

**QUANTUM PRODUCTION LIMITED
STANDARD CONDITIONS OF SALE**

Quantum Production Limited (“**the Company**”) contracts subject to the terms and conditions set out below, with the Customer.

1. Definitions and Interpretation

1.1 In these Conditions:

- “**Conditions**” - means the conditions as set out in this Contract which may be altered, modified or varied by the Company from time to time in writing;
- “**Contract**” - means the contract for the sale and purchase of the Products;
- “**Customer**” - means the company or individual non-consumer who submits an Order for Products under this Contract including any employee or officer of the Customer;
- “**Delivery Date**” - means the date when the Customer takes possession of the Products whether at the Delivery Address or from the Company’s premises;
- “**Delivery Address**” - means the address stated in the Order;
- “**Order**” - means any order placed by the Customer with the Company for the purchase of Products either on an official Customer purchase order, delivery schedule or otherwise in writing signed by the Customer.
- “**Premises**” - means the locations in the UK from which the Company shall have the Products delivered from as may be set out in the relevant Order;
- “**Price**” - means the price of the Products (as stated in the Order of the Company’s acceptance of it) and the other costs referred to in Clause 4 below;
- “**Products**” - means the products of the type and specification manufactured and packed under the trade marks developed by the Company from time to time;
- “**Specifications**” - means the quantity, quality and description of the Products as specified in the Order and agreed in writing by the Company or in any other specifications of the Products agreed in writing between the Company and the Customer from time to time; and
- “**Warranty**” - means the warranty given by the Company under Clause 5.2 below.

1.2. Unless the context otherwise requires, in this Contract:

- (a) A reference to this Contract or other instrument is a reference to this Contract or that other instrument as amended, varied, novated or substituted from time to time.
- (b) A word importing the singular includes the plural and vice versa a word importing a gender includes each other gender and a reference to a person includes an individual, firm, body, corporate, association (whether incorporated or not), government, governmental, semi-governmental or local authority or agency and expressions defined in the Companies Acts shall bear the same meanings.
- (c) References to any statute or statutory provision shall include any statute or statutory provision which amends or replaces, or has been amended or replaced by it, and vice versa, and shall include any subordinate legislation made under the relevant statute.
- (d) Headings are for convenience only and shall not affect the construction.

2. Basis of Sale and Purchase

- 2.1 The Order constitutes an offer by the Customer to purchase the Products subject to the Conditions and the Company accepts the Order and contracts to sell the Products at the Price on the Conditions in this Contract.
- 2.2 Any terms and conditions other than those in this Contract, in any Order, or in any document issued by the Company are expressly excluded. If there is any inconsistency between the terms of this Contract and those of another contract or order, the terms of this Contract shall prevail.
- 2.3 No variation to the Order (save in respect of the Price of the Products under Clause 4 below) shall be binding unless agreed in writing between the Company and the Customer.
- 2.4 Any quotes requested by the Customer and issued by the Company shall be valid only for 30 (thirty) days or such period as the Company shall state on the quotation or such period as the Company may agree from time to time to extend. For the avoidance of doubt, any quotes issued by the Company shall not be binding on the Company and shall not form the basis of a sale of Products to the Customer until an Order has been accepted under Clause 2.1 above.

3. Orders and Specifications

- 3.1 Catalogue illustrations and descriptions or proposed drawings shall not be regarded as binding until the Specifications have been accepted and agreed in writing by the Company. All shipping, weights and dimensions contained in any catalogue or marketing materials are approximate and only intended to be for guidance only and are non-binding.
- 3.2 All Products to be provided by the Company to the Customer pursuant to this Contract shall be set out in an Order. An Order shall only be binding on the Company when it is accepted in writing by the Company's authorised representative. Any Specifications set out in an Order may be changed or altered by the Company in its absolute discretion where it is necessary to conform with any safety or other statutory requirements or with the Company's own standard practice provided that such changes do not materially affect the quality or performance of the Products.
- 3.3 No Order or Specification shall be cancelled or altered without the prior written Contract of the company which may require as a condition of giving its consent that the Customer shall indemnify it in full against all losses (including loss or profit), costs, (including the cost of labour and materials used), damages, charges and other expenses including administrative expenses incurred by it as a result of such cancellation or alteration.
- 3.4 Products supplied under an Order or Specification shall not be returnable without the prior written Contract of the Company. The Company may charge a handling fee before accepting their return and such returns shall be at the risk and cost of the Customer.

