

**STANDARD CONDITIONS RELATING TO
THE SUPPLY OF GOODS AND SERVICES
BY HALTON PRODUCTS LIMITED ("THE SELLER")**

1. Formation of Contract

1.1 Any order sent to the Seller by the Purchaser shall be accepted entirely at the discretion of the Seller, and, if so accepted, will only be accepted upon these conditions (hereafter referred to as the "Conditions") and by means of the Seller's standard order acknowledgement form.

1.2 Each order which is so accepted shall constitute an individual legally binding contract between the Seller and the Purchaser and such contract is hereafter referred to in these Conditions as an "Order".

1.3 These Conditions shall override any contrary different or additional terms or conditions (if any) contained on or referred to in any order form or other documents or correspondence received from the Purchaser, and no addition, alteration or substitution of these terms will bind the Seller or form part of any Order unless they are expressly accepted in writing by a Director of the Seller.

2. Specification

2.1 All goods supplied by the Seller shall be in accordance with -

2.1.1 the current edition of the Product Catalogue as published from time to time by the Seller (copies of which are available from the Seller upon request) and

2.1.2 those further specifications or descriptions (if any) expressly listed or set out on the face of the Order. No other specification, descriptive material, written or oral representation, correspondence or statement, promotional or sales literature shall form part of or be incorporated by reference into the Order.

2.2 Subject always to Condition 4.2 and 4.3 the contract shall be executed in accordance with the dates and time scales expressly agreed in writing by the Buyer and a Director of the Seller ("the Programme").

3. Acceptance

3.1 The Purchaser shall be deemed to have carried out a full inspection of all goods upon delivery. The Purchaser shall be deemed to have accepted all goods upon their delivery by the Seller to the address specified in the Order, unless the Purchaser rejects the goods by sending written notice of any shortage, defect or damage to the Seller within seven days of delivery.

4. Delivery and Risk

4.1 Unless otherwise stated in the Order, the price quoted includes delivery to the address specified in the Order, provided that the Seller reserves the right to make an additional charge to cover any increase in transport costs occurring before the date of delivery.

4.2 Any time or date for delivery given by the Seller is given in good faith, but is an estimate only and is not guaranteed and does not form a term or condition of the contract. The Seller will endeavour to comply with any such delivery date but will not be liable for any failure from whatever cause to meet a delivery date.

4.3 In the event of any known or anticipated delay in the execution (in accordance with the dates and time scales specified in the Programme) by one party of its obligation under the contract and whatever the cause or delay, that party shall inform the other party of the reason, therefore, and when it expects to proceed with its obligations.

4.4 Risk in the goods shall pass to the Purchaser upon delivery.

4.5 The Buyer shall not return any goods to the Seller without consent given in writing by the Seller and any such returns shall in any event be made at the sole risk and expense of the Buyer.

5. Title and Payment

5.1 The Seller warrants that (except in relation to intellectual property rights of third parties as referred to in Condition 5.3) the Seller has good title to the goods and that (pursuant to s 12(3) of the Sale of Goods Act 1979, or s 2(3) of the Supply of Goods and Services Act 1982, whichever Act applies to the Order) it will transfer such title as it may have in the goods to the Purchaser pursuant to Condition 5.5.

5.2 The Seller warrants that it is not aware of any actual or alleged infringements of any intellectual property rights of third parties which relate to the goods other than those (if any) which the Seller has disclosed to the Purchaser prior to acceptance of the order.

5.3 The Seller shall have no liability to the Purchaser (other than as provided in Condition 15) in the event that the goods to be supplied under the Order infringe any intellectual property rights of a third party (including without limitation by reason of their possession, sale or use, whether alone or in association or combination with any other goods); the Seller gives no warranty that the goods to be supplied under the order will not infringe as aforesaid, and all conditions, warranties, stipulations or other statements whatsoever relating to such infringement or alleged infringement (if any), whether express or implied, by statute, at common law or otherwise howsoever, are hereby excluded.

