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## ITEL ELECTRONICS LTD TERMS & CONDITIONS OF SALE

### 1 DEFINITIONS

In these Terms and Conditions the following expressions will have the following meaning unless inconsistent with the context:

'Buyer' the person(s) firm or company whose order for goods is accepted by the

seller.

'Contract' any contract between the Seller and the Buyer for the sale and purchase of

Goods or supply of Services formed in accordance with clause 2.

'Contract Price' the agreed price (as stated in the contract of sale to which these conditions

apply) at the time the contract came into effect. Unless otherwise agreed the Seller's price ruling at the date of dispatch of the Goods from the Seller's

premises shall be the agreed price.

'Goods' any goods which the Seller supplies to the Buyer (including any of them or

any part of them) under a contract.

'Seller' Itel Electronics Ltd

'Services' any service which the Seller provides to the Buyer (including any of them or

any part of them) under a contract.

'Terms and Conditions' the standard terms and conditions set out in this document together with any

special terms agreed in writing between the Buyer and the Seller as specified

on the front of the acknowledgement of order.

## 2 Formation and Incorporation

- 2.1 Subject to any variation under clause 18 the contract will be upon these Term and Conditions to the exclusion of all other terms and conditions and all previous oral or written representations including any terms or conditions which the Buyer purports to apply under any purchase order confirmation of order or similar document whether or not such document is referred to in the Contract.
- 2.2 Each order or acceptance of quotation for Goods or Services will be deemed to be an offer by the Buyer to purchase the Goods or Services upon these Terms and Conditions. The Contract is formed when the order is accepted by the Seller by way of a written

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- acknowledgement of order. No Contract will come into existence until a written acknowledgement of order is issued by Seller.
- 2.3 Any quotation is valid for a period of [30] days (unless stipulated otherwise) only from its date provided the Seller has not previously withdrawn it.

#### 3 **Description of Goods and Services**

- 3.1 The quantity and description of the Goods or Services will be as set out in the Seller's quotation.
- 3.2 Where the Seller sells goods or performs services which are not to its standard specification in preparing and submitting a specification and/or written acceptance of the Buyer's offer the Seller relies upon the Buyer supplying all necessary relevant and accurate particulars and information. Any errors or omissions contained in such particulars and information supplied at any time resulting in any loss or damage to the Buyer shall be the Buyer's sole responsibility.
- 3.3 The Seller may make any change to the specification design materials or finishes of the Goods or provision of the Services which are:-
- 3.3.1.1 required to conform with any applicable safety statutory or regulatory requirement; or
- 3.3.1.2 do not materially affect their quality or performance

#### 4 **Price and Payment**

- 4.1 The price and terms of payment for the Goods and Services shall be as set out in the Seller's order acknowledgement.
- 4.2 The price is exclusive of cost of packaging and carriage, Value Added Tax and any other applicable sales tax or duty, unless otherwise agreed.
- 4.3 Otherwise payment for the supply shall be due in full and in pounds sterling within 30 days of the invoice in respect thereof is issued or in which the Contract is terminated.
- All payments to be made by the Buyer to the Seller will be made in full without any set-off 4.4 restriction or condition and without any deduction for or on account of any counterclaim.
- 4.5 If any sum payable is not paid when due and without prejudice to any of the Seller's other rights that sum will bear interest from the due date until payment is received in full both before and after any judgement at the rate of 1.5 per cent per annum over the base rate from time to time and the Seller will be entitled to suspend deliveries of Goods or performance of Service until the outstanding amount has been received.

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#### 5 Instalments

5.1 The Seller may deliver the Goods in separate instalments or perform the Services in stages. Each instalment or stage will be a separate contract and no cancellation or termination of any one contract relating to any one instalment will entitle the Buyer to repudiate or cancel any other contract instalment or stage.

#### 6 **Delivery**

- 6.1 All sales of product shall be shipped EX WORKS from Sellers facility, unless otherwise agreed or stated in the Buyers conditions of purchase. Any extra or additional charges or services rendered in transit or at the destination will be the responsibility of Buyer, including without limitation: Duties, subsidies, insurance, brokers fees and surcharges.
  - Title and risk of loss or damage to the products shall pass to the Buyer upon Sellers release of the products to a carrier. Any claim for shortage or damage occurring after such delivery or for transportation over charges should be addressed by the Buyer to the carrier and the Seller shall be under no obligation under S32 (2) of the Sale of Goods Act 1979.
- 6.2 Any period or date for delivery or performance of services stated in the Acknowledgement of Order or elsewhere is the best estimate when stated but is not a contractual statement and the Seller shall not be liable for any delay in delivery of Goods however caused. Time for delivery shall not be of the essence unless previously agreed by the Seller in writing.
- 6.3 Delivery of the Goods will be accepted by the Buyer at any time of the day. If the Buyer fails to take delivery or provide any necessary documents the Goods will be deemed to have been delivered and the Seller without prejudice to any other rights may at its option:
- 6.3.1 Store or arrange for storage of the Goods until actual delivery and charge the buyer for all related costs and expenses (including without limitation storage and insurance); and/or

