

Standard Conditions of Sale & Contract

1. DEFINITION

In these Conditions "the Company" means Knight Precision Wire Limited and any subsidiary (Omega Wire, KC Smith, Rowan Cable Products). "The Customer" means any person, company or other organisation placing an order with the Company.

2. APPLICATION AND VARIATION OF CONDITIONS

These Conditions shall be incorporated in all contracts for the sale of goods and/or processing of material by the Company and any provision of the Customer's order which is inconsistent with them shall be of no effect. Acceptance of delivery of goods shall be deemed conclusive evidence of the Customer's acceptance of these Conditions. These Conditions cannot be varied except in writing signed by or on behalf of the Company.

3. DELIVERY DATES

Dates or periods quoted for delivery are approximate, for information only and time shall not be of the essence in relation to them. Failure by the Company to comply with any such dates or periods shall not entitle the Customer to treat the contract as terminated or to any other remedy against the Company.

4. FORCE MAJEURE

The Company shall not be liable for delay in or failure to make delivery of any goods due to force majeure, including without limitation war, rebellion, revolution, strikes or other forms of industrial action or governmental, EU or other regulations, rules or laws.

5. PRICES

Unless fixed prices have been expressly agreed by the Company the price of the goods shall be the Company's price prevailing at the date of each delivery. Prices may be subject to a delivery charge and to charges for test certificates where appropriate and are subject to the addition of VAT.

5.1 DIVISIBILITY CLAUSE

(a) The Company reserves the right to make deliveries/and or services by instalments and render a separate invoice in respect of each such instalment.

(b) If the company exercises its right to make deliveries/and or services in accordance with sub-paragraph (a) above, then any delay in the provision of such deliveries/and or services, or failure to deliver any further instalment or instalments, shall not entitle the Buyer to reject the contract or the delivery/services of any other instalment or to withhold payment in respect of any instalment previously delivered/serviced.

6. SURCHARGES (ALLOY ADJUSTMENT FACTOR)

Even where prices are fixed, the Company shall be entitled to add surcharges (eg for alloy or scrap content or any other factor) immediately where such are imposed by the Company's supplier.

7. PACKING

Where goods are packed or protected as specified in the contract or in accordance with reasonable standards if not specified the Company shall not be liable for any deterioration or damage suffered by the goods during carriage or delivery.

8. DELIVERY, LICENCES AND OTHER FORMALITIES

a) If the Customer refuses to accept delivery of any consignment of the goods during the time agreed for delivery without valid reason the Company may make an additional charge to cover the extra cost caused by the refusal.

b) The Customer shall promptly obtain all necessary import licences, clearances and other consents necessary for the purchase of the goods. The Company shall promptly upon request supply all documents reasonably required by the Customer for this purpose.

9. ACCEPTANCE

The Customer shall be deemed to have accepted the goods and it shall be conclusively agreed that the goods are in accordance with the contract unless:

a) (in the case of an alleged defect in the quality or state of the goods which would be apparent upon careful inspection or by such testing as it is reasonable for the Customer to undertake) within 7 days after receipt of the goods and prior to their use or resale the Customer serves on the Company a written notice specifying the defect and thereafter provides the Company with a reasonable opportunity to inspect or test the goods before they are used or resold; or

b) (in the case of an alleged defect in the quality or state of the goods which would not be apparent upon careful inspection or by such testing as it is reasonable for the Customer to undertake) the Customer serves on the Company written notice specifying the defect as soon as it is discovered and in any event not more than 3 months after receipt of the goods and affords the Company a reasonable opportunity to inspect or test the goods before they are used or resold.

