

HCI DISTRIBUTION LIMITED GENERAL CONDITIONS OF SALE (SALES WITHIN THE UNITED KINGDOM)

These Conditions alone shall govern and be incorporated in every contract for the sale of goods by or on behalf of HCI Distribution Limited ("the Company") with any customer ("the Customer").

1. RULING CONDITIONS

All contracts of sale made by or on behalf of the Company are subject to these Conditions, unless they are excluded or varied by express written agreement between the Company and the Customer. In particular, the Company accepts the Customer's order for goods upon these Conditions to the exclusion of any printed terms or conditions of the Customer, which shall not form part of the contract. Acceptance of delivery of the goods from the Company shall be conclusive evidence before any court or arbitrator that these Conditions apply to the sale of such goods.

2. FUTURE CONTRACTS

If, subsequent to any contract of sale, which is subject to these Conditions, a contract of sale is made with the same Customer without reference to any conditions of sale or purchase, such contract howsoever made shall be deemed to be subject to these Conditions.

3. QUOTES

Quotes issued by the Company are not offers capable of acceptance so as to make a binding contract.

4. SPECIFICATIONS

The Company will take all reasonable care to ensure that its goods comply in all material respects with any specifications quoted in any sales literature published by it but reserves the right to alter such specifications at any time without prior notice to the Customer and without any liability on the part of the Company.

5. PRICE AND PAYMENT

- (a) Selling prices are subject to alteration without prior notice and the Company reserves the right to invoice at the prices ruling at the date of despatch of the goods to take account of any increase in the cost to the Company which is due to any factor beyond the Company's control (including without limitation any foreign exchange fluctuations, currency regulations, alteration of duties, significant increases in the cost of labour, materials or other costs or manufacture), any change in delivery dates, quantities or specifications for the goods which is requested by the Customer or any delay caused by the instructions of the Customer or failure of the Customer to give the Company adequate information or instructions notwithstanding the fact that some other price may have been quoted to the Customer.
- (b) All prices quoted to the Customer are based on the full quantities specified by the Customer and the Company reserves the right to revise prices in the event of any quantities being reduced for whatever cause.
- (c) Terms of payment are strictly net, if not otherwise agreed separately in writing or marked on the front of the invoice.
- (d) The Customer shall pay the agreed price of the goods to the Company by no later than the end of the month following the month in which the goods are invoiced to the Customer by the Company. Time of payment shall be of the essence of the agreement between the Company and the Customer.
- (e) If the price of the goods is not paid in full to the Company within that period, then (without prejudice to any of the Company's other rights and remedies in respect of such breach):
 - (i) the Company shall be entitled to recover the price of the goods from the Customer by action, even though property in the goods has not yet passed to the customer in accordance with the provisions of paragraph 9 below;
 - (ii) all other sums owing or incurred by the Customer to the Company but not already due for payment shall thereupon become due and immediately payable in full;
 - (iii) the Customer shall pay interest on all sums due but unpaid at the rate of 3% above Barclays Bank Plc's base rate from time to time from the due date until the date payment is received by the Company.
- (f) The Company alone shall have the right to appropriate as it thinks fit any payment received by it from or on behalf of the Customer to the whole or any part of any debt whatsoever due owing or incurred by the Customer to it at the time such payment is received. Any purported appropriation by the Customer, whether prior or subsequent, shall be of no effect.

6. DELIVERY

- (a) All reasonable care will be made to keep to any delivery dates specified but the Company cannot guarantee delivery dates and they are subject to alteration without prior notice.
- (b) The Company shall not be liable to the Customer in anyway whatsoever for any delay in delivery and the Customer shall not be entitled to refuse to accept the goods because of late delivery.
- (c) Unless otherwise agreed delivery shall take place when the goods are delivered to the Customer at the address specified on the despatch note.

7. FORCE MAJEURE

Without prejudice to the generality of paragraph 6 above, the Company reserves the right to suspend any deliveries which have not been made by virtue of any cause over which the Company has no control (including without limitation strike, lockout, riot, civil commotion, fire, accident, explosion, tempest, act of God, war, stoppage of transport, short supply of goods or raw materials or any other contingency whatsoever preventing the manufacture or delivery of the goods) and in any such case deliveries may at the option of the Company be cancelled or, with the agreement of the Customer, made at the same rate of delivery commencing after the period of suspension but the Company shall in no way be liable for any loss caused by such cancellation or postponement of delivery.