4. Price and Payment

- 4.1 In consideration of the provision of the Products, the Customer will pay the Company the Price as stated in the relevant Order(s) and will be based on Incoterms 2000 ex-works terms unless otherwise agreed in writing. The Company reserves the right to make adjustments to the Price including any price lists attached to the catalogues to cover any variations to costs of materials, labour, overheads and other charges. The Company will endeavour to supply the Products at their Price at the time of placing the Order but shall have the right to amend the Price on or before the Delivery Date.
- 4.2 Unless otherwise stated, all Charges and other sums payable under this Contract are exclusive of all shipping charges (including packaging and insurance), local consumption taxes and any other sales, excise or use taxes and any installation costs for the Products which will be payable at the applicable rate. The Customer shall be responsible for and shall pay such taxes or duties including without limitation any VAT as are imposed on the Products.
- 4.3 A deposit may be required by the Company at the time of acceptance of an Order. The Order may not be processed until the deposit requested has been received by the Company and the Company shall not be responsible for any delays in delivery.
- 4.4 Subject to Clauses 4.5 and 4.6 below, the Company shall invoice the Customer for payment of the Price in accordance with the provisions of the relevant Order(s). Unless otherwise agreed, upon receipt of a correct invoice, the Customer shall pay the Company within 30 (thirty) days of the date of the invoice. Any failure to make payment by that date shall entitle the Company to cancel the contract or suspend any further deliveries to the Customer (in which event the Customer will be liable for any loss incurred by the Company) or exercise its rights under Clause 4.7 below.
- 4.5 Notwithstanding Clause 4.4, the Company may require payment to be made on a proforma invoice. In this case, the Customer is required to ensure that payment is effected at least seven (7) days prior to the Delivery Date. Failure to pay shall automatically render the Contract cancelled and the Company shall be under no further obligation to deliver the Products and shall not be liable for any loss of profits suffered by the Customer in accordance with Clause 8 below.
- 4.6 Where the Products are for export, the Customer agrees the following terms:
- (a) the Customer shall be responsible for arranging for the testing and inspection of the Products at the premises before the delivery by the carrier to its forwarding agents in the United Kingdom. After the delivery the Customer is deemed to have accepted the Products and the Company shall have no liability for any claim in respect of any defect in the Products which would have been apparent from inspection and shall be under no obligation to give notice under Section 32(3) of the Sale of Goods Act 1979;
 - (b) the Customer shall be responsible for any loss or damage to the Products whilst in transit after the delivery;
 - (c) the Customer shall ensure compliance with any law governing the importation of the Products in the country of destination; and
- 4.6 Where the payment of any invoice or any part of an invoice is not made in accordance with this Clause 4, the Company, without prejudice to its other rights under this Contract, or in law, shall be entitled to charge interest on the outstanding amount at the rate of three (3) per cent per annum above the central bank's legal interest rate, in force in the country where the invoicing party is established, for the time from the due date until the outstanding amount is paid.
- 4.7 The Customer may not offset any amounts for which the Customer is liable to the Company against any amounts that the Company owes the Customer. If there shall be any dispute between the parties relating to any payments to be made pursuant to this Clause 4, the Customer shall continue to make the payments required hereunder but the payment of the sum in dispute shall not be suspended pending the settlement of the dispute.
- 4.8 Unless otherwise stated in the Order or unless such other terms are agreed by both parties in writing the Customer shall make payment of the Price.