10. DEFECTIVE GOODS

a) **Provided the Customer has complied with Condition 9 and subject to Condition 12, if the goods or any part thereof are defective in quality or state or (except for any discrepancy in weight or quantity) otherwise not in accordance with the contract then if the Company and the Customer do not agree that the Customer shall accept the goods at an agreed value or that the goods should be made good at the Company's expense the Company will accept the return of the goods by the Customer and at the Customer's option either:**

- i) **repay or allow the Customer the invoice price thereof and the Customer's reasonable costs of transporting the goods back to the Company; or**
- ii) **replace the goods as soon as reasonably practicable.**

b) **The obligations of the Company under Condition 10 (a) are in substitution for any other legal remedy of the Customer and the liability of the Company shall for all purposes be limited to the cost of making good, or giving any appropriate credit or repayment, or replacing the goods. The Company shall not be liable for any other loss, damage or expense (including loss of profit) whatever whether directly or indirectly occasioned by any breach of contract or negligence by the Company; nor for any loss or damage the Customer may suffer by reason of its use or sale of the goods after the Customer has become aware of a defect therein or ought in all the circumstances to have become so aware.**

c) **Where processing of the goods has been carried out by a third party, the Company's liability is limited to the processor's warranty as to the process or the effect the process may have had on the goods themselves.**

d) **The Company shall not be liable for loss or damage beyond that expressly referred to in these Conditions. Liability for any form of consequential loss is excluded. Under no circumstances shall the Company's liability exceed the price of the goods.**

e) **Any condition or warranty implied by trade custom or statute or otherwise as to the merchantability or quality of the goods or their fitness or suitability for any purpose is hereby excluded and no statement in a British or European Standard as to suitability of the goods for any purpose shall give rise to liability on the part of the Company.**

f) **Nothing in these Conditions excludes or limits the Company's liability for death or personal injury caused by negligence.**

11. STANDARDS

The goods will be supplied within the tolerances stated in the current British or European Standard for such goods, where such a standard exists, unless expressly agreed otherwise in writing.

12. NON-PRIMES

Goods sold as "non-prime" or accepted by the Customer under Condition 10 (a) which the Company and the Customer agree to be "non-prime" are sold in their actual state, as seen, without warranty and with all faults whether or not they have been inspected by the Customer prior to delivery and the Customer shall be deemed not to have relied on any statement, specification, description or other information provided by the Company in respect of such goods. The Company shall not be liable to replace or make good or be liable for any claim in respect of such goods. The Customer shall indemnify the Company against all claims, losses, liabilities, costs

and expenses claimed or suffered by third parties as a result of such goods being incorporated in or utilised in making other products.

13. RISK

The risk in the goods (but not title) shall pass to the Customer upon delivery. Delivery shall be deemed to take place:

- a) when goods are to be collected from the Company's premises by the Customer or by the Customer's agent or carrier – at the time when the loading of the goods on to the vehicle collecting them is completed;
- b) when goods are delivered by the Company's transport or carrier – at the moment the goods are lifted from the delivery vehicle.

14. RETENTION OF TITLE AND REPOSSESSION

Title in the goods shall not vest in the Customer until:

- a) the Customer pays the Company the price of the goods and all other sums due to the Company; or if earlier
- b) the goods are incorporated or utilised in the manufacture of other products.

Until title passes to the Customer, the Customer shall treat the goods as the Company's property and store them so that they are readily identifiable as the Company's property. During such period (without prejudice to its other rights) the Company and its employees and agents (with plant and vehicles as it considers necessary) shall be entitled to enter any premises where the goods are located to inspect the goods and if any of the events specified in Condition 18 has occurred to re-possess the goods. For the purposes of this Condition de-coiling, cutting, slitting, punching, cold bending or re-bundling of the goods shall not constitute manufacture of a product or products.

Until title passes to the Customer, the Customer shall not be entitled to dispose of the goods or any interest therein by sale or otherwise to the Customer's holding company or to any subsidiary of the Customer or its holding company. The Customer shall keep the goods insured to the full price against all risks and on request produce a copy of the insurance policy.

Breach of this Condition 14 shall entitle the Company at its option to require immediate payment of all sums then due to the Company under any contract or to repossess the goods.

15. WEIGHT

Claims for non-delivery, discrepancy in weight or damage must be notified in the case of goods dispatched:

- a) by road - within 7 days of the date of despatch
- b) by sea/airfreight - within 2 months of the date of despatch.