5.4 Unless otherwise stated in the Order, payment of the price of the goods comprised in each consignment delivered pursuant to an Order shall become due on or before the expiry of 30 days from the date of delivery to the Purchaser or upon which delivery is deemed to have taken place as provided in Condition 9.

5.5 Any monies not paid in accordance with Condition 5.4 will bear interest at 4% above Barclays Bank PLC base lending rate from time to time in force (before as well as after judgement from the due date to the actual day of payment). The Purchaser agrees to indemnify the Seller against all solicitor's cost incurred by the Seller by reason of such default.

5.6 Title to the goods comprised in each consignment shall not pass to the Purchaser until the Purchaser has paid their price to the Seller, but even though title has not passed, the Seller shall be entitled to sue for their price once its payment has become due.

5.7 The Seller shall be entitled to withhold delivery in the event of the Buyer's failure to discharge in full any invoice delivered by the Seller to the Buyer before the date for delivery.

5.8 Until the property and the goods shall have passed from the company

5.8.1 The Purchaser shall take responsibility for any loss or damage and shall insure the goods and all other goods of the Seller as shall be in his possession to the invoice value and shall whenever requested by the Seller produce a copy of the policy of insurance. In the event of the loss or damage of the goods the purchaser shall hold on trust for the Seller so much of the insurance money received as is equal to the contract price of the goods;

5.8.2 The Purchaser shall ensure that after they have been delivered to him or his agent, or until they have been incorporated in other products or resold in the ordinary course of the Purchaser's business, the goods shall be stored or otherwise identified in such a way as to show that they still remain the property of the Seller;

5.8.3 The Purchaser shall not mortgage, charge or dispose of the goods (otherwise than by incorporating in other products or reselling them in the ordinary course of his business) without the prior consent of the Seller.

5.9 In the event of any sale or disposition of any of the goods by the Purchaser, the Purchaser shall hold on trust for the Seller so much of the proceeds of sale as is equal to the contract price of the goods under this Agreement and which sum shall not be mixed with other money or paid into any overdrawn bank account and shall be at all material times identified as the Seller's money.

5.10 All goods sold by the Seller and by arrangement, held by the Seller on behalf of the Purchaser, are so held at the sole risk of the Purchaser who indemnifies the Seller against any loss or damage thereto however arising.

6. The Seller's Right to Repossess the Goods

6.1 If the Purchaser defaults in making any payment to the Seller in respect of any liability owed by the Purchaser to the Seller after the due date for such payment, or if the Purchaser deals with the goods in any way (other than as permitted herein) adverse to the title of the Seller, or has a Receiver or Order made against him, or is made bankrupt, or (where the Purchaser is a Limited Company) enters into liquidation, or if an Administrator or Receiver is appointed over the whole or any part of the Purchaser's assets or undertaking, or if the goods are seized under any execution or distress or other form of legal process, any existing contract between the Purchaser and the Company shall automatically determine (but without prejudice to any pre-existing claim which the Seller may have under these conditions against the Purchaser) and the Purchaser shall cease to be

in possession with the consent of the Seller of the goods sold and all other goods, being the property of the Seller, which are at that time in the Purchaser's possession, custody or control, and the Seller shall be entitled to enter the premises of the Purchaser and recover immediate possession of all goods which are the property of the Seller and shall not be liable for any damage or loss recently occasioned to any other property owned by the Purchaser to which the goods have been attached during the course of removing the goods and taking repossession thereof.

6.2 For the purpose of Condition 6.1 above, all goods of the Seller manufactured and bearing the Seller's name which are in the Purchaser's possession, custody or control at the time when the right to repossession arises under that sub-clause shall be deemed to be goods supplied to the Purchaser by the Seller in which property has not passed to the Purchaser unless the contrary is proved.

7. Copyright

7.1 The specifications and designs of the goods (including the copyright, design right or other intellectual property in them) shall, as between the parties, be the property of the Seller.

7.2 Where any designs or specifications have been supplied by the Buyer for manufacture by or for the order of the Seller or the Buyer warrants that the use of those designs or specifications for the manufacture, processing, assembly or supply of the goods shall not infringe the rights of any third party.