#### 7 Risk/Title

- 7.1 All Goods will remain the property of the Seller until the price of such Goods has been paid in full but risk in the Goods will pass to the Buyer from the date of delivery.
- 7.2 The Buyer's right to possession will terminate immediately upon the occurrence of an event which would allow the Seller to terminate the Contract under clause 10.
- 7.3 The Buyer grants to the Seller, its agents and employees, an irrevocable licence to enter any premises at any time where the Goods are or may be stored in order to inspect them or where the Buyer's right to possession has terminated to recover them.

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## 8 Liability of the Seller

## Warranty

- 8.1 The Seller will free of charge within a period of 12 months from the date of the delivery of the Goods which are provided to the reasonable satisfaction of the Seller are found to be damaged or defective or not to comply with the specification (other than as a result of a design furnished by the Buyer) repair or at its option replace such Goods.
- 8.2 The obligation in this clause 8 will not apply where:
- 8.2.1 The Goods have been improperly altered in any way whatsoever or have been subject to misuse or unauthorised repair;
- 8.2.2 The Goods have been improperly installed or connected;
- 8.2.3 any maintenance requirements relating to the Goods have not been complied with;
- 8.2.4 any instructions as to storage of the Goods have not been complied with;
- 8.2.4.1 the Buyer has failed to notify the Seller of any defect or suspected defect within 30 days of delivery where the defect should be apparent on reasonable inspection or within 14 days of the same coming to the knowledge of the Buyer where the defect is not one which should be apparent on reasonable inspection and in any event no later than 12 months from the date of delivery.
- 8.3 Any Goods which have been replaced will belong to the Seller. Any repaired or replacement Goods will have the benefit of the provisions of clause 8.1 for the unexpired portion of the 12 months period from the original date of delivery of the repaired or replaced Goods.

## **Exclusion of Liability**

- 8.4 In the event of any breach of the Seller's express obligations under the Terms and Conditions the remedies of the Buyer will be limited to damages not exceeding in total the total value of the order in question.
- 8.5 The Seller does not exclude its liability (if any) to the Buyer;
- 8.5.1 for breach of the Seller's obligations arising under section 12 Sale of Goods Act 1979 or section 2 Sale and Supply of Goods and Services Act 1982;
- 8.5.2 under section 2(3) Consumer Protection Act 1987;
- 8.5.3 for any matter which it would be illegal for the Seller to exclude (or attempt to exclude) its liability: or
- 8.5.4 for fraud.

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- 8.6 Except as provided for in this clause 8 the Seller will be under no liability to the Buyer whatsoever (whether in contract or breach or statutory duty restitution or otherwise) for any injury death damage or direct indirect or consequential loss of business depletion of goodwill and like loss) howsoever caused arising out of or in connection with;
- any of the Goods or the manufacture sale or supply or failure or delay in supply of the Goods by the Seller or on the part of the Seller's employee's agents or sub-contractors;
- 8.6.2 any breach by the Seller of any of the express or implied terms of the contract;
- 8.6.2.1 any use made or resale by the Buyer of any of the Goods or any product incorporating any of the Goods; or
- 8.6.2.2 any statement made or not made or advice given or not given by or no behalf of the Seller.
- 8.6.3 Except as set out in this clause 8 the Seller hereby excludes to the fullest possible extent permissible in law all conditions warranties and stipulations express (other than those set out in the contract) or implied statutory customary or otherwise which but for such exclusion would or might subsist in favour of the Buyer.
- 8.6.4 Each of the Sellers employee's agents and subcontractors may rely upon and enforce the exclusions and restrictions of liability in this clause 8 in that person's own name and for that person's own benefit as if the words 'its employees and sub-contractors' followed the word Seller wherever it appears in these Terms and Conditions.
- 8.6.5 The Buyer acknowledges that the provisions of this clause 8 are reasonable and reflected in the price which would be higher without these provisions and the Buyer will accept such risk and/or insure accordingly.

### Indemnity

8.6.6 The Buyer agrees to indemnify keep indemnified and hold harmless the Seller from and against all costs (including the costs of enforcement) expenses liabilities injuries direct or indirect or consequential loss damages claims demands proceedings or legal costs (on a full indemnity basis) and judgements which the Seller incurs or suffers as a consequence of a direct or indirect breach or negligent performance or failure or delay in performance by the Buyer of the terms of the contract.

### 9 Events beyond the Control of the Seller

9.1.1 The Seller does not accept liability incurred under the contract for supply whenever and to the extent to which the fulfilment of the Seller's obligations are prevented, frustrated, impended and/or delayed as a consequence of any force majeure and/or any occurrence whatever

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beyond the control of the Seller, such to include without prejudice to the generality of the forgoing.

