

# **HOLDERS TECHNOLOGY PLC**

## **General Terms and Conditions of Sale**

### 1. Definitions

- “Company”            The seller, which shall be Holders Technology plc or any company which is based in the United Kingdom and is a subsidiary or a holding company or a subsidiary of such holding company as defined by sections 736 and 736A of the Companies Act 1985
- “Contract”            The agreement between the Company and the Purchaser being subject to these Terms and Conditions for the sale and purchase of Goods, Products and/or Items (as the case may be)
- “Default”             any act, statement, omission, breach of obligation (whether expressed or implied, condition or warranty) contained in, precedent or collateral to the Contract, breach of duty under statute or at common law or negligence by or on the part of the Company in connection with or arising out of the subject matter of the Contract in respect of which the Seller is legally liable to the Purchaser. A number of defaults which together result in or contribute to substantially the same loss or damage shall be treated as one Default occurring on the date of the occurrence of the last such default
- “Goods”                Any products manufactured and/or designed, and supplied to the Purchaser by the Company in accordance with the Terms and Conditions (and for the avoidance of doubt Goods includes Machine Tools as defined in the special conditions which apply to Machine Tools)

“Items”	Any products supplied by the Company to the Purchaser either (1) where the Company is a distributor for a Third Party Manufacturer and where the Company has not manufactured and/or designed or altered such a product, or (2) where the Company has requested a Third Party Manufacturer to produce or manufacture products and such products have not been altered by the Company
“Products”	Any products supplied by the Company to the Purchaser, substantially in the form manufactured by a Third Party Manufacturer but which have been altered by the Company at the request of the Purchaser
“Purchaser”	The person whose order for the Goods is accepted by the Company
“Sub-Purchaser”	The party to whom the Goods/Products and/or Items are sold by the Purchaser
"Terms and Conditions"	The terms and conditions set out in this document
"Third Party Manufacturer"	A third party which manufactures or supplies Items or parts, materials or equipment incorporated into Goods or Products

## 2. Basis of Sale, Quotations, Orders and Specification

- 2.1 The Company shall sell and the Purchaser shall purchase the Goods in accordance with any order that is accepted by the Company subject to the Terms and Conditions which shall govern the Contract to the exclusion of any other terms and conditions subject to which any such order is made or purported to be made by the Purchaser.
- 2.2 Any deviation from the Terms and Conditions can have effect only after such deviation has been expressly agreed and verified by the signature of an authorised Director of the Company.
- 2.3 Any quotations issued by the Company are to be regarded by the Purchaser as an enticement in soliciting an offer to purchase from the Purchaser in the form of an order. All quotations may be withdrawn or varied by the Company at any time and in any event shall automatically expire after 7 days unless expressly stated otherwise on the relevant written quotation. All orders issued by the Purchaser to the Company will thereby be deemed to represent an offer to purchase. The Purchaser shall be responsible for ensuring the accuracy of the terms

of any order (including any required specification). The quantity, quality, description and any specification shall be those set out in the Purchaser's order. Deliveries to destinations outside the United Kingdom and Northern Ireland will be subject to the application of "Incoterms 2000" (as amended or replaced from time to time and published by the International Chamber of Commerce) as shall be more particularly defined in the quotation.

2.4 Orders may be submitted by the Purchaser by telephone, fax or e-mail but in the case of orders submitted by telephone must be confirmed in writing immediately following the telephoned order. The Company shall be under no obligation to despatch any Goods, Products or Items until such written confirmation is received; however if it does despatch any such Goods, Products or Items in accordance with an oral order for which written confirmation has not yet been received the Company's record of such orally submitted order shall form the basis of the order. The Company shall use reasonable endeavours to take accurate records of a Purchaser's oral order.

2.5 The terms for order cancellation are as follows:

- (a) Goods supplied under the Holders Components division are non-cancellable and non-returnable.
- (b) Goods supplied under the NRGstar division may only be returned with the prior written consent of the Company. A handling charge of 25% may be deducted from any credit allowed by the Company where it is established that the reason for the return of goods was not the subject of Clause 3.8 below or due to any error on the part of the Company. Carriage costs to return the goods to the Company must be paid by the Purchaser. Returns will not be accepted unless the written application for return is received within 1 week of supply to the Purchaser, and returned goods are received by the Company within 5 working days of written consent being given by the Company. Returned goods must be received by the Company in resalable condition with the original packaging.
- (c) Goods supplied other than under paragraphs (a) and (b) above may only be cancelled with the prior written consent of the Company and on terms that the Purchaser shall indemnify the Company in full against all losses (including loss of profit) incurred by the Company as a result of such cancellation.

