

SYSTEM SPRAY LIMITED – TERMS AND CONDITIONS OF SALE

1. GENERAL

These conditions of sale shall apply to all contracts made between System Spray Ltd (the Company) and any Purchaser (the Purchaser) of the company's products (the goods). A reference to a party e.g. the Purchaser, includes its personal representatives, nominated sub-contractors or successors or permitted assigns. The Purchaser agrees that any conditions which appear or are referred to on any document emanating from the Purchaser shall not apply to any contracts with The Company. Reference to 'writing' or 'written' includes faxes and e-mails.

2. UNFAIR CONTRACT TERMS

These conditions of sale have been drawn up in the light of the Unfair Contract Terms Act 1977 and are considered to be fair and reasonable and its prices are based on Contracts made on the conditions. Unless the Purchaser informs the Company in writing to the contrary before any contract is made he will be deemed to have accepted that these conditions are fair and reasonable.

3. FORMATION OF CONTRACT

The Company reserves the right to refuse the buyer's acceptance of a quotation unless such a quotation is stated to be open for a specific period and is not withdrawn in such period. No binding contract shall be created by the acceptance by the Purchaser of the Company's quotation until such notice of acceptance of the offer has been given in writing which shall have been signed by the Company's duly authorised representative or the Company has indicated its acceptance of the offer by making delivery or part delivery of the Goods. In the event that no quotation is given by the Company and it has received an order from the buyer all deliveries are made subject to these conditions of sale.

4. VARIATION OF CONTRACT

No alteration to these conditions shall be binding on the Company unless agreed in writing by a Director or the Secretary of the Company. These Conditions apply to the Contract to the exclusion of any other terms that the Purchaser seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing. The Contract constitutes the entire agreement between the parties. The Purchaser acknowledges that it has not relied on any statement, promise or representation made or given by or on behalf of the Supplier which is not set out in the Contract.

5. PRICES

Unless otherwise agreed in writing all orders are executed subject to prices and any relevant discounts ruling at the date of despatch and any price list of the Company whether published or not shall not affect the right of the Company to charge for goods in accordance with this clause. All prices are subject to the addition of Value Added Tax at the appropriate rate. Any prices quoted by the Company shall be valid for a period of 30 days from its date of issue, unless otherwise stated. Please note, however that the Company may, by giving notice to the Purchaser at any time up to 5 days before delivery, increase the price of the goods to reflect any increase in the cost of the goods that is due to: a) any factor beyond the control of the Company (including foreign exchange fluctuations, increases in taxes and duties, and increases in labour, materials, raw materials and other manufacturing costs); or b) any request by the Purchaser to change the delivery date(s), quantities or types of goods ordered, or the Specification; or c) any delay caused by any instructions of the Purchaser or failure of the Purchaser to give the Company adequate or accurate information or instructions.

6. NEW ACCOUNTS

Prospective customers wishing to open a credit account are requested to furnish two trade references and one banker's reference. Until the opening of a credit account has been confirmed a remittance should accompany the order, otherwise delivery will not be made until after the references have proved acceptable.

7. DELIVERY

- (i) Any quotation by the Company of a date for delivery is given in good faith but is not guaranteed and does not form a term or condition of contract. The Company will endeavour to comply with any such delivery date but will not be liable for any failure from whatever cause to meet a delivery date.
- (ii) No Liability for direct or consequential loss or damage arising from delay in delivery will be accepted by the Company.
- (iii) Delivery notes are sent with the goods and should be checked and signed at the time of delivery. Any discrepancies or damage to the goods must be notified to us within three days of delivery otherwise we cannot accept responsibility for same.
- (iv) A delivery charge will be implemented on low value orders