- 9.1.2 Act of God, Fires, Floods or other catastrophes.
- 9.1.3 Wars, Riots, Civil commotion, Embargoes, Government Regulations or obtaining necessary material from the Sellers usual sources of supply.
- 9.1.4 Shortage of transport facilities or delays in transit.
- 9.1.5 Existing or future strikes or other labour troubles affecting the performance hereof whether involving the Sellers employees or employees of others, regardless of the responsibility or fault on the part of the employee.
- 9.1.6 Failure in the whole or in part of power supplies.
- 9.1.7 The Seller undertakes however to make every reasonable endeavour within its power to overcome difficulties arising in connection therewith but reserves the right to cancel suspend or vary its obligations under the contract for supply and in the event of shortage of goods or of valuable resources or of their production, storage or delivery or continued difficulty in rendering services arising from any of the events or circumstances referred to in paragraph 9.1 of this clause. The Seller reserves the right to allocate as it may think fit its available goods and resources and performance of services between customers with whom it has contractual obligations in respect thereof and shall not be obliged to purchase goods from a third party or sub-contractor to make good such shortages or performance.

#### 10 Termination

The Seller reserves the right without notification to the buyer to suspend further deliveries and/or performance of Services in the event of;

- 10.1 any payment not having been made when due;
- 10.2 the Buyer committing an act of insolvency;
- 10.3 the Buyer ceasing to or threatening to cease to carry on its business; or
- should the Seller at its discretion consider at any time the financial circumstances of the Buyer have ceased to justify the credit terms allowed.

If Goods have been delivered and not paid for and an event occurs as set out in this clause the price shall become immediately due and payable notwithstanding any previous agreement or arrangement to the contrary.

The termination of the contract however arising is without prejudice to the rights duties and liabilities of either the Buyer or the Seller accrued prior to termination.

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#### 11 Insurance

- 11.1 The precise limits of any appropriate insurance cover are primarily within the Buyers knowledge thereby enabling the Buyer to effect his own insurance at more economic rates than the Seller, the Buyer agrees that in so far as the Buyer may require any insurance cover the Buyer shall effect the same such to include without prejudice to the generality of the foregoing.
- 11.1.1 Damage to physical property of any kind.
- 11.1.2 Economic and other consequence or indirect loss or damage. Therefore the Buyer acknowledges and accepts that it is responsible for the Seller to limit its legal liability and its liability to pay damages as set out in these conditions
- 11.2 The Buyer insurers shall in no circumstances whatsoever have any rights arising or remedies against the Seller additional to those of the Buyer.

## 12 Health and Safety

- 12.1 The Buyer agrees only to the use of the goods and obtain services for uses specified in the Seller's current sales literature or for other uses which the Seller has specified notified in writing to the Buyer as being in the Sellers opinion free from risk to health and safety.
- 12.2 The Buyer agrees to pay due regard to any information or advice relating to the use of the goods or products or the services which the Seller may at any time furnish to it and agrees that before the goods are used it will if requested by the Seller furnish the Seller with a written undertaking to take any steps which the Seller may specify with a view to ensuring that the goods will be safe and without risk to health when used.
- Any written undertaking given pursuant to paragraph 12.2 above shall be deemed to have effect as forming part of the contract for supply.

### 13 Buyer's Property

Any material or property of the Buyer or material or property supplied to the Seller by or on behalf of the Buyer is supplied entirely at the Buyer's risk and the Seller will not be liable or held responsible for any loss or damages to such material or property whether or not attributable to the acts defaults or negligence of the Sellers employees or agents.

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## 14 Assignment/Delegation

- 14.1 The Seller may assign delegate licence hold on trust or sub-contract all or any part of its rights or obligations hereunder.
- 14.2 The contract is personal to the Buyer who may not assign delegate licence hold on trust or sub-contract all or any of its rights or obligations hereunder without the Seller's prior written consent.

### 15 Intellectual Property

Unless otherwise agreed in writing between the Seller and the Buyer the Copyright Designs and Patents Act 1988 shall apply to all or any intellectual property rights created during or relating to any aspect of the performance of the Contract.

#### 16 Variation

Save as set out in the Contract these Terms and Conditions may only be varied or amended in writing and signed by a Director of the Seller.

#### 17 Waiver

The rights of the Seller shall not be prejudiced or restricted by any indulgence or forbearance extended to the Buyer and no waiver of any breach shall operate as a waiver of any subsequent breach and shall only apply to the individual contract for supply in relation to which it is made.

#### 18 Severability

If any term or condition herein or part thereof is held to be invalid for any reason by any court or competent authority, it is to be deemed removed from the contract for supply without prejudice to the validity or effectiveness or the remaining terms and conditions thereof.