



STANDARD CONDITIONS OF SALE

1. INTERPRETATION and DEFINITIONS

1.1 In these conditions the following words shall have the following meanings:

"Buyer" means the person who accepts a quotation of the Seller for the Goods or whose order for the Goods is acceptable by the Seller.

"Goods" means the goods (including any instalment of the Goods or any parts for them) which the Seller is to supply in accordance with these conditions and or any services by way of repair modification maintenance installation or otherwise provided to the Buyer under the terms of these conditions.

"Seller" means CME Automation Systems Ltd of Combe Wood, Combe St.Nicholas, Chard, Somerset, TA20 3NL.

"Conditions" means the conditions of sale set out below.

"Contract" means the contract for the purchase and sale of the Goods.

"Incoterms" means the international rules for the interpretation of trade terms of the International Chamber of Commerce as in force at the date when the contract is made.

1.2 Any reference in these conditions to any provision of a statute shall be construed as a reference to that provision as amended re-enacted or extended at the relevant time.

1.3 The headings in these conditions are for convenience only and shall not affect their interpretation.

2. BASIS OF THE SALE

2.1 The Seller shall sell and the Buyer shall purchase the Goods in accordance with the written quotation of the Seller subject to these conditions which shall govern the Contract to the exclusion of any other terms and conditions.

2.2 No variation, alteration or addition to the Conditions shall be binding unless agreed in writing between the authorised representatives of the Buyer and Seller.

2.3 The Seller's employees or agents are not authorised to make any representations concerning the Goods unless confirmed by the Seller in writing.

2.4 Any typographical or clerical or other error or omission in any sales literature, quotation, price list, acceptance of offer, invoice or other document or information issued by the Seller shall be subject to correction without any liability on the part of the Seller.

3. ORDERS AND SPECIFICATIONS

3.1 No order submitted by the Buyer shall be deemed to be accepted until confirmed in writing by the Seller's authorised representative.

3.2 The Buyer shall be responsible to the Seller for:-

(i) Ensuring the accuracy of the terms of any order (including any applicable specification or sample) submitted by the Buyer and for giving the Seller any necessary information relating to the Goods within a sufficient time to enable the Seller to perform the Contract in accordance with its terms.

(ii) Supplying to the Seller upon request sufficient samples of products or materials that the Goods will be required to process to enable the Seller to perform the Contract in accordance with its terms.

(iii) Informing the Seller in writing by reference to diagrams of the limits of deviation in size and shape of such products and materials within sufficient time to enable the Seller to perform the Contract in accordance with its terms.

(iv) Ensuring that any samples supplied accurately represent those items that the Goods will be required to process.

(v) The quantity, quality and description of any specification for the Goods shall be those set out in the Seller's quotation (if accepted by the Buyer) or the Buyer's order (if accepted by the Seller).

3.3 The Seller reserves the right to make any changes in the specification of the Goods which do not materially affect their quality or performance.

3.4 No order which has been accepted by the Seller can be cancelled by the Buyer except with the agreement in writing of the Seller and on terms that the Buyer shall indemnify the Seller in full against all loss (including loss of profit) and costs (including cost of all labour, overheads calculated in accordance with recognised accounting principles and materials used) damages charges and expenses incurred by the Seller as a result of cancellation.

4. QUOTATIONS

4.1 Any quotation given may be amended by the Seller and the Buyer agrees to pay any additional sums arising if:-

(i) the quotation is not accepted by the Buyer within 90 days or;

(ii) the work is not completed within two months of the completion date stated in the Seller's acknowledgment of order, the delay being attributable to the Buyer or;

(iii) costs are altered by changes in taxation and/or transportation and materials, being changes outside the control of the Seller or;

(iv) during the course of work extra services or materials are required at the request of the Buyer or delay occurred beyond the control of the Seller.

4.2 Quotations are subject to withdrawal at any time before receipt of an unqualified order from the Buyer which is accepted by the Seller.