2.6 Each order for Goods, Products or Items accepted by the Company shall constitute a separate Contract.

### 3. Representations, Liability and Remedies

- 3.1 The Company's employees or agents are not authorised to make any representations concerning the Goods, Products and/or Items unless confirmed by the Company in writing by a director of the Company.
- 3.2 Any advice or recommendation given by the Company or its employees or agents to the Purchaser or its employees or agents as to the storage, application or use of the Goods, Products and/or Items which is not confirmed in writing by the Company is followed or acted upon entirely at the Buyer's own risk, and accordingly the Company shall not be liable for any such advice or recommendation which is not so confirmed.
- 3.3 The Purchaser acknowledges that it has entered into the Contract in reliance only on the representations, warranties promises and terms contained or expressly referred to in the Contract and, save as expressly set out in the Contract, the Company shall have no liability in respect of any other representation, warranty or promise made prior to the date of the Contract unless it was made fraudulently.
- 3.4 The only remedy available in respect of any misrepresentation or untrue statement made by the Company (other than those made fraudulently) shall be a claim for damages for breach of contract under the Contract and, to the extent that any such representation or statement is not contained or expressly referred to in the Contract, then it shall be deemed to be contained or expressly referred to for the purpose of applying this provision.
- 3.5 The Purchaser shall inform the Company of any Default and afford it reasonable opportunity to correct the Default.
- 3.6 The Company warrants that the Goods, Products and/or Items shall be of satisfactory quality and fit for their purpose at the time of delivery to the Purchaser provided that the Company shall be under no liability:
- (a) in respect of any defect in the Goods, Products or Items arising from any drawing, design or specification supplied by the Purchaser; or
  - (b) for Items, parts, materials or equipment provided by a Third Party Manufacturer, and the Purchaser shall only be entitled to the benefit of any such warranty or guarantee as is given by the Third Party Manufacturer to the Company and which the Company is entitled by such Third Party Manufacturer to pass on to the Purchaser.

- 3.7 Provided that the Company is notified in accordance with clause 3.8 any Goods and/or Products that to the satisfaction of the Company prove to be faulty will be repaired or replaced free of charge by the Company. Goods and/or Products that the Company agrees to replace must, at the sole discretion of the Company, be returned to the Company or disposed of as per the Company's instructions. Defective Items will be replaced or repaired only with the consent of the Third Party Manufacturer or to the extent the defect falls within any warranty or guarantee referred to in clause 3.6(b) above.
- 3.8 Notification of any defects as would be reasonably apparent from a visual inspection by a prudent purchaser to the Goods/Products and/or Items, must be received by the Company at the office to which the order for the defective product was submitted within five (5) days of delivery of the defective Goods, Products or Items to the Purchaser.
- 3.9 Failure to notify the Company of defects in accordance with clauses 3.8 shall preclude the Company from having any liability in respect of the Goods, Products or Items for defects which would be reasonably apparent to the prudent purchaser and the Purchaser shall be bound to pay the price as if the Goods, Products or Items had been delivered in accordance with the Contract.
- 3.10 In relation to any Default the Company will accept unlimited liability for:
- (a) death or personal injury caused by the negligence of the Company;
  - (b) any breach of its obligations implied by Section 12, Sale of Goods Act 1979 or Section 2, Supply of Goods and Services Act 1982; and
  - (c) anything else for which the Company cannot at law limit or exclude its liability.
- 3.11 The Company will accept liability for physical damage to the Purchaser's tangible property resulting from the negligence and wilful default of the Company. The Company's liability under this clause including both damage to the Purchaser's property and the Product, Good or Item shall be limited to an amount equal to £10,000. Further the maximum liability of the Company for a Product (where the defect is attributable a component supplied by a Third Party Manufacturer) or Item under this sub clause 3.11 shall be limited to that which the company can recover from the relevant third party manufacturer.
- 3.12 Except as provided in sub-clause 3.10 the Company will not be liable for the following loss or damage arising directly or indirectly out of any Default and even if foreseeable by the Company:
- (a) economic loss including administrative and overhead costs, loss of profits, business, contracts, revenues, goodwill, production and anticipated savings of every description;