8. ACCEPTANCE, FULFILMENT AND WARRANTIES

- (i) The Purchaser shall inspect the goods on delivery and shall within three days of delivery notify an officer of the Company of any alleged defect, shortage in quantity, damage or failure to comply with description or sample. The Purchaser shall afford the Company an opportunity to inspect the goods within reasonable time following delivery and before any use is made of them (see also clause 8 (iii) below). If the Purchaser shall fail to comply with these provisions the goods shall be conclusively presumed to be in accordance with the Contract and free from any defect or damage which would be apparent on a reasonable examination of the goods and the Purchaser shall be deemed to have accepted the goods.
- (ii) The Purchaser shall notify the Company of any non-delivery of a whole consignment of complete cartons within six days of the date (as stated on the invoice). Notwithstanding the receipt by the Company of any such notice a clear signature on a carrier's delivery advice sheet shall be deemed to signify the receipt of the quantity of cartons indicated on the advice sheet.
- (iii) In the case of the Purchaser noticing an apparent or actual defect or application difficulty with the goods before or during use, the Purchaser is to ensure the goods are not used for the purpose for which they were intended and the Purchaser shall notify the Company verbally and also in writing within 24 hours of observing the actual or apparent defect so that the Company can investigate the issue and also to avoid the possibility that the Purchaser embarks upon work using the Company's product that might result in immediate or subsequent claims due to bonding failures or the need for remedial work to be undertaken to make good any bonding failures. If the Purchaser decides to use the Company's product(s) despite having observed any actual or apparent defects or application difficulties then the Purchaser does so entirely at his own risk. Upon each notice of a defect, where the goods are consumable products as opposed to equipment, a sample of the rejected goods is to be sent to us. In any event, obvious defects must be reported to the Company within 3 working days from the date of delivery, and, upon inspection, unrecognisable defects within 24 hours from discovery. If the Purchaser fails to properly inspect and/or report a defect our liability for the defect for which notification is not, or not promptly provided is excluded, and if the Purchaser uses the goods he does so at his own risk. Resale and processing are prohibited following a complaint until we issue a release.
- (iv) If the goods are not in accordance with the Contract for any reason the Purchaser's sole remedy shall be limited to the Company making good any shortage by replacing such goods or, if the Company shall elect, by refunding a proportionate part of the price.
- (v) The Company's liability to the buyer, whether for any breach of contract or otherwise shall not in any event exceed the contract price of the goods and the Company shall be under no liability for any direct loss and/or expense or indirect loss and/or expense suffered by the Purchaser or liability to third parties incurred by the Purchaser.
- (vi) With regard to application-specific advice, our technical advice, Product Technical Data Sheets, instructions for use etc., are based on practical and laboratory experience and testing, but are for guidance only. They are not binding and in no way relieve the Purchaser from his obligation to test the goods to ensure that the goods are compatible with the Purchaser's substrates, products, processes and end use for which the product has been selected and also that the goods are suitable for the intended uses. Sometimes the composition of substrate materials are changed by the substrate manufacturer without any prior notification and so we strongly recommend ongoing routine testing by the Purchaser to ensure the goods are still suitable for the use to which they are being put by the Purchaser and his end user customer(s). Even in the case of application-specific support provided by the Company in good faith to the Purchaser, the Purchaser carries the risk of the success of its work since the Company has no control over the customer's ongoing choice of substrates, processes, ambient temperatures, humidity, application controls etc.
- (vii) All warranties and conditions whether implied by statute or otherwise are excluded from the Contract providing that nothing in this contract shall restrict or exclude liability for death or personal injury caused by the negligence of the Company or affect the statutory rights of a buyer dealing as a consumer.

9. INVOICES

Unless the Purchaser shall notify an officer of the Company in writing of any query or objection within 30 days from the date of invoice, such invoice shall be deemed to be correct in all respects.

10. TERMS OF PAYMENTS

- (i) Invoices will be dated with the first date the goods were available for despatch. Statements of account will be sent to the Purchaser monthly. The Purchaser shall pay for all goods ordered by and supplied to him by the Company on or before the last day of the month following month of despatch or in accordance with such other terms of payment as may have been agreed in writing between him and an officer of the Company from time to time, and time shall be of the essence on matters of payment.
- (ii) The Company reserves the right to refuse credit at any time and demand immediate payment of all monies outstanding.
- (iii) The Company, at its discretion, reserves the right to charge interest on any late payment from the date of invoice until payment (whether before or after judgement). The rate of interest shall be 4% per annum over Lloyds Bank Plc base lending rate from time to time in force. The Company can exercise this right in addition to any other rights it may have in respect of the goods or non-payment.

11. CREDIT

Any contract shall be subject to the Company being satisfied as to the buyer's credit worthiness and without prejudice to the generality of the foregoing the Company may, in its absolute discretion having informed the Buyer that the goods are ready for delivery, refrain from delivering the goods until such time as the Buyer tenders the purchase money to the Company in a form satisfactory to the Company.

