

TERMS & CONDITIONS OF SALE

- 1.1. In these conditions (unless the context otherwise requires):
- 1.1.a. "Buyer" means the person, firm or company with whom the Contract is made;
 - 1.1.b. "Company" means Blue Chip Technology Limited (where the context so permits) its assigns and any sub-contractor for the said company;
 - 1.1.c. "Company's Premises" means the Company's premises at Chowley Oak, Tattenhall, Chester, Cheshire, CH3 9EX, UK.
 - 1.1.d. "Contract" means the contract between the Buyer and the Company for the sales and purchase of