- (b) loss of data: or
  - (c) loss or damage arising from the Purchaser's failure to fulfil its responsibilities or any matter under the control of the Purchaser.
- 3.13 Except for the liabilities accepted by the Company under sub-clauses 3.8, 3.10 and 3.11 the Company's entire liability in respect of all Defaults shall be limited to £10,000.
- 3.14 Clause 3 of these Terms and Conditions shall survive the termination of a Contract.

#### 4. Delivery

- 4.1 Time, as regards delivery to or despatch to the Purchaser, will not be regarded as being of the "essence". The Company whilst making every effort to adhere to dates of despatch or delivery does not guarantee such dates of despatch and/or delivery. The date quoted for delivery or despatch shall be extended by a reasonable time if delay is caused due to any industrial action or any event beyond the control of the Company. The Purchaser may not reject Goods/Products and/or Items due to late despatch or delivery of such Goods, Products or Items. Where an order is being delivered in instalments late delivery of any one instalment shall not entitle the Purchaser to terminate the Contract or to treat the Contract as repudiated.
- 4.2 If the Purchaser fails to take delivery of the Goods, Products or Items or fails to give the Seller adequate delivery instructions at the time stated for delivery (otherwise than by reason of any cause beyond the Purchaser's reasonable control or by reason of the Company's fault) then without prejudice to any other right or remedy available to the Company, the Company may:
- (a) store the Goods, Products or Items until actual delivery and charge the Purchaser for the reasonable costs (including insurance) of storage and re-delivery; or
  - (b) sell the Goods, Products or Items at the best price readily obtainable and (after deducting all reasonable storage and selling expenses) charge the Purchaser for any shortfall below the price due under the Contract.

#### 5. Price and Payment

- 5.1 The price of the Goods, Products or Items shall be as quoted by the Company to the Purchaser or as is current on the date the Company accepts an order from the Purchaser.
- 5.2 The Company may increase the price quoted for Goods, Products and/or Items by giving notice to the Purchaser before delivery to reflect

any increases of prices due to reasons beyond its control including without limitation, increased prices charged by Third Party Manufacturers increased manufacturing costs and increased delivery costs.

- 5.3 All prices quoted by the Company shall be exclusive of Value Added Tax and the Purchaser shall pay all Value Added Tax due in addition to the price due under a Contract on receipt of a Value Added Tax Invoice from the Company.
- 5.4 Unless otherwise agreed by the Company in writing the Purchaser shall pay the price of the Goods, Products and/or Items not later than 30 days following the date of the invoice relating to the Goods, Products and/or Items. All payments shall be made in full in cleared funds without deduction in respect of any set-off or counterclaim.
- 5.5 Time as regards the payment of the price will be of the "essence" as to a Contract to which these Terms and Conditions apply. The Purchaser's failure to pay the price in accordance with the Contract will allow the Company to suspend all future deliveries or despatches to the Purchaser, to refuse to accept any further orders and to charge interest in accordance with clause 5.6 until such times as the said payment is made in accordance with these Terms and Conditions.
- 5.6 Interest at the rate of 8% above Bank of England base rate will be payable by the Purchaser on outstanding balances not paid by the due date.

## 6 Risk and Property

- 6.1 Risk of damage to or loss of the Goods, Products or Items (for the purpose of this clause collectively referred to as the Supplies) shall pass to the Purchaser:
  - (a) in the case of Supplies to be delivered at the Company's premises, at the time when the Company notifies the Purchaser that the Supplies are available for collection; or
  - (b) in the case of Supplies to be delivered otherwise than at the Company's premises, at the time of delivery or, if the Purchaser wrongfully fails to take delivery of the Supplies, the time when the Company has tendered delivery of the Supplies.