5. Delivery and Acceptance

- 5.1 Products will be delivered on or before the Delivery Date to the Delivery Address.
- 5.2 Subject to Clauses 5.3 and 5.4 below, the Company warrants to the Customer that the Products delivered shall be:
- (a) in good condition on delivery;
 - (b) of the correct type, quality, weight and measurements (if specified);
 - (c) in full accordance with the Specifications (if any);
 - (d) reasonably fit for any purpose specified by the Customer; and
 - (e) complete with all manuals and documentation required, if any.
- 5.3 The Customer shall have seven (7) days from the Delivery Date (“Inspection Period”) in which to inspect the Products and if they or any part of them are not in accordance with the Specifications, the Customer shall be entitled (without prejudice to its rights generally) to reject the same or such part of them. Any breakages or deficiencies must be notified in writing to the carrier immediately by the Customer and to the Company within the Inspection Period. Inspection shall be deemed to have taken place only when the Products are inspected and examined by a person duly authorised by the Customer. Any failure to inform the Company of any defect in the Products or non-compliance with the Specifications during the Inspection Period shall be deemed to be an acceptance of the Products by the Customer and the Company shall not be liable for that Order.
- 5.4 In the event that the Customer rejects any Products under Clause 5.3 for a reason accepted by the Company, the Company shall, at its own expense, repair or replace the Products or credit the Customer’s account with any amounts paid in respect of any Products if the Customer chooses to return such Products.
- 5.5 Subject to Clauses 5.6 and 5.7 below, the Warranty shall be valid for 12 (twelve) months from the date of acceptance or deemed acceptance determined in accordance with Clause 5.2 above. Notwithstanding the foregoing, the Warranty shall be subject to the following conditions:
- (a) the Company shall not be liable for any defects in the Products arising from any Specifications supplied by the Customer; or
 - (b) the Company shall not be liable for any liability arising from any fair wear and tear, wilful damage, negligence, neglect, failure to comply with statutory requirements including the maintenance of the Products, misuse, alteration or repair to any of the Products without the Company’s written approval; or
 - (c) the Company shall not be liable for any defects or damage arising from the Customer’s failure to implement a procedure appropriate for the business environment of the Customer including storage conditions, quality control and handling procedures appropriate for the Products and that the Customer shall ensure and procure that the procedure is complied with and regular checks made to ensure all procedures are maintained at all times; or
 - (c) a force majeure event occurs as defined in Clause 10 below.
- 5.6 The Warranty shall exclude any physical damage to the Products.
- 5.7 Any claim made under the Warranty shall be solely for the repair and replacement of parts provided the Customer shall return the Products for repair to the premises of the Company, at the Customer’s costs. For the avoidance of doubt, no repairs shall be undertaken on site at the premises of the Customer. On-site inspections shall only be provided if the Customer has entered into a services and maintenance agreement with the Company.
- 6. Title and Risk**
- 6.1 Risk of loss of or damage to the Products shall pass to the Customer upon delivery of such Products by the Company to the Delivery Address.
- 6.2 Title in the Products shall pass to the Customer upon payment of the relevant Charges.
- 6.3 Until ownership of the Products has passed to the Customer, the Customer shall:
- (a) hold the Products on a fiduciary basis as the Company’s bailee;
 - (b) store the Products (at no cost to the Company) in such a way that they remain readily identifiable as the Company’s property;
 - (c) not destroy, deface or obscure any identifying mark or packaging on or relating to the Products; and
 - (d) maintain the Products in satisfactory condition and keep them insured on the Company’s behalf for their full price against all risks to the reasonable satisfaction of the Company. On request the Customer shall produce the policy of insurance to the Company.
- 6.4 The Customer may resell the Products before ownership has passed to it solely on the following conditions:
- (a) any sale shall be effected in the ordinary course of the Customer’s business at full market value; and

- (b) any such sale shall be a sale of the Company's property on the Customer's own behalf and the Customer shall deal as principal when making such a sale.
- 6.5 The Customer's right to possession of the Products shall terminate immediately if:
- (a) the Customer has a bankruptcy order made against him or makes an arrangement or composition with his creditors, or otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, or (being a body corporate) convenes a meeting of creditors (whether formal or informal), or enters into liquidation (whether voluntary or compulsory) except a solvent voluntary liquidation for the purpose only of reconstruction or amalgamation, or has a receiver and/or manager, administrator or administrative receiver appointed of its undertaking or any part thereof, or documents are filed with the court for the appointment of an administrator of the Customer or notice of intention to appoint an administrator is given by the Customer or its directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986), or a resolution is passed or a petition presented to any court for the winding-up of the Customer or for the granting of an administration order in respect of the Customer, or any proceedings are commenced relating to the insolvency or possible insolvency of the Customer; or
- (b) the Customer suffers or allows any execution, whether legal or equitable, to be levied on his/its property or obtained against him/it, or fails to observe or perform any of his/its obligations under the Contract or any other contract between the Company and the Customer, or is unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or the Customer ceases to trade; or
- (c) the Customer encumbers or in any way charges any of the Products.
- 6.6 The Company shall be entitled to recover payment for the Products notwithstanding that ownership of any of the Products has not passed from the Company.
- 6.7 Where the Company is unable to determine whether any Products are the Products in respect of which the Customer's right to possession has terminated, the Customer shall be deemed to have sold all Products of the kind sold by the Company to the Customer in the order in which they were invoiced to the Customer.
- 6.8 On termination of the Contract, howsoever caused, the Company's rights contained in this Clause 6 shall remain in effect.