8. RISK

Risk in the goods shall pass to the Customer upon delivery. From the time of delivery until the time property in the goods passes to the Customer in accordance with the provisions of paragraph 9 below, the Customer shall insure the goods for their full value in a reputable insurance office for the benefit of the Company. Upon request, the Customer will request the insurer to note the Company's interest upon the policy. The Customer shall hold the proceeds of any claim upon such insurance in respect of the goods on trust for the Company and shall account to the Company therefor.

9. TITLE

- (a) Notwithstanding delivery and the passing of risk, property in the goods shall remain in the Company until the Company receives payment in full by or on behalf of the customer of all sums (whether in respect of the goods or otherwise howsoever) due owing or incurred at the time such payment is received from the Customer by the Company, at which time (and not earlier) property in the goods shall pass to the Customer.
- (b) Until property in the goods passes to the Customer, the Customer shall be the bailee of the goods for the Company and shall store the goods securely, safely, separately from the Customer's own goods or those of any other person and in a manner which makes them readily identifiable as the goods of the Company. The Company's consent to the Customer's possession of the goods and any right the Customer may have to possession of the goods shall cease at whichever is the earliest of the following events:
 - (i) if the sum (whether in respect of the goods or otherwise howsoever) is not paid to the Company by or on behalf of the Customer on or before the date when it is due;
 - (ii) if the Customer, not being a company, applies for an interim order or proposes a voluntary arrangement with the Customer's creditors under Part VIII of the Insolvency Act 1986 or does or fails to do anything which would entitle a Petition for a bankruptcy order to be presented;
 - (iii) if the Customer, being a company, does or fails to do anything which would entitle any person to appoint a receiver of the whole or any part of the Customer's assets or which would entitle any person to present a Petition for an Administration Order or the Winding Up of the Customer.
- (c) The Company may for the purposes of inspecting or recovering its goods enter upon any premises where they are stored or where the Company reasonably believes them to be stored.
- (d) While the Customer is in possession of the goods with the Company's consent (but not otherwise), the Customer may re-sell the goods provided that such sale is in the ordinary course of the Customer's business and is at the price not less than the price paid or payable by the Customer to the Company for the goods,
 - (i) as between the Customer and its sub-buyer, the Customer shall sell the goods as principal. The Customer has no right to and shall not commit the Company to any contractual relationship with or liability to the sub-buyer or any other person;
 - (ii) as between the Company and the Customer, the Customer shall sell the goods as fiduciary agent for the Company. The Customer shall hold the proceeds of any such sale on trust for the Company and shall not mingle such proceeds with other monies or pay them into an over drawn bank account. Notwithstanding any agreed period of credit for payment of the price of the goods (whether under paragraph 5(d) above or otherwise) the Customer shall pay the proceeds of such sales to the Company forthwith upon receipt.

10. LIEN

The Company shall be entitled to a general lien on all goods and property owned by the Customer in the Company's possession (although the Customer may have paid for the same in full) in satisfaction of the whole or part as the case may be of the unpaid price of any goods sold and delivered to the Customer under any contract.

11. EXCLUSION OF TERMS

- (a) Save as expressly herein provided the Company shall not be liable to the Customer in respect of any representation, warranty, undertaking or condition, whether express or implied by statute, trade custom or otherwise howsoever and in particular (but without prejudice to the generality of the foregoing) the Company shall not be liable for any consequential loss or damage howsoever caused by or arising from goods supplied under these Conditions.
- (b) Nothing in these Conditions shall operate to exclude any implied term concerning the Company's title to sell the goods or (where relevant) any liability on the part of the Company for personal injury to or the death of the Customer or any person arising from the negligence of the Company.
- (c) Nothing in these Conditions shall affect the Customer's statutory rights (if any).