- 6.2 Notwithstanding delivery and the passing of risk in the Supplies, or any other provision of these Terms and Conditions, property in the Supplies shall not pass to the Purchaser until the Company has received in cash or cleared funds payment in full of the price of the Supplies and all other goods agreed to be sold by the Company to the Purchaser for which payment is then due.
- 6.3 Until such time as the property in the Supplies passes to the Purchaser, the Purchaser shall hold the Supplies as the Company's fiduciary agent and bailee, and shall keep the Supplies separate from those of the Purchaser and third parties and properly stored, protected, insured and identified as the Company's property.
- 6.4 Until such time as the property in the Supplies passes to the Purchaser (and provided that the Supplies are still in existence and have not been resold) the Company shall be entitled (without prejudice to any other rights it may have) at any time to require the Purchaser to deliver up the Supplies to the Company and, if the Purchaser fails to do so forthwith, to enter upon any premises of the Purchaser where the Supplies are stored and repossess the Supplies and to require the Purchaser do everything reasonably practicable to ensure recovery of the Supplies from any other premises in which they are situated.
- 6.5 Until such time as the property in the Supplies passes to the Purchaser, the Purchaser shall be entitled to resell or use the Supplies in the ordinary course of its business unless the Company revokes this permission which it may do at any time and provided that the Purchaser does so in the normal course of business and at a price which constitutes the full market value of the Supplies and provided that the Purchaser holds in a fiduciary capacity from the proceeds of sale or otherwise of the Supplies the Company's Proceeds (which means a sum equal to the purchase price of the Supplies under the Contract) and keeps the Company's Proceeds separate from any monies or property of the Purchaser and third parties in a separate bank account clearly denoted as an account containing monies deposited for the benefit of the Company and, in the case of tangible proceeds, properly stored, protected and insured.
- 6.6 Until such time as the property in the Supplies passes to the Purchaser the Company permits the Purchaser to use the Supplies in the ordinary course of its business provided that such permission may be revoked at any time by the Company and if such use of the Supplies involves the Supplies being incorporated



into, combined with or used in the process of creating or manufacturing other goods or items, upon the creation of such other goods or items the Company shall be the legal owner of such other goods or items jointly with the Purchaser and any other suppliers of goods used in such process and beneficial owner of such other goods or items jointly with the Purchaser and such other suppliers (if any) in such proportion as the purchase price of the Supplies under the Contract bears to the overall cost of production of such other goods or items and the Purchaser shall hold such other goods or items as the Company's fiduciary agent and bailee and paragraph 1.5 shall apply to such other goods or items.

- 6.7 The Company shall be entitled, where the Supplies have become fixed or attached to or incorporated within any other products ("Assembled Goods") to detach the Supplies from such Assembled Goods.
- 6.8 The provisions set out here shall be without prejudice to the obligation of the Purchaser to purchase the Supplies.
- 6.9 The Purchaser shall not be entitled to pledge or in any way charge by way of security for any indebtedness any of the Supplies which remain the property of the Company, but if the Purchaser does so all monies owing by the Purchaser to the Company shall (without prejudice to any other right or remedy of the Company) forthwith become due and payable.

## 7. Publicity Material and Intellectual Property Rights

- 7.1 All drawings, photographs, illustrations and descriptive material accompanying the Company's quotations or contained in any brochure or advertising matter issued by the Company are intended only to represent the general idea of the Goods and/or Products and/or Items described therein and shall not form part of the Contract and shall be treated as approximate and for guidance only unless the Company expressly states in writing otherwise. The Company shall not be liable for any divergence between the Goods and/or Products and/or Items and such drawings, photographs, illustrations or descriptive material. Further the Company reserves expressly the right to vary or modify in any way as appears to it to be reasonable, any part or method of construction of the Goods and/or Products without notice.
- 7.2 The Goods, Products and / or Items may include designs which are the property of the Company ("the Designs"). The Company owns the copyright, design right and all other intellectual property rights in the Designs. Title to the Designs shall not pass to the Purchaser and shall remain with the Company at all times.
- 7.3 The Purchaser agrees that the Designs may not be reproduced or used in any way except with the prior written consent of the Company.
- 7.4 The Company has not knowingly infringed any intellectual property rights of any third party but does not warrant or give any assurance to the Purchaser that any Design does not infringe the intellectual property rights of any third party.