8. Storage

8.1 The price for the goods is based on the Programme which allows progressive deliveries of the goods direct from the supplier's factory. If the Seller shall be unable, through circumstances beyond its control (including without limitation lack of shipping instructions from the Purchaser of the goods for the purposes of Condition 4 and 5.4. All charges incurred by the Seller for storage or insurance shall be paid by the Purchaser within 30 days of submission of an invoice.

9. Cancellation

9.1 The Seller may cancel this contract at any time before the goods are delivered by giving written notice. On giving such notice the Seller shall promptly repay to the Buyer any sums paid in respect of the price of the goods. The Seller shall not be liable for any loss or damage of whatever nature arising from such cancellation.

10. SubContracting

10.1 The Seller may license or subcontract all or any part of its rights and obligations under this contract without the Buyer's consent.

11. Installation

11.1 In the event that the contract provides for the installation of the goods, the following sub-clauses of this Condition shall apply:

11.1.1 The Seller shall give written notice to the Buyer that the installation of the goods is complete and shall give the Buyer notice of the time and date upon which Performance Tests can be carried out. Such Performance Tests shall be carried out by personnel of the Seller in the presence of representatives of the Buyer not later than 14 days from the date of receipt of the notice by the Buyer.

11.1.2 If the Performance Tests show the goods to be in accordance with the relevant specifications the Buyer shall have the right to take over the goods and any system of which they form part for commercial use.

11.1.3 If the Performance Tests show the goods not to be in accordance with the relevant specifications the Seller shall rectify the defects after which the Performance Tests or such portion of them as may be mutually agreed upon shall be repeated under the same conditions as aforesaid.

11.1.4 The Buyer shall not use the goods or the system of which they form part commercially prior to their acceptance as aforesaid. In the event that the Buyer does use the goods commercially prior to their acceptance as aforesaid, the goods shall thereupon be deemed to be acceptable and the Seller shall be under no further obligation in respect of the provisions of this condition.

11.1.5 If after due notice the Buyer does not attend at the relevant time and place for the Performance Tests to take place then the Buyer shall be free to carry out the relevant Performance Tests in the Buyer's absence and the result of those tests shall be binding on the Buyer.

11.2 In order to establish and maintain clear and effective communication throughout the execution of the contract the Buyer and the Seller shall each nominate an individual who will be responsible for

11.2.1 co-ordination and dissemination of all information within their own organisations, subcontractors and suppliers and between the Buyer and the Seller;

11.2.2 matters relating to work on the installation site and of any problems which could delay the execution of the installation works;

11.2.3 the preparation of progress reports at such intervals as may be agreed;

11.2.4 the administration and implementation of the procedures and resolution of any disputes which may arise between the parties.

11.3 The Supplier shall deliver the goods to the installation site and carry out the installation works in accordance with the relevant dates and time scale. If any, specified in the Programme and will supply all plant equipment and labour for that purpose other than the assistance facility and other things to be provided by the Buyer as agreed in writing between the Buyer and a Director of the Seller and the Buyer shall give the Seller access to the installation site for the purpose of such installation works upon the dates and during the hours and in accordance with the time scales which the Seller shall reasonably require and upon the satisfactory completion of the Performance Tests as provided for Condition 11.1 above the Seller shall remove all its personal materials, plant and equipment from the installation site.

12. Force Majeure

12.1 The Seller shall not be under any liability for any failure to perform any of its obligations under the Order due to Force Majeure. Following notification by the Seller to the Purchaser of such cause, the Seller shall be allowed a reasonable extension of time for the performance of its obligations.

12.2 For the purpose of this Condition, "Force Majeure" shall include, but without limitation, fire, explosion, flood, lightning, Act of God, act of terrorism, war, rebellion, riot, sabotage, or official strike or similar official labour dispute, or any other events or circumstances outside the reasonable control of the Seller.

