

TERMS AND CONDITIONS OF SALE - PROHANDLING LTD

The following sets out our Terms and Conditions of Sale. As we offer an extensive range of goods and services within the Materials and Powder Handling sector these conditions are designed to encompass all areas. As a result, some of the conditions may not be appropriate to your type of order and we are willing to amend specific clauses, by mutual agreement, which appear to be invalid. Any such deviation however from these conditions will only form part of our contract if agreed in writing by us prior to acceptance of order. Any clause which is deemed invalid shall not invalidate any other clause.

1. BASIS FOR CONTRACT

It is an express condition of any offer and any order acceptance by us that Purchaser's conditions shall have no validity even if no further disclaimer is raised by us against the same following our receiving such conditions. No contract will exist until we have sent our written 'order acknowledgement' and no statements made verbally before or during any contract will have validity unless confirmed in writing. Our written acceptance will state the extent of our contract. The purchaser shall assume sole responsibility for the capacity and performance characteristics of the goods being adequate and suitable for his requirements. All contractual and financial responsibility will rest with the purchaser who places the order with this company notwithstanding the involvement of a third party.

2. DOCUMENTATION

Particulars relating to our quotations, such as illustrations, drawings, weights, specifications, ratings, shall be deemed to be approximate unless otherwise confirmed by us. All estimates, drawings documents and the copyright thereon remains our property and must not be made available or accessible to any third party.

3. PRICES

Our prices exclude Value Added or other Taxes which shall be charged extra at the appropriate rate. In general our prices are valid for 90 days. However, if due to exceptional circumstances costs of materials and labour increase our prices are subject without notice to any increase during quotation and contact periods. Costs incurred by us in working any overtime requested and authorised by you shall be borne by you. Where fixed prices are quoted these will be subject to increase if the period quoted by us for the completion of the contract is exceeded for any cause or reason beyond our control. Storage and Warehousing costs incurred by us while waiting on your despatch instructions after notification of completion at works will be charged extra.. We reserve the right to increase our prices in the event that we have made an offer or entered into contract the Purchaser requests a change in the method for payment. This applies also to any order for which financing is to be made through a third party.

4. CANCELLATION OF ORDER

Any order placed against this quotation, which is subsequently cancelled at any stage by the purchaser for any reason, ProHandling Ltd reserves the right to charge for full re-imbursement of costs incurred by this company up to and including the date of cancellation, with the addition of a reasonable element to cover overheads and additional compensation for loss of profit.

5. DELIVERIES

Periods for delivery and completion start from the date of our order confirmation subject to the prior receipt by us of all particulars affecting the execution of the order including the return by you of any drawings sent for your approval by an authorised person. Partial deliveries shall be permissible. Unforeseen events beyond our control, such as shortage and delays in raw materials and deliveries by other manufacturers, labour disputes, epidemics, fire, accidents, whether occurring before or after the time for delivery or completion shall extend the time period accordingly. Unless specifically agreed in writing by us at the time of our acknowledgement of your order we will accept no financial or other responsibility for the reason that deliveries from us exceed the period stated in our contract.

6. PAYMENT TERMS

Terms of payment for supplies of spares and service are 30 days from date of invoice. Terms of payment for equipment and systems are detailed in our quotation. Variation to these terms can only be made by mutual agreement prior to the placing of an order. In all cases the purchaser accepts by the placing of his order with us that we shall have a lien on any or all goods supplied under the contract. The legal and beneficial property in any of the goods supplied by us under our contract with you shall not pass to you until these goods are paid for in full. Completion of contract is achieved when goods to be supplied not requiring erection / installation by us are actually received or if delivered to a suitable carrier of your

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authorisation. A contract under which plant and machinery is to be erected / installed by us shall be deemed to have been completed when the same is fit for use, notwithstanding minor omissions or defects which do not materially affect such use. In the event of non-payment of our account on the due date we reserve the right to charge interest on all or any outstanding sums at the bank rate of National Westminster Bank Plc in the UK in force at that time plus 4% + VAT up to and including the date on which final settlement is actually made. Any discounts available of any kind are conditional upon prompt payment of our account in accordance with our contracts and such discounts are void in the event of payment becoming overdue.