## 8 Force Majeure

The Company must not be liable to the Purchaser or be deemed to be in breach of Contract by reason of any delay, prevention or curtailment in the performance of the Contract by reason of circumstances beyond the control of the Company including (but without prejudice to the generality of the foregoing) war, riots, fire, flood, accident, difficulties in obtaining raw materials, labour, fuel, parts or machinery, strikes, lockouts or other industrial disputes whether involving the third parties or the Company and its own employees.

## 9 Indemnity

The Purchaser shall indemnify and keep the Company indemnified against all costs, expenses, damages and demands incurred by the Company in respect of:

- (a) any alleged infringement of the patents, trade marks, copyright, design or other industrial property rights used by the Company at the request of the Purchaser;
- (b) any alleged breach or infringement of any statute or regulation concerning the preparation, marketing and distribution of the Goods, Products or Items;
- (c) any claims arising and made under the Consumer Protection Act 1987 and which arise by reason of or in connection with a defect in the Goods, Products or Items or in the end product manufactured and/or supplied by the Purchaser in which the Goods, Products or Items are comprised, which defect is attributable either to the compliance by the Company with the instructions given by the Purchaser or to the Purchaser's design of the end product.

## 10 Insolvency of Purchaser

### 10.1 This Clause applies if:

- (a) the Purchaser makes any 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 (otherwise than for the purpose of a solvent amalgamation or reconstruction);
- (b) an encumbrancer takes possession, or a receiver is appointed, over any of the property or assets of the Purchaser;
- (c) the Purchaser ceases, or threatens to cease, to carry on business; or
- (d) the Company reasonably apprehends that any of the events mentioned above is about to occur in relation to the Purchaser and notifies the Purchaser accordingly.

10.2 If this Clause applies then, without prejudice to any other right or remedy available to the Company, the Company shall be entitled to cancel the Contract or suspend any further deliveries under the Contract without liability to the Purchaser, and if the Goods, Products or Items have been delivered but not paid for, then without prejudice to the Company's rights under clause 6 the price shall become immediately due and payable notwithstanding any previous agreement or arrangement to the contrary.

## 11 General

### 11.1

- (a) Either party may, in whole or in part, release, compound, compromise, waive or postpone, in its absolute discretion, any

liability owed to it or right granted to it under the Contract by the other party without in any way prejudicing or affecting its rights in respect of any other liability or right not so released, compounded, compromised, waived or postponed.

- (b) No single or partial exercise or failure or delay in exercising any right, power or remedy by either party shall constitute a waiver by that party of, or impair or preclude any further exercise of that or any right, power or remedy arising under the Contract or otherwise.
- 11.2 To the extent that any provision of these Terms and Conditions is found by any court or competent authority to be invalid, unlawful or unenforceable in any jurisdiction, that provision shall be deemed not to be a part of these Terms and Conditions, it shall not affect the enforceability of the remainder of these Terms and Conditions nor shall it affect the validity, lawfulness or enforceability of that provision in any other jurisdiction.
- 11.3 Any reference in these Terms and 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.
- 11.4 The headings in these Terms and Conditions are for convenience only and shall not affect their interpretation.
- 11.5 These Terms and Conditions and the documents referred to in them set out the entire agreement and understanding between the parties and supersede all prior agreements, understandings or arrangements (whether oral or written) in respect of the subject matter of a Contract.
- 11.6 No term of these Terms and Conditions is enforceable pursuant to the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to it.
- 11.7 The Contract shall be subject to and construed in accordance with English Law and all disputes of whatsoever kind arising as a result of the making or performance (including any alleged non-performance) of the Contract shall be subject to the jurisdiction of an English court.
- 11.8 The Company and the Purchaser shall use reasonable endeavours to solve all disputes between themselves and the Company may (at its sole discretion) take all actions it considers necessary to resolve such disputes. If the parties cannot resolve the dispute within 30 days either party may refer it to an independent expert whose costs will be borne as he directs.
- 11.9 Other than specified in and permitted by clause 2.4, communications made and notices given by the Company to the Purchaser and vice

versa, shall be either delivered personally or sent by first class post to the parties respective addresses as may be from time to time notified by one party to the other. Any communication or notice from the Company to the Purchaser shall be conclusively deemed to be served and received by the Purchaser within 48 hours after posting in the case of an address in the United Kingdom and 96 hours after posting for any other address.

Please note, in addition to these Terms and Conditions, special conditions apply in relation to the sale and purchase of Machine Tools.