12. LIMIT ON LIABILITY

- (a) Any liability incurred by the Company in respect of goods sold pursuant to these Conditions howsoever arising shall be limited to replacing the goods or refunding the purchase price as the Company may in its sole discretion consider appropriate.
- (b) Any replacement goods shall be as nearly as possible identical with the goods being replaced and if not shall be at least of equal quality.

13. CLAIMS FOR DAMAGE DEFECT LOSS OR NON-DELIVERY

- (a) The Customer shall inspect the goods immediately upon delivery.
- (b) The goods shall be deemed to have been delivered in accordance with the despatch note undamaged, in good order, repair and condition without any shortage and to the Customer's satisfaction unless the Company receives written notice to the contrary as follows:
 - (i) in the case of any defect or damage to the goods which would have been apparent on reasonable inspection by the Customer or any shortage in delivery within 7 days of the date of delivery;
 - (ii) in the case of non-delivery of any of the goods within 7 days of the date of the invoice the Customer was notified the goods were due to be delivered;
 - (iii) in any other case not mentioned in (i) or (ii) above within 4 months of the date of invoice.
- (c) In the event of the Company not receiving such written notice within the aforesaid time limits the Company shall be under no liability to the Customer whatsoever.

14. EVENTS OF DEFAULT

- If:
- (a) the Customer is overdue with any payment to the Company (whether such default be in respect of the whole of any relevant payment or any part thereof); or
 - (b) the Customer fails to take delivery of any goods; or
 - (c) the Customer shall make default in or commit any breach of its obligations hereunder; or
 - (d) the Customer becomes bankrupt or shall have any execution or distress levied upon any of its goods or property; or
 - (e) the Customer ceases or threatens to cease to trade or if reasonable doubt arises as to the solvency of the Customer; or
 - (f) any resolution or petition to wind up the Customer's business is (other than for reconstruction or amalgamation as a solvent company) passed or presented; or
 - (g) a receiver or administrator is appointed over the whole or any part of the Customer's undertaking, property or assets or any part thereof; or
 - (h) the Customer exceeds its credit limit (if any) with the Company.

The Company may (without prejudice to any of its other rights hereunder) suspend further performance of its obligations to the Customer under any subsisting contract for such time (not exceeding six months) as the Company shall in its absolute discretion determine or (whether or not notice of such suspension shall have been given) treat the right of recovery under paragraph 9(b) above as having arisen and forthwith terminate all subsisting contracts between the Company and the Customer (without prejudice to any claim or rights the Company may make or exercise against the Customer) and all sums outstanding or yet to accrue due in respect of any contracts subsisting prior to such termination shall automatically become due and payable.

15. INSTALLMENTS

The Company may deliver by instalments and each instalment shall be deemed to be sold under a separate contract and no failure of or delay in delivery of any instalment or any defect in the contents thereof shall entitle the Customer to treat the contract as repudiated with regard to any remaining instalments.

16. HEALTH AND SAFETY

The Customer shall take all reasonable steps to ensure that the goods are used in accordance with any relevant information or advice which the Company may make available to the Customer including without limitation drawing the Customer's attention to the Company's instructions and warnings relating to the safe and proper use of the goods.

17. ASSIGNMENT

The Company alone shall be entitled to assign or transfer rights and obligations under these Conditions.

18. WAIVERS

The Company's rights and remedies shall not be prejudiced by any indulgence or forbearance to the Customer and no waiver by the Company of any breach by the Customer shall operate as a waiver of any subsequent breach.

19. SEVERABILITY

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 other provisions of these Conditions and the remainder of the provision in question shall not be affected thereby.

20. Disposal

HCI reserve the right to dispose of any rejected goods that are not authorised for credit or replacement, the period to which HCI will hold these items before disposal is no longer than 6 months from the date of rejection.

21. NOTICES

Any notice required to be given hereunder shall be given in writing and shall be deemed to have been duly given by the Company or the Customer if sent by first class pre-paid post, telex or facsimile transmission, electronic mail, addressed to the other at its registered office address or such other address as one party shall have notified to the other for this purpose.

22. PROPER LAW

These Conditions and any contract for the sale of goods between the Company and the Customer shall be governed by English Law and the Company and the Customer agree to submit to the non-exclusive jurisdiction of the English Courts.

Signature

Date

Printed Name

Position