12. RISK/PASSING OF PROPERTY

- (i) Property in the goods shall remain in the Company until All monies due from the Purchaser to the Company (upon whatever grounds however such liability shall have arisen) have been paid or until the Purchaser resells the goods to a third party in the usual course of the Purchaser's business.
- (ii) The goods shall be at the risk of the Purchaser from the time they are delivered to the Purchaser or his Agent.
- (iii) Until the property in the goods shall have passed from the Company.
 - (a) The Purchaser shall take responsibility for any loss or damage and shall insure the goods and all other goods of the company and shall whenever requested by the Company produce a copy of the Policy of Insurance. In the event of the loss or damage of the goods the Purchaser shall hold on trust for the Company so much of the insurance monies received as is equal to the contract price of the goods sold under this agreement.
 - (b) The Purchaser shall ensure that after they have been delivered to him or his agent or until they have been incorporated in other products or resold in the ordinary course of the Purchaser's business the goods shall be stored or otherwise identified in such a way as to show that they still remain the property of the Company.
 - (c) The Purchaser shall not mortgage charge or dispose of the goods (otherwise than by incorporating them in other products or reselling them in the ordinary course of this business) without the prior consent of the Company.
- (iv) In the event of any sale or disposition of any of the goods by the Purchaser, the Purchaser shall hold on trust for the Company so much of the proceeds of sale as is equal to the contract price of the goods under this agreement and which sum shall not be mixed with other money or paid into any overdrawn bank account and shall be at all material times identified as the Company's Money.
- (v) All goods sold by the Company and by arrangement held by the Company on behalf of the Purchaser are to be held at the sole risk of the Purchaser, who indemnifies the Company against any loss or damage thereto, however arising.

13. THE COMPANY'S RIGHT TO REPOSSESS THE GOODS

- (i) If the Purchaser defaults in making any payment to the Company in respect of any liability owed by the Purchaser to the Company after the due date for such payment or if the Purchaser deals with the goods in anyway (other than as permitted above) adverse to the title of the Company or has a Receiving Order made against him or is made bankrupt or (where the Purchaser is a limited Company) enters into liquidation or if an administrator or receiver is appointed over the whole or any part of the Purchaser's assets or undertaking or if the goods are seized under any execution or distress or other form of legal process any existing contract between the Purchaser and the Company shall automatically determine (but without prejudice to any pre-existing claim which the Company may have under these conditions against the Purchaser) and the Purchaser shall cease to be in possession without the consent of the Company of the goods sold and all other goods, being the property of the Company, which are at that time in the Purchaser's possession, custody or control, the Company shall be entitled to enter the premises of the Purchaser and recover immediate possession of all goods which are the property of the Company and shall not be liable for any damage or loss reasonably occasioned to any other property owned by the Purchaser to which the goods have been attached during the course of removing the goods and retaking possession thereof.
- (ii) For the purpose of 13 (i) above all goods of the Company manufactured and bearing the Company's name which are in the Purchaser's custody or control at the time when the right to repossession arises under that sub-clause shall be deemed to be goods supplied to the Purchaser by the Company in which property has not passed to the Purchaser unless the contrary is proved.

14. COPYRIGHT

All drawings, description and other information submitted by the Company shall remain the property of the Company together with the copyright therein.

15. ASSIGNMENT

The Purchaser shall not assign – contract – licence or otherwise dispose of any part of its rights or obligations under this Agreement without the prior written consent of the Company.

16. LEGAL CONSTRUCTION

- (i) Unless otherwise agreed by the Company in writing these conditions shall in all respects be construed and operate as an English Contract, in conformity with English Law.
- (ii) If the Purchaser should cancel, countermand or give notice of withdrawal from an order which has been accepted by the company, he shall be obliged to pay the Company all the costs incurred by the Company including an appropriate profit.

17. FORCE MAJEURE

Neither party shall be liable for any failure or delay in performing its obligations under the Contract to the extent that such failure or delay is caused by a Force Majeure Event. A Force Majeure Event means any event beyond a party's reasonable control, which by its nature could not have been foreseen, or, if it could have been foreseen, was unavoidable, including strikes, lock-outs or other industrial disputes (whether involving its own workforce or a third party's), failure of energy sources or transport network, acts of God, war, terrorism, riot, civil commotion, interference by civil or military authorities, national or international calamity, armed conflict, malicious damage, breakdown of plant or machinery, nuclear, chemical or biological contamination, sonic boom, explosions, collapse of building structures, fires, floods, storms, earthquakes, loss at sea, epidemics or similar events, natural disasters or extreme adverse weather conditions, or default of suppliers or subcontractors.