4.3 Quotations may be subject to variation if full information is not made available to the Seller to enable accurate preparation of the quotation even where there has been previous acceptance by the Seller.

4.4 All prices are quoted ex works. Packing, transport and insurance costs incurred by the Seller in delivering to the place of delivery specified by the Buyer shall be charged in addition to the quoted price.

5. DEPOSIT

5.1 Acceptance of any orders involving the payment of a deposit shall not be deemed to have taken place until such time as the Buyer shall have remitted the said deposit and such remittance has cleared through the Seller's bank.

5.2 Acceptance of any Orders involving a letter of credit shall not be deemed to have taken place until such time as the Buyer opens an irrevocable letter of credit confirmed by a United Kingdom Bank reasonably acceptable to the Seller payable on sight (if so required by the Seller) against production of an invoice for the Goods.

6. TERMS OF PAYMENT

6.1 The Seller shall invoice the Buyer for the price of the Goods on or at any time after delivery.

6.2 If the Goods are to be collected by the Buyer or the Buyer wrongfully fails to take delivery of the Goods then the Seller shall be entitled to invoice the Buyer for the price at any time after:

(i) the Seller has notified the Buyer that the Goods are ready for collection or;

(ii) the Seller has tendered delivery of the Goods.

6.3 The Buyer shall pay the price of the Goods within the period stated in the quoted price notwithstanding that delivery may not have taken place and the property in the Goods has not passed to the Buyer.

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

6.5 If the Buyer fails to make any payment on the due date then (without prejudice to any other right or remedy available to the Seller) the Seller shall be entitled to:

(i) Cancel the Contract and any other contract or suspend any further deliveries to the Buyer.

(ii) Appropriate any payment made by the Buyer or such of the goods (or the goods supplied under any other contract between the Buyer and Seller) as the seller may deem fit (notwithstanding any purported appropriation by the Buyer).

6.6 The Seller shall have the option upon giving prior written notice to the Buyer to rescind any contract in the event of there being any sums due to the Seller whether under the Contract or any other contract. Notwithstanding such rescission the Seller shall have a right to maintain an action against the Customer for any balance which may be due to the Seller.

7. DELIVERY

7.1 Delivery of the Goods shall be made by the Buyer collecting the Goods at the Seller's premises at any time after the Seller has notified the Buyer that the Goods are ready for collection or if some other place for delivery is agreed by the Seller, by the Seller delivering the Goods to that place.

7.2 Time for delivery shall not be of the essence. Any dates for delivery of the Goods are approximate only and the Seller shall not be liable for any reasonable delay in delivery of the Goods.

7.3 The Goods may be delivered by the Seller in advance of the quoted delivery date upon giving reasonable notice to

the Buyer.

7.4 Where the Goods are to be delivered in instalments each delivery shall constitute a separate contract. Failure by the Seller to deliver any one or more of the 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 treat the Contract as a whole as repudiated.

7.5 If the Buyer fails to take delivery of the Goods or fails to give the Seller adequate delivery instructions at the time stated for delivery then (without prejudice to any other right or remedy available to the Seller) the Seller may:

(i) Store the Goods until actual delivery and charge the Buyer for the reasonable costs (including insurance) of storage; or

(ii) Sell the Goods at the best price readily obtainable and (deducting all reasonable storage and selling expenses) account to the Buyer for the excess over the price under the Contract

or charge the Buyer for any shortfall below the price under the Contract.

Provided that the Buyer shall have no liability as set out in this clause where the delay is beyond its reasonable control.

8. PASSING OF RISK AND PROPERTY

8.1 Risk of loss or damage to the Goods shall pass to the Buyer at:

(i) in the case of the Goods to be delivered at the Seller's premises at the time when the Seller notifies the Buyer that the Goods are available for collection; or

(ii) in the case of the Goods to be delivered otherwise than at the Seller's premises at the time the Goods are despatched from the Seller's premises.