7. DEDUCTIONS, CHARGES, SET OFF OF MONEYS ETC:

No liability charges, damages, costs or contra charges of whatever nature will be accepted and no right of deduction permitted unless the purchaser has fulfilled all the following.

Notification to us in writing of the existence of any potential charge within 7 (seven) days of the occurrence which may give rise to such charge.

Notification in writing and in advance, if reasonably possible, but within 7 (seven) days if not, of incurring such charges.

That any and all charges, where possible, are only charged at a rate agreed in writing with Palamatic prior to incurrence.

That the purchaser has used and continues to use his best endeavour to minimise such liability, damages and costs.

That the purchaser prove, by documentary evidence, that such costs have been properly incurred.

That if requested to do so the purchaser has produced within 7 days an up to date statement of our account to date.

8. GUARANTEE / WARRANTY

We undertake at our option to rectify or supply replacements for any defective parts when such defects are proved to have arisen either from faulty materials, workmanship or design. Our guarantee period is 12 months for all equipment supplied. The guarantee periods are based upon a normal working duty of 1 eight hour shift per day. Should this be exceeded, our guarantee period will be reduced pro-rata. The periods for guarantee commence from the passing over of risk, arrival at our contracted point of delivery. (whichever shall be the earlier) or, in the event of being contracted for erection / installation from completion of same. In the event of dispatch or installation of the equipment being delayed through no fault of ours, the guarantee period shall be deemed to have commenced 14 days after notification by us that the equipment is ready for dispatch.

The Company's liability under guarantee is conditional upon notice in writing being given to us immediately on the discovery of any defects and that the equipment has been properly maintained and not misused or modified in any way defective parts must be returned to us promptly carriage paid to our works unless otherwise arranged by us. As to machines and parts not installed by us, no liability will be accepted for installation and performance. Machinery or components supplied by us which are not of our guarantee will be delivered within the UK to the consignment address or FOB UK port. Our guarantee is conditional upon you fulfilling all obligations under our contract especially with regard to the agreed terms of payment. The clauses on delivery and guarantees shall accordingly apply to our subsequent rectification work. The equipment supplied must be used solely for the purpose agreed and any variation from this must only occur after prior consultation with Palamatic Handling Systems Limited, use of the equipment other than for the agreed purpose invalidates the warranty. All warranties, guarantees and conditions, other than those herein expressed or specifically referred to, whether implied by statute, custom or the trade or otherwise are hereby expressly excluded. We reserve the right to make any modifications in design or manufacture that we consider are necessary for the improvement of the equipment.

9. SITE CONDITIONS, PLANT AND MACHINERY / EQUIPMENT

- a) The consent of any Government, local or other authority necessary to fulfil the execution of our contract shall be obtained by the Purchaser.
- b) With regard to our supplying any form of lifting equipment or accessories the suitability of runways, gantries, buildings, foundations, roof trusses and structures at site is the responsibility of the Purchaser. Gantry and runway beams must be free from protruding fishplates, cleats, bolts or other obstructions and are to be to our required tolerances. Structures and foundations must be suitable and have adequate strength to bear the loadings advised by us and/or resulting from the use of our equipment.
- c) With regard to all equipment supplied by us the suitability of all our plant and machinery is the responsibility of the Purchaser. We will advise and except responsibility for our confirmed dimensions, weights, ratings and capacities of our equipment but shall have no other liability in connection with the fitting or use of our equipment with Purchasers or other's machinery or equipment.
- d) Purchasers current supply systems must be adequate for feeding the power required to our machinery. All drillings of structures or machinery necessary to accept our equipment and/or conductor systems must be carried out by the Purchaser at his expense.