All goods are sold on the basis of weighed weight or calculated weight or quantity according to the Company's practice for that product. Sizes are supplied within the rolling tolerances as laid down by the producers. Where weighed weight is chargeable, the count is not guaranteed and claims based solely upon count cannot be accepted.

The Company shall be deemed to have fulfilled the contract and the Customer shall take delivery of the goods if the goods delivered are within a tolerance of 10 per cent above or below the quantity ordered. The price for the goods shall be adjusted pro-rata to the discrepancy.

16. PAYMENT

Payment is due by the end of the month following the month of despatch. Time for payment shall be of the essence. The Company shall be entitled to charge interest both before and after any judgment on any sums not so paid calculated on a day-to-day basis on the amount outstanding from the due date of payment at a rate of 5% above HSBC plc base rate from time to time, compounded annually.

The Customer shall not be entitled to withhold payment of any sums by reason of any disputed claim for defective goods or any alleged breach of the contract or any other contract.

17. CANCELLATION

Orders cannot be cancelled except with the Company's consent and on terms which will indemnify the Company against loss and expenses incurred. Goods returned without the Company's consent will not be accepted for credit.

18. TERMINATION

The Company shall be entitled, without prejudice to its other rights and remedies, to terminate wholly or in part any or every contract between itself and the Customer or to suspend any further deliveries under any contract:

- a) if any debt is due and payable by the Customer to the Company but is unpaid;
- b) if the Customer has failed to take delivery of any goods under any contract otherwise than in accordance with the Customer's contractual rights;
- c) if the Customer becomes insolvent or enters into a composition or arrangement (including a voluntary arrangement) with its or his creditors, passes a resolution for voluntary winding up (except for the purpose of amalgamation or reconstruction without insolvency) or if a bankruptcy or winding up petition is presented or an order is made, or if a receiver, administrative receiver, administrator or manager is appointed or if the Customer suspends payment of its or his debts in whole or in part or if an application is made for an interim order or if any such order is made or if the Customer shall carry out or be subject to any analogous act or proceedings under foreign law.

19. WAIVER

The rights of either party shall not be prejudiced by any indulgence or forbearance extended by either party and no waiver by either party in respect of any breach shall operate as a waiver in respect of any subsequent breach.

20. ASSIGNMENT

The contract shall not be assigned by the Customer without the prior written consent of the Company. The Company may assign or sub-contract all or part of the contract without the Customer's consent.

21. SPECIFICATION

a) The Customer shall be solely responsible for the accuracy of any drawings, specifications or other information which it or its employees or agents supply, and in conformity with which the Company is to supply or process the goods notwithstanding that the Company may have examined, inspected, studied or commented to the Customer upon any such drawings, specifications or other information.

b) The Customer shall indemnify the Company against all actions, proceedings, claims, costs and expenses which may be brought against or incurred by the Company as supplier or processor of the goods in accordance with any such drawings, specifications or other information.

22. CONFIDENTIALITY

The Customer shall keep confidential and shall not without the Company's prior written consent disclose to any third party any technical or commercial information which it has acquired from the Company as a result of discussions, negotiations and communications between the Company and the Customer relating to the goods and the contract.

23. LAW AND JURISDICTION

The contract shall be governed by and construed in all respects in accordance with English law and the parties submit to the jurisdiction of the English courts.

24. NOTICES

Any notices or other communications to be given under the contract shall be in writing and shall be sent by first class registered, or recorded or special delivery mail (notices addressed to another country being sent by airmail) or by facsimile in the case of the Company to the Managing Director, Knight Precision Wire Limited, Hadley Works, Cranborne Road, Potters Bar, Herts EN6 3JL, United Kingdom and in the case of the Customer to the address of the Customer last known to the Company. Any notice sent by mail shall be deemed to have been duly served three working days after the date of posting. Any notice sent by facsimile shall be deemed to have been duly served at the time of transmission.