13. Guarantee

13.1 For goods which are manufactured by the Seller or which bear one of the Seller's trade marks, the Seller grants the following guarantee:

13.1.1 The Seller shall free of charge either repair or, at its option, replace defective goods and where such installation works form part of the contract make good any defects which shall appear under proper use within 12 months from the date of delivery or where such installation works form part of the contract the date of the satisfactory completion of the Performance Tests as provided for Condition 11.1 above PROVIDED THAT:

13.1.1.1 notice writing of the defects complained of shall be given to the Seller within 7 days of their appearance, and

13.1.1.2 such defects shall be found to the Seller's reasonable satisfaction to have arisen solely from the Seller's faulty design, workmanship or materials, and

13.1.1.3 the defective goods shall be returned to the Seller's factory at the Purchaser's expenses if so requested by the Seller.

13.1.2 Any repaired or replaced goods shall be redelivered by the Seller free of charge to the original point of delivery but otherwise in accordance with and subject to these Conditions of Sale save that the period of twelve months referred to in Condition 13.1.1 shall be replaced by the unexpired portion of that period only.

13.1.3 Alternatively to Condition 13.1.1, the Seller shall be entitled at its absolute discretion to refund the price of the defective goods in the event that such price shall already have been paid by the Purchaser to the Seller, or, if such price has not been so paid, to relieve the Purchaser of all obligation to pay the same by the issue of a credit note in favour of the Purchaser in the amount of such price.

13.2 In respect of all goods manufactured and supplied to the Seller by third parties the Seller will pass on to the Purchaser (in so far as possible) the benefit of any warranty given to the Seller by such third parties and will (on request) supply to

the Purchaser details of the terms and conditions of such warranty and copies of any relevant product information sheets, technical sheets or product leaflets issued by such third parties and the Purchaser shall be solely responsible to the entire exclusion of the Seller for complying with all of these.

13.3 The Seller's liability under this Condition shall be available provided the goods or installation works have not been modified other than by or on behalf of the Seller and have been used properly, maintained and operated in accordance with the Seller's recommendations and the Seller's liability under this condition shall otherwise be to the exclusion of all other liability to the Purchaser whether contractual, tortious or otherwise for defects in the goods or for any loss or damage to or caused by the goods, and (subject to Condition 14) all other conditions, warranties, stipulations or other statements whatsoever concerning the goods, whether express or implied, by statute, at common law or otherwise howsoever, are hereby excluded; in particular (but without limitation of the foregoing) the Seller grants no warranties regarding the performance, use, nature or satisfactory quality of the goods, whether express or implied, by statute, at common law or otherwise howsoever.

14. Intellectual Property Rights

14.1 In the event that any claim is made against the Purchaser for infringement of Intellectual Property Rights arising directly from the use or sale by the Purchaser of the goods, the Seller at its own expense shall conduct any ensuing litigation and all negotiations for a settlement of the claim. The Seller will bear the costs of any payment (either by way of a lump sum or a continuing royalty payment) made in settlement, or as a result of an award in a judgement against the Seller in the event of litigation.

14.2 The benefit of Condition 14.1 is granted to the Purchaser by the Seller only in the event that the Purchaser shall give the Seller the earliest possible notice in writing of any such claim being made or action threatened or brought against it, shall make no admission of liability or take any other action in connection therewith, shall permit the Seller to have the conduct of the claim pursuant to Condition 14.1 and shall (at the Seller's expense) give all reasonable information, co-operation and assistance to the Seller (including without limitation lending its name to proceedings) in relation to the conduct of the claim. In addition, if it is made a condition of any settlement made by the Seller, or judgement awarded against the Purchaser, pursuant to Condition 14.1, the Purchaser shall return or destroy, as applicable, all infringing goods still under its control subject to a refund by the Seller of any payment for such goods already made less a reasonable allowance for depreciation of the goods by reason of their use (if any) by the Purchaser prior to their return or destruction as aforesaid.

14.3 The provisions of Condition 14.1 shall not apply to any infringement caused by the Seller having followed a design or instruction furnished or given by the Purchaser nor to any use of the goods in a manner or for a purpose which shall have been specifically prohibited in writing by the Seller, nor to any infringement which is due to the use of such goods in association or combination with any other product.