8.2 The property (including the legal beneficial and equitable title in the Goods) shall not pass to the Buyer, notwithstanding delivery and the passing risk in the Goods, until the Seller has received in cash or cleared funds payment in full of the price of the Goods and all other goods agreed to be sold by the Seller to the Buyer for which payment is then due.

8.3 Until such time as the property in the Goods passes to the Buyer:

(i) the Buyer shall hold the Goods as the Seller's fiduciary agent and bailee and shall keep the Goods separate from those of the Buyer and third parties and properly stored, protected, insured and identified as the seller's property.

(ii) the Buyer shall be entitled to resell or use the Goods in the ordinary course of its business but the Seller's beneficial entitlement shall attach to the proceeds of sale.

The Buyer shall account to the Seller for the proceeds of sale or otherwise of the Goods including insurance proceeds and shall keep all such proceeds separate from any monies or property of the Buyer and third parties and in the case of tangible proceeds property stored protected and insured.

8.4 The Buyer may not cause to permit the Goods to be mixed with or incorporated into other goods until title has passed to the Buyer.

8.5 The Seller shall be entitled at any time before title passes, to repossess the Goods and dismantle (if appropriate) without being liable for any damage caused by so doing and the Buyer hereby authorises the Seller to enter any premises of the Buyer for that purpose.

8.6 The Seller shall be entitled to maintain an action for the price of any invoice notwithstanding that title has not passed to the Buyer.

8.7 The Buyer shall not be entitled to pledge or in any way charge by way of security for any indebtedness any of the Goods which remain the property of the Seller but if the Buyer does so all monies owing by the Buyer to the Seller shall (without prejudice to any other right or remedy of the Seller) forthwith become due and payable.

9. EXPORT TERMS

Unless the context otherwise requires the terms or expressions which are defined in or given a particular meaning by the provisions of Incoterms shall have the same meaning in these conditions but if there is any conflict between the provisions of Incoterms and these conditions the latter shall prevail.

9.1 Save where the context so admits the Goods are supplied for export from the United Kingdom subject to the provisions of Incoterms.

9.2 The Buyer 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.

9.3 The Goods shall be delivered FOB to the air or sea port of shipment and the Seller shall be under no obligation to give notice of despatch at that time to the Buyer.

9.4 Title to and risk in the Goods shall pass to the Buyer upon such delivery as detailed in the previous clause.

9.5 The Buyer shall be responsible for arranging for testing and inspecting of the Goods at the Seller's premises before shipment. The Seller shall have no liability for any claim in respect of any defect in the Goods which would be apparent on inspection and which is made after shipment or in respect of any damage during transit.

10. WARRANTY

The Seller warrants that the Goods will correspond with their specification at the time of delivery and will be free from defects in material and workmanship for a period of 6 months from delivery for spare parts. The warranty period will be 12 months for Equipment (utilised on one shift operation) not including consumables and will commence on acceptance of delivered Equipment. However, the warranty period will run for a maximum of 18 months after Seller has notified Buyer of readiness to ship. In the case of a multiple shift operation the warranty will be limited to 2,100 hours. All Equipment must be maintained in accordance with the maintenance recommendations. The warranty shall be invalid if the equipment is not installed by CME personnel or CME approved engineers. This shall also apply where there is improper use or operation by the Buyer's operatives who have not been trained by CME or have not followed CME operating manuals.

11. INTELLECTUAL PROPERTY IN PLANS etc.

Copyright in all plans specifications drawings or other information supplied by the Seller is expressly reserved to the Seller. The Buyer shall not copy sell loan publish give away or distribute the same or any extract from them without the written consent of the Seller.

12. SERVICES

If the Seller is providing services to the Buyer then the following provisions shall apply.