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10. TRANSIT

Damage or loss in transit must be notified to us and the carriers within 3 days of receipt otherwise claims cannot be considered. All risks shall pass to the purchaser not later than the date of despatch or, if we are contracted for transportation, from the moment of delivery whether this be to site or into storage awaiting instructions.

11. INSPECTION AND TESTING

Where we supply equipment from our standard range of proprietary products the component parts and often the finished product may have already been manufactured. Where there is a statutory requirement on us an appropriate test certificate will be supplied without charge. If you wish our equipment to be passed by an insurance company or other inspector you must stipulate this at the time of placing your order when at a reasonable charge we will submit drawings and specifications for approval. Any requirement for testing in the presence of your representatives must be agreed in advance and be the subject of extra charge. You will be at liberty to inspect the equipment at our factory prior to despatch.

12. GENERAL

This company accepts no liability for the suitability or performance offered for any particular applications or use unless specifically defined by us in our contract. Except in the case of personal injury or death resulting from breach of duty as defined in section 25 of the Unfair Contract Terms Act 1977, by us our employees we expressly exclude liability for any form of consequential damages and losses.

We reserve the right to appoint sub-contractors for parts of the contract if we deem necessary. In the case of any default in payment by the Purchaser after the despatch of the goods and before the goods have become the Purchasers property, or if, before the property in the goods has passed to the Purchaser they commit an act of bankruptcy, become insolvent or become unable to pay their debts (which have without prejudice to the generality of the foregoing, should be deemed to have occurred if any of the events specified in section 223 of the Companies Act 1948 have occurred) or being a company go into liquidation or a Receiver is appointed, this company may give notice to the Purchaser terminating the contract or the Purchasers right to possession, as the case maybe, whereupon the Purchaser shall, if the goods have been despatched, be bound at the Purchasers own expense to re-deliver the goods to this company. In such cases this company may (with or without previous notice) repossess the goods and this company and its duly authorised agents are in such circumstances irrevocably authorised by the Purchaser to enter the premises in which the goods are located and to dismantle and remove the same at the Purchasers expense.

Each and every contract entered into by the company shall in all respects be construed (other than an action for the payment of sums owing to us) shall be referred to an Arbitrator to be appointed by the President for the time being of the Institute of Mechanical Engineers and the submission shall be deemed to be a submission to arbitration within the meaning of the Arbitration Act 1950 or any statutory re-enactment or amendment thereof for the time being in force.

13. ERECTION / INSTALLATION WORK ON SITE

Where we undertake erection, the customer shall provide all necessary facilities including suitable access to the site, proper foundations ready for the plant, when delivered adequate lighting and suitable protection. Unless expressly mentioned, quotations are exclusive of builders, joiners, masons, plumbers, painters, electricians, or any other trades work. The customer shall ensure that such work in conjunction with the contract shall be carried out in proper time so that we are not hindered, but should we include extra costs owing to any such hindrance or to any delays, interruptions, overtime, mistakes, etc for which we are not responsible, such extra cost shall be added to the contract price and paid by the customer accordingly.

Where plant is to be started by us, all fuel, water, steam, electricity and other necessary stores and facilities needed for testing shall be supplied by the customer free of charge. Where we are doing work or installing machines for our customer upon any premises, site or foundations, customer warrants that the premises site, and foundations are in such a strong and (or) fit condition that the work of installation can be safely carried out normally. We do not undertake responsibility for the satisfaction of any local By-Law or Statutory Regulation or for any special or contractual requirements which the customer may communicate or be bound to observe or fulfil.

If any tests or inspections are required, these will be charged as extras. If tests or inspections are to be made in the presence of the customer or customers representative and there is delay in attending after seven days notice of our readiness, the tests will be proceeded with and shall be deemed to have been made in the customers presence and inspection shall be waived.