

1st May 2012**TERMS AND CONDITIONS OF SALE****1. TERMS AND FORMATION CONTRACT**

Only these printed conditions together with any written amendments and/or alterations authorised by the Company shall apply to the contract for the sale of goods specified on our invoice. In particular no statement in any quotation shall form part of the contract unless specifically included. Quotations given by the Company are not offers capable of acceptance by the purchaser.

2. ILLUSTRATIONS

Illustrations, descriptions and weights given in any of the Company's catalogues and statements (written or oral) made by any representative of the Company are provided to give purchasers an approximate picture or description of the article concerned and do not form the basis of any contractual liability. No warranty or condition that the article shall accord with such illustration description or statement is to be implied and any warranty or condition capable of arising is hereby expressly excluded. Designs are subject to alteration without notice.

3. PRICE

Orders will be charged out at prices and will be subject to discount rates (if any) current at time of delivery. All prices are subject to Value Added Tax and any other government duty or tax applicable. Unless otherwise stated in writing all prices stated are ex-factory and the purchaser shall be charged extra with packaging and delivery costs (if any).

Any extra costs incurred by the Company on account of delays, interruptions or suspension of work due to the purchaser's failure to supply information or to default on the part of the purchaser shall be added to the contract price.

4. PAYMENT

Credit accounts may only be opened at the Company's discretion and subject to satisfactory references being given. Where no credit account exists, payment must be sent with order.

Credit accounts shall be settled within 30 days after the month of despatch.

Non payment on or after the due date shall entitle the Company, without prejudice to any other rights, to:

- a. Suspend any further delivery of goods whether under this contract or any other.
- b. To repossess the goods (the purchaser granting the Company all necessary access) and
- c. To receive interest at the rate of 4% above (Nat West Bank Ltd.) base rate for the time being on the unpaid balance, whether before or after any judgement.

The purchaser shall not be entitled to delay payment of the price or any part thereof on the grounds that it has a claim or set-off against the Company.

5. DELIVERY

Delivery dates as given shall mean ex factory and shall date from despatch of the Company's acceptance of the purchaser's order or receipt by the Company of all necessary information to enable the Company to commence work. Whichever is the latter.

All delivery dates are approximate only and whilst every reasonable effort will be made to keep the given delivery dates, the Company shall be under no liability whatever if for any reason beyond the Company's immediate control delivery is delayed. In particular, the Company does not accept liability for any direct or indirect loss arising from delayed delivery in those circumstances.

If the purchaser is unwilling or unable to accept delivery at the premises stated on the order the Company shall have the right, in addition to any other rights granted by these conditions, to make a storage charge for goods not so delivered and also to recover from the purchaser all transport and handling costs.

6. SHORTAGES, DAMAGE AND NON-DELIVERY

The purchaser shall advise the Company of shortages of delivery or damage to goods within 24 hours of delivery, specifying the shortage or damage and provided that the delivery note is marked "unexamined". In no case will the purchaser be entitled to reject the goods on the ground of shortage. The Company shall not be liable for non-delivery of the whole consignment unless the purchaser notifies the Company of such within 10 days of receipt by the purchaser of the Company's invoice.

Where goods have been consigned by an outside carrier, the purchaser shall comply in all respects with the carrier's conditions for notifying claims. Goods which are the subject of a complaint should be returned carriage paid to the Company and must be accompanied by full details of the complaint.

7. RISK

The risk in goods supplied shall pass to the purchaser upon collection or despatch from the Company's premises. Where the purchaser refuses to accept delivery, goods shall nevertheless thereafter be at the purchaser's risk.

8. TITLE

The title in all goods supplied by the Company shall remain in the Company until payment for those goods has been made in full. In case of instalment deliveries, no title in any goods supplied pursuant to that order shall pass until payment has been made in full for that order. The purchaser shall be free to sell any goods in the ordinary course of its business so as to pass good title to any third party, provided always that claims for proceeds from such resale shall be deemed to be assigned to the Company. Proceeds from such re-sales received by the purchaser shall be held by it on trust for the Company to the extent necessary to effect full payment to the Company and the purchaser shall if required by the Company immediately upon such resale notify the Company with full details of such resale. Furthermore, the Company shall be entitled to notify the ultimate purchaser that such resale price is to be paid direct to the Company. Until the full purchase price has been paid, goods remaining in the purchaser's possession shall be held by the purchaser as bailee and in fiduciary capacity for the Company which shall be entitled to terminate such bailment and the purchaser hereby grants the Company the irrevocable licence to enter upon the purchaser's premises to recover the whole or part of the goods, which in the meantime shall be stored in such a way as to clearly identify them as being the Company's property.

9. SPECIFICATION

The purchaser has responsibility to satisfy itself that the goods are suitable in all respects for the purchaser's purpose and the purchaser shall inform the Company in writing of any special circumstances or conditions affecting or liable to affect the use or performance of the goods. The Company shall be entitled to deliver and charge for goods supplied within the usual production tolerances.