14.4 Any design or instruction furnished or given by the Purchaser shall not be such as will cause the Seller to infringe any intellectual property rights.

14.5 For the purpose of these Conditions, the capitalised term "Intellectual Property Rights" means Patents, Registered Designs, Unregistered Designs, Registered Trademarks and Copyright only, having effect in the United Kingdom.

14.6 The foregoing states the Seller's entire liability to the Purchaser and the Purchaser's sole and exclusive remedies against the Supplier in connection with claims based on or resulting from the infringement of intellectual property rights, of any kind whatsoever, of third parties.

15. Confidentiality

15.1 Both the Seller and the Purchaser shall each keep confidential and shall not use or disclose to any third party any information, technical or otherwise, of any technical or commercial information which it has acquired from the other as a result of discussions, negotiations and other communications between them relating to the goods and the Order. The Seller and the Purchaser hereby declare that due to the nature of the information passing between them any breach of this clause would not be adequately compensated in damages.

16. Economic Loss

16.1 Subject to Condition 19, and notwithstanding anything contained in these Conditions (other than Condition 14) or the Order, in no circumstances shall the Seller be liable, in contract, tort (including negligence or breach of statutory duty) or otherwise howsoever, and whatever the cause thereof,

(i) for any loss of profit, business, contracts, revenues, or anticipated savings, or

(ii) for any special indirect or consequential damage of any nature whatsoever.

17. Termination

17.1 In the event of the termination of the contract by the Buyer, the Seller shall be entitled to termination charges upon the basis of:

17.1.1 the direct and overhead costs (together with a reasonable profit thereon) incurred by the Seller in the performance of the contract and

17.1.2 reasonable costs incurred by the Seller with respect of the termination of the contract and with respect of the settlement with Vendors and Subcontractors as a result of such termination and

17.1.3 an amount equal to the balance of overhead recovery and profit which would have been achieved by the Supplier by the Seller if the Seller had completed the contract.

17.2 The said termination charges shall be determined in accordance with the Seller's standard accounting practice supported by proper vouchers and records, and verified by the Seller's auditors who shall be an independent firm of Chartered Accountants acting as experts and not as Arbitrators and whose decision shall be final and binding upon the parties and the Buyer shall pay the Supplier the said termination charge within 60 days of submission of the claim therefore to the Buyer (accompanied by a Certificate issued by the Seller's auditors verifying the same).

18. Limitation of liability

18.1 Subject to Condition 19, and notwithstanding anything contained in these conditions (other than Condition 19) or the Order, the Seller's liability to the Purchaser in respect of the Order, in contract, tort (including negligence or breach of statutory duty) or howsoever otherwise arising, shall be limited to the price of the goods specified in the Order. In any event, the Seller shall not be responsible to the Purchaser in any circumstances for any alleged loss or damage unless the Seller receives written notice from the Purchaser within 7 days of the alleged loss or damage.

19. Unfair Contract Terms Act 1977

19.1 If and to the extent that s 6 and/or 7 (3A) of the Unfair Contract Terms Act 1977 applies to the Order, no provision of these terms and conditions shall operate or be construed to operate so as to exclude or restrict the liability of the Seller for breach of the express warranties contained in Condition 5, or for breach of the applicable warranties as to title and quiet possession implied into the terms and conditions of the order by s 12(3) of the Sale of Goods Act 1979, or s 2(3) of the Supply of Goods and Services Act 1982, whichever Act applies to the Order.

20. Notices

20.1 Any notice required to be given shall be in writing and served by personal delivery, facsimile transmission or prepaid recorded delivery post to the address so notified, or in the absence of such notification, to that party's last known address. Notices shall be deemed to have been served in the case of personal service, when delivered, facsimile transmission, when sent (to the correct number) and prepaid recorded delivery post 48 hours after posting.

21. Applicable Law

21.1 The Order shall be considered a contract made in England and shall be governed in all respects by the law of England and the parties agree to submit to the non-exclusive jurisdiction of the English Courts.