12.1 Where such services are supplied at the premises of the Buyer then the Buyer shall at its own cost ensure that the following are provided:

- (i) the return air flights by business class (wherever possible) of the Seller's employees;
- (ii) suitable access to the site where the services are to be supplied including any internal air travel;
- (iii) proper and accurate foundations to receive the Goods for installation;
- (iv) all necessary lifting tackle and scaffolding; proper storage on site for the Goods and any plant or materials prior to installation;
- (v) all necessary facilities and adequate assistance to enable the services to be expeditiously and continuously carried out, including but without prejudice to the generality of that requirement a consistent and adequate supply of water electricity and light as well as sufficient earthing points;
- (vi) suitable local accommodation for the Seller's employees, such accommodation to be of international hotel standard wherever possible;
- (vii) all meals for the Seller's employees;
- (ix) sufficient insurance with a reputable insurance company for all of the Buyer's employees assisting in the installation as they will remain the employees of the Buyer for all purposes;
- (x) sufficient insurance with a reputable insurance company for all of the Seller's employees at the site where their services are required against any personal injury or loss of property.

12.2 Should the Seller incur additional costs owing to a suspension in the provision of the services by reason of inadequate instructions or by reason of a breach of any of the Conditions or for any other reason which is not the fault of the Seller then the Buyer shall in addition to any sums quoted indemnify the Seller against any such cost.

12.3 All Goods on site shall be at the sole risk of the Buyer.

12.4 The Buyer shall indemnify the Seller against any claims or proceedings including the costs incurred in respect of the following actions:

- (i) by any third party in relation to act or omission of the Buyer or its customers or agents; or
- (ii) by the Seller's employees suffered while performing the services on the site of the Buyer or the site of any third

party where the services are being provided there at the request of the Buyer. The Buyer will also indemnify the Seller against the costs of any breach by the Buyer of the terms of these Conditions.

12.5 The Seller shall not be required to provide employees at the site for any period in excess of 6 weeks. The minimum period before a return to the site by any employees being 1 week.

12.6 The normal hours of work in providing any services will be:

- (i) 10 hours a day from Monday to Friday;
 - (ii) any additional hours will incur an overtime rate.
 - (iii) in the event that work is provided on a Saturday or Sunday an additional overtime rate will apply.
- The rate for such hours or overtime shall be at the rate in force from time to time and notified to the Buyer in the quotation for the Goods.

12.7 Payment in respect of services will be made as stated on the quotation.

12.8 In the event of any employee of the Seller leaving its employ for the Buyer then the Buyer will indemnify the Seller against the loss of that employee by payment to the Seller of the equivalent of one year's salary of such employee.

13. CLAIMS

The Seller shall not be liable in any of the following circumstances:-

13.1 Where error is due to inaccurate or imprecise instructions, specification or sample supplied by the Buyer or arising from any failure by the Buyer in respect of Clause 3 of these Conditions.

13.2 Where the defect arises from fair wear and tear, wilful damage, negligence, abnormal working conditions, failure to follow the Seller's instructions (whether oral or written), misuse or alteration or repair of the Goods without the Seller's approval.

13.3 Where parts materials or equipment are not manufactured by the Seller in respect of which the Buyer shall only be entitled to benefit of any such warranty or guarantee as is given by the manufacturer to the Seller.

13.4 Where any late delivery has been caused by an inability of the Seller to procure materials or articles required for the performance of the Contract.

13.5 Where the Seller has not been notified within 21 days after the delivery of defects which would be revealed by normal examination of the Goods on delivery, or in relation to the transport of the Goods within such reasonable time as would enable the Seller to make complaint to the carriers by whom the Goods were transported.

14. LIMITATION OF SELLER'S LIABILITY

14.1 In the event of any claim against the Seller it has the option within a reasonable time to investigate and examine the Goods in dispute. In the event of a claim being accepted by the Seller it may at its option:-

- (i) replace the Goods (or the part in question) free of charge; or
 - (ii) accept the return of the Goods and credit the Buyer with the price; or
- make the Buyer an allowance representing the difference between the value of Goods at the time of the complaint and the value they would have had, had they been completed in accordance with the Contract subject to the Buyer paying the balance not in dispute.