10. CONSUMER PROTECTION ACT 1987

The purchaser shall indemnify the Company and keep the Company fully effectively indemnified against any and all liability, loss, costs, expenses, claims or proceedings whatsoever (including any liability of the Company to any third party whether for loss of or damage to property or injury to or death of any person) arising out of or in consequence of or in respect of the manufacture of the goods or any part of the goods or the application of any process to the goods or any part of the goods in accordance with or in compliance with any specification submitted by or any instruction given by or any design of the purchaser.

11. INTELLECTUAL PROPERTY RIGHTS

Any specifications, plans, drawings or designs supplied to the Company by the purchaser in connection with the contract shall remain the property of the purchaser and shall be treated as confidential by the Company, provided always that the purchaser shall indemnify the Company against all damages, penalties, costs, and expenses arising out of infringement or alleged infringements of any intellectual property rights as a result of any work carried out in accordance with the purchaser's specification and instructions.

Whilst every reasonable endeavour has been made by the Company to avoid infringement of third party rights, no presentation or warranty is made to the purchaser that goods supplied pursuant to this contract do not infringe the intellectual property rights of any third party.

12. LIMITS OF SELLER'S LIABILITY AND WARRANTY

1. In the event of defects arising as a consequence of faulty design, workmanship or materials and being notified in writing to the seller within 6 months of delivery of the goods, then subject to the provisions of this clause, the seller undertakes to replace or rectify the same free of charge so long as the goods or part thereof are returned carriage paid to the seller or his authorised agent. If no such notice as aforesaid is received by the seller or the goods are not rejected by the buyer within 6 months of delivery of the goods then the buyer shall be deemed to have accepted the goods. Alternatively and at the discretion of the seller or of his duly authorised agent an engineer may be sent to the goods and the cost of such visit may at the discretion of the seller be charged to the buyer at the rate applicable at the time. This warranty shall not apply if:
 - a. The goods have been incorrectly installed
 - b. The goods have been modified or tampered with in any way
 - c. The goods have been repaired other than by the seller or his duly authorised agents
 - d. The goods have been misused
 - e. The goods have been operated without observance of the instructions or information contained in operating instructions booklet or similar documents issued by the seller from time to time.
2. In respect of goods not of the seller's manufacture supplied with or as part of the goods these items are subject to such terms and conditions of warranty as may be offered in respect of them by separate manufacturers.
3. If on examination the equipment is found to be free from defect the buyer shall be liable for all costs involved in connection with the inspection.

13. TERMINATION AND SUSPENSION

The Company reserves the right by written notice to suspend or cancel any order or part of any order:-

- a. If compelled to do so by reasons beyond the Company's reasonable control including but not limited to strikes, lockouts, accidents, breakdown of plant or machinery or shortage or unavailability of raw material or components (imported or otherwise) from normal sources of routes of supply.
- b. In the event of failure by the purchaser to comply with any of its obligations under this contract: or
- c. If the Company is reasonably of the opinion that the purchaser (being an individual) is not in a position to meet his commitments to the Company or (being a limited company) enters into liquidation whether compulsorily or voluntarily (otherwise than for the purpose of amalgamation or reconstruction) or compounds with its creditors or has a receiver or manager appointed in respect of all or any part of its assets or is the subject of an application for an administration order or is the subject of any proposal under Part 1 of the Insolvency Act 1986 for a composition in satisfaction of its debts or if it carries out or undergoes any analogous act or proceeding under foreign law.

Any such suspension of delivery or termination of the contract by the Company shall be without prejudice to any rights which the Company may have against the purchaser.

14. CANCELLATION

The Company reserves the right to refuse purported cancellation of any order or any part thereof and to demand full payment of the price for the same, although the Company may at its sole discretion accept any cancellation upon such terms, as it thinks fit.

15. SUB-CONTRACTING/ ASSIGNMENT

The Company reserves the right to sub-contract the whole or any part of this Contract, the benefit of which may not be assigned without prior written consent of the Company

16. EXPORT ORDERS

Except where the contract otherwise requires these conditions shall apply to export contracts and prices quoted shall be ex-factory as directed by the Company.

17. NOTICES

All notices relating to goods supplied under these Conditions shall be in writing and may be delivered by hand or sent by pre-paid registered mail or by telex or facsimile to the addressee as its address shown in the Contract or its last known business address as subsequently notified to the sender.

18. DEFINITIONS

In these conditions, reference to the Company shall mean LOSI LIMITED. Reference to the purchaser shall include any individual, firm, company or corporation contracting with the Company.

19. PROPER LAW

This contract shall in all respects be construed and will operate as an English contract in conformity with English Law and the parties thereto submit to the jurisdiction of the English Courts. The interpretation of the English edition shall prevail over any translation.