7. Intellectual Property

- 7.1 The sale of the Products and the publication of any information or technical data relating thereto does not imply freedom from patent, registered design or other industrial property rights ("Intellectual Property Rights") in respect of any particular application of the Products. All Intellectual Property Rights belonging to the Company shall remain vested in the Company and the buyer shall not infringe any such rights at any time.
- 7.2 The Customer warrants that the designs and specifications supplied by it to the Company will not involve the infringement of any patent, registered design or other industrial property right in the manufacture and sale of the Products by the Company.
- 7.3 The Customer undertakes to indemnify and keep indemnified the Company against all royalties, claims, actions, demands, proceedings, losses and costs in connection with any infringement or alleged infringement of any Intellectual Property Rights in the manufacture, sale or application of the Products arising out of or in connection with the matters described in Clauses 7.1 and 7.2 above.

8. Liability

- 8.1 Except as provided in Clause 8.2, in no event shall either Party be liable to the other for indirect or consequential loss or damage including: indirect or consequential loss of profits, business, revenue, goodwill or anticipated savings, or for loss or damage incurred by the other Party as a result of third party claims.
- 8.2 Nothing in this clause 8 excludes or limits liability of either Party to the other for death or personal injury due to negligence or fraud.
- 8.3 Each clause and sub-clause of this Contract that excludes or limits the liability of the Company operates separately. If any clause or sub-clause is unenforceable or is not effective the other clauses and sub-clauses will continue to apply.
- 8.4 The provisions of this Clause shall survive termination of this Contract.

9. Confidentiality

- 9.1 The Customer undertakes at all times to keep confidential and not to use or to disclose to any third party without the Company's prior written consent any confidential information (whether conveyed orally, in writing or otherwise) supplied by the Company or obtained as a result of this Contract (or any discussions prior to execution of this Contract) including information which relates to the Company's business, Products, developments, and customers, whether designated as "confidential" or not ("**Confidential Information**").
- 9.2 Nothing contained in this Clause 9 shall apply to prevent the Customer from disclosing any Confidential Information:
- (a) in its possession (with full right to disclose) prior to receiving it; or
- (b) which is public knowledge other than by breach of this clause 9; or
- (c) (which it may have independently developed or received from a third party (with full right to disclose); or

(d) which is required to be disclosed by court order, legal or regulatory obligation.

9.3 The provisions of this Clause 9 shall survive termination of this Contract.

10. Force Majeure

Neither the Company nor the Customer shall be liable to the other for any delay in performance or failure to perform its obligations in accordance with this Contract where such delay or failure is due to circumstances beyond its control and unknown to it at the date of this Contract, such circumstances including but not restricted to war damage, enemy action, terrorism, the act of any government, riot, civil commotion, rebellion, storm, tempest, fire, flood, nuclear accident or act of God but shall exclude any strike or industrial action involving the employees of the Company, its sub-contractors or agents of the affected party ("**force majeure event**").

11. General

11.1 Every notice given or required under this Contract shall be in writing and shall be addressed in writing to the other party at its registered office or principal place of business or such other address as may at the relevant time have been notified pursuant to this provision to the party giving the notice.

11.2 No failure, delay, relaxation or forbearance on the part of either Party in exercising any power or right under this Contract shall operate as a waiver of such power or right or of any other power or right.

11.3 If any provision of this Contract is held invalid, illegal or unenforceable for any reason by any court of competent jurisdiction, such provision shall be severed and the remainder of the provisions hereof shall continue in full force and effect as if this Contract had been executed with the invalid, illegal or unenforceable provisions eliminated. In the event that a provision of this Contract that is fundamental to the accomplishment of the purpose of the Contract is held invalid, the Company and the Customer shall immediately commence good faith negotiations to remedy such invalidity.

11.4 This Contract together with its schedules, and any documents referenced therein constitutes the entire Contract between the Parties in relation to its subject matter. This Contract supersedes all previous correspondence or communication whether written or verbal, and supersedes any terms and conditions put forward by the Customer.

11.5 Neither Party may assign the benefit of this Contract or any interest hereunder except with the prior written consent of the other SAVE THAT the Company may transfer its rights and obligations under this Contract (in part or in whole) at any time to any member of the group of companies controlled by the Company.

11.6 The Company and the Customer acknowledge and agree that this Contract shall not constitute, create or give effect to a joint venture, pooling arrangement, principal/agency relationship, partnership or formal business organisation of any kind and neither The Company nor the Customer shall have the right to bind the other without the other's express prior written consent.

11.7 A person who is not a party to this Contract has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Contract but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

12. Governing Law – Dispute Resolution

12.1 This Contract shall be governed by and construed in accordance with the laws of England and Wales.

12.2 The Parties expressly waive any right to any forum to which they may otherwise be entitled and submit to the exclusive jurisdiction of the Courts of England and Wales for the settlement of any claim or matter arising under this Contract.