14.2 Except in respect of death or personal injury caused by the Seller's negligence the Seller shall not be liable to the Buyer for any consequential loss or damage (whether for loss of profit or otherwise).

14.3 If the Seller fails to deliver the Goods for any reason beyond the Seller's reasonable control or the Buyer's fault and the Seller is liable to the Buyer the Seller's liability shall be limited to the excess (if any) of the cost to the Buyer (in the cheapest available market) of similar goods to replace those not delivered over the price of the Goods.

15. FORCE MAJEURE

The Seller 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 Seller's obligations in relation to the Goods if the delay or failure was due to any cause beyond the Seller's reasonable control. Without prejudice to the generality of the foregoing the following shall be regarded as causes beyond the Seller's reasonable control:-

- 15.1** Act of God, explosion, flood, tempest, fire or accident.
- 15.2** War or threat of war, sabotage, insurrection, civil disturbance, or requisition.
- 15.3** Acts restrictions, regulations, by-laws, prohibitions or

measures of any kind on the part of any Governmental, Parliamentary or Local Authority.

15.4 Import or export regulations or embargoes.

15.5 Strikes, lockouts or other industrial actions or trade disputes (whether involving employees of the Seller or a third party).

15.6 Difficulties in obtaining raw materials, labour, fuel, parts or machinery.

15.7 Power failure or breakdown in machinery.

16. INSOLVENCY OF BUYER

16.1 If:

(i) The Buyer makes a 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 (other than for the purpose of amalgamation or reconstruction); or

(ii) An encumbrancer takes possession or a receiver is appointed of any of the property or assets of the Buyer; or

(iii) If the Buyer ceases or threatens to cease to carry on business; or

(iv) The Seller reasonably apprehends that any of the events mentioned is about to occur in relation to the Buyer and notifies the Buyer accordingly. Then without prejudice to any other right or remedy the Seller shall be entitled to cancel the Contract or suspend any further deliveries under the Contract without any liability to the Buyer and the following clauses shall apply.

16.2 If the 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.

16.3 The Seller reserves a general lien on all property in its possession and shall be entitled to dispose of such property in such manner and at such price as it thinks fit and to apply the proceeds towards any debts incurred towards the seller.

17. INDEMNITY

17.1 The Buyer shall indemnify the Seller in respect of all damage injury or loss occurring to any person or property and against all actions, suits, claims, demands, charges or expenses in connection therewith arising from the condition of use of the Goods in the event (and to the extent) that the damage injury or loss shall have been occasioned partly or wholly by the carelessness of the Buyer or his servants invitees or agents or by any breach of the Buyer of its obligations to the Seller.

17.2 The Buyer shall indemnify the Seller against any responsibility for work undertaken by the Seller on which approval required by legislation has not been obtained by the Buyer.

18. GENERAL

18.1 Any notice required or permitted to be given by either party to the other under these conditions will be in writing addressed to that other party at its registered office or principal place of business or other such address as may at the relevant time have been notified pursuant to this provision to the party giving the notice.

18.2 Any notice given under or pursuant to the Contract may be sent by hand or by post or by registered post or by the recorded delivery service or transmitted by telex, telegram or other means of telecommunication resulting in the receipt of such notice.

18.3 No waiver by the Seller 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.

18.4 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 provisions of these conditions and the remainder of the provisions in question shall not be affected.

18.5 Any dispute arising under or in connection with these conditions or the sale of the goods shall be referred to arbitration by a single arbitrator appointed by agreement or in the event of default of agreement by the International Chamber of Commerce Courts or Arbitration.

18.6 The Contract shall be governed by the Laws of England.

18.7 The Buyer shall not assign any benefit under the Contract without consent in writing of the Seller.