5.1 the Company may (without prejudice to any other right or remedy available to it) store the goods until actual delivery or sale to a third party and charge the Buyer for the reasonable costs (including insurance) of storage and/or sell the goods for the best price reasonably obtainable after selling expenses and account to the Buyer for the excess over the price under the contract within one calendar month of the sale to the third party or charge and invoice the Buyer for any short fall below the price under the contract.

6. MATTERS BEYOND THE COMPANY’S CONTROL

If owing to war, strikes, difficulty in obtaining raw materials, or causes of any nature beyond our control, we are unable to perform any part of any order, we shall have the right (on giving notice in writing) to terminate the contract as a whole or in part as regards goods in respect of the undelivered balance of the order and the Buyer shall not have any claim against us for loss or damage or otherwise in respect of arising out of such inability, delay or termination. Such termination is without prejudice to rights and remedies as regards goods delivered.

7. DELIVERY

7.1 Delivery of any goods shall be made to the Buyer or to a carrier and the goods shall be delivered to the Buyer’s premises or as otherwise agreed with the company in writing signed by a duly authorised officer or employee. It is the Buyer’s responsibility to ensure that if any specific containers, packaging, labels, identifications or other information is

required in respect of the goods to ensure that the same is furnished to the Company within such time as is reasonably necessary to enable the Company to deliver the goods in accordance with the contract. Unless otherwise stated the price for the goods is exclusive of any associated costs including (without limitation) carriage, insurance, taxes and other expenses.

7.1 Any stipulated time for delivery shall date from the receipt of the Buyer's written order or confirmation in writing or of the necessary information, inserts and other items from the Buyer referred to in these conditions to enable us to put the work in hand, whichever is the later. Dates of delivery are not guaranteed. Without prejudice to our other rights and remedies if at any time we are hindered or prevented from making or delivering the goods by any reason whatsoever beyond our control, the time for delivery shall be extended until such cause shall cease to operate or cancellation or termination by us, whichever is earlier.

7.2 It is the Buyer's responsibility to ensure that relevant representatives of the Buyer are on hand when the goods are delivered to accept delivery and to sign all requisite documentation including any delivery notes.

7.3 Where the goods are to be delivered by instalment each delivery shall constitute a separate contract and failure by the Company to deliver any one or more instalments in accordance with these conditions or any claim by the Buyer in respect of any one or more instalments shall not entitle the Buyer to terminate or rescind the contract as a whole.

7.4 All prices are ex works and exclude delivery costs unless agreed at the point of order 8.

8. RETURNS AND DAMAGE

Any problems with the quality of goods supplied by us must be raised promptly with our Quality Control department so that a course of action may be agreed between us. Subject to that and save in circumstances referred to in condition 9 any goods returned within one calendar month of their delivery to the carrier and accepted by us as defective will be replaced or credited, but no claim will be admitted for additional labour or other expenditure including any cost of return to us. We are not liable for damage in transit unless it is reported on the delivery note, or failing that, the delivery note signed "Contents Unexamined" and damage reported to the carrier and to ourselves within 3 days.

9. EXCLUSION OF LIABILITY

Although every endeavour will be made to supply goods free from defects we shall not have any liability and you shall have no right to terminate or rescind the contract in whole or in part or to reject any goods or any other claims against us in respect of:

9.1 Goods which are not fit for any specific purpose different from their common purpose which was not drawn to our attention in accordance with these conditions and confirmed by us;

9.2 Goods manufactured in accordance with your specification, design and/or plans, drawings or other information or in conformity with any sample accepted by you, including (without limitation) any failure or delay to supply the requisite information and/or it was not true, complete and accurate in all respects, and if any materials used in the manufacture supplied by you or from sources dictated by you prove to be defective in any respect;

9.3 Any goods damaged in transit save as provided for in condition 8;

9.4 Any goods to the extent we drew them to your attention and took this into account in the price or other aspects of the contract and any defective goods not returned to us within one calendar month of their delivery to the carrier;

9.5 Any loss, injury or damage arising out of a breach by you of your obligations to us or our requirements;

9.6 Any indirect or consequential loss, injury or damage of whatever nature including (without limitation) any sustained by third parties; or

9.7 Any defect in any mouldings attributable to unsuitable or faulty embodiment parts (as defined in condition 12); Provided that we agree that nothing in this condition or elsewhere shall exclude or restrict any rights or remedies where there is death or personal injury caused by our negligence.

10. INDEMNITY

Where goods are manufactured and supplied to the Buyer's order and in accordance with any specification, design and/or plans, drawings or other information from the Buyer, the Buyer shall indemnify us against all claims in respect of any loss, injury or damage sustained by any third party however caused after receipt of the goods; any royalties or other payments payable to any third party in respect of any patents or registered designs or other intellectual property or rights, which may be claimed against us and/or claims, expenses and costs in connection with any infringement or alleged infringement of any patents, registered designs or other intellectual property or rights claimed by a third party.

11. COLOUR

Colours shall be subject to reasonable variation and you shall have no right to terminate or rescind the contract in whole or in part or to reject any goods where the goods comply with those requirements. In other circumstances you may not terminate or rescind the contract in whole or in part nor reject the goods that comply with those requirements, but you may as regards other goods that do not comply return them to us in accordance with condition 8.

12. INSERTS AND ASSEMBLY PARTS

If inserts and assembly parts (together referred to as "embodiment parts") are to be provided by the Buyer, the following provisions shall apply:-

12.1 The Buyer undertakes to deliver at your cost embodiment parts and the quantities and at the times required by us;

12.2 The Buyer undertakes to supply at your cost sufficient excess of embodiment parts to cover losses. Excess material which is not actually required will be returned at your cost if desired; and

12.3 All embodiment parts shall be of suitable quality, shall strictly comply with the agreed dimensions and tolerances and shall be delivered to us free of all charge and in a condition which we consider suitable for incorporation in the mouldings.

13. TOOLS

Where any tools, dies or fixtures are provided by us they and intellectual property rights in them shall be our property, even if the Buyer has paid or has been debited with part cost. We shall be entitled to make a charge against and invoice the Buyer for renewal of tools or parts thereof if and when it becomes necessary. When spend with the Company is below £5,000 exc VAT per calendar year, we reserve the right to make a charge of £3 per pallet per week to store tooling.

The Buyer will be given one months notice in writing to remove at your cost from our premises any tools which have not been used for a period of two years, after which time we shall have the right to dispose of such tools and retain in full any proceeds. We may retain any tools belonging to the Buyer until such time or the Buyer has paid all sums owing by it to the Company.

14. RISK AND OWNERSHIP

Although the risk in goods shall pass on delivery to the carrier ownership of the goods shall remain with the Company until all sums owing to the Company under this or any other order has been paid. The Buyer is authorised to sell the goods delivered and incorporate them into other goods and sell them and pass title in them in the ordinary course of business until the Buyer becomes unable to pay its debts in the ordinary course of business, as they fall due, or a petition is presented or a resolution passed or an order made to wind up the Buyer or a petition is presented or order made for administration of the Buyer or the Buyer decides to make an arrangement with its creditors or a petition is presented or an order made for bankruptcy of the Buyer or the Buyer has a receiver or manager appointed over any property or has distress levied against any property or an encumbrancer takes possession of any property or the Buyer ceases or threatens to cease to carry on its business. Thereupon the Buyer's authority to sell the goods and incorporate them into other goods shall be automatically withdrawn. All goods not sold by the Buyer shall immediately be delivered to the Company at the Buyer's cost and the Company shall have the right to enter upon the Buyer's premises or such premises where they are held for the Buyer and to repossess such goods. The Buyer shall endeavour to ensure that any goods delivered to it which have not been incorporated into any other goods are stored separately from its own goods until paid for or incorporated. All proceeds of sale of goods delivered to the Buyer shall be credited to an account in the Company's name and no other debits or credits made to that account and all such monies in that account shall be assigned to the Company to the amount of any outstanding debt. We may retain any tools belonging to the Buyer until such time or the Buyer has paid all sums owing by it to the Company.

15. PAYMENTS AND INTEREST

Tools will be invoiced separately from mouldings and the payment terms of which shall be stated on the official quotation or shall default to 50% with order and 50% upon completion of samples. If the Buyer shall not within 21 days of submission of samples inform us in writing that they do not comply with any specification, design or other plan, drawing or requirements of the Buyer they shall be deemed to comply. Subject to any credit arrangements we give you at our discretion in respect of mouldings liability for payment arises on delivery or the date the goods would have been delivered but for your failure to take delivery and all invoices shall be paid not later than the last day of the month following the month of delivery or (as the case maybe) the date the goods would have been delivered but for your failure. The Company may in its absolute discretion allow discounts for prompt settlement of accounts and issue any relevant credit notes, but reserves the right at any time to vary or withdraw such discount or credit arrangements. Payment of any other invoice delivered by us in accordance with these conditions must be paid not later than the last day of each month following the month of delivery. Where payment of any sum to the Company is overdue then the Company may in its discretion charge the Buyer and invoice it for interest on the overdue sum at the rate of 2% per month or part thereof or such other rate agreed with you (both before and after any judgement) until payment.

16. VALUE ADDED TAX

VAT or any substitute or alternative sale tax will be charged at the appropriate rates and will be shown on any invoice.

17. LAW

These conditions and the contract to which they relate shall be governed and construed in all respects in accordance with English Law and the Buyer agrees to submit to the exclusive jurisdiction of the English courts save that nothing in this condition operates to preclude the Company from taking any proceedings in or transferring any proceedings to any court in any jurisdiction.

18. SUBCONTRACT

The Company is entitled to subcontract all or any of its obligations.

19. PACKAGING WASTE

The Buyer shall cooperate in any arrangements the Company is obliged to maintain or participate in as regards the return of packaging or packaging waste and vice versa.

20. NOTICES, ETC

20.1 Unless otherwise stated all notices and other communications must be in writing. In the case of the Company they must be signed on its behalf by a duly authorised officer or employee.

20.2 The Company is entitled to assume and the Buyer warrants to the Company that any person purporting to represent the Buyer in placing any order or otherwise in respect of any matter referred to in these conditions or the contract to which they relate has all requisite authority.

21. INVALIDITY

If any term or condition is invalid or unenforceable in whole or in part for any reason then the remaining provisions shall continue in full force and effect and the provision or part in question shall be severed from the contract.

22. WAIVER

Any failure or delay or forbearance on the part of the Company in enforcing any of its rights shall not operate or be construed as a waiver of them or of any further exercise of them or of any other rights.

23. NO SET OFF

Any payment to be made by the Buyer to the Company shall be made in full without any set off or deduction or counter claim.

24. DRAWINGS, ETC

All sales literature, price lists, plans drawings and other documents of whatever nature created or supplied by or on behalf of the Company other than copies of any documents supplied by the Buyer and without prejudice to any third party rights and all intellectual property rights in them are and shall remain at all times the Company's property unless and to the extent agreed to the contrary in writing with the Company signed by a duly authorised officer or employee on its behalf. The Buyer may not remove any such documentation from the Company's premises and must return any documentation removed or issued by the Company upon demand; may not use or disclose such documents or information in them in whole or in part in any manner or for any purpose (including (without limitation) making any copies of them or making goods in accordance with them) save for any disclosure required by law and any use to the extent necessary to check that the goods comply with the Buyer's requirements and must destroy or at the Buyer's cost return any copies upon demand.

25. CONFIDENTIALITY

The Buyer shall keep all of the Company's documents and other confidential information strictly confidential and shall not, without our consent, make use of the same or divulge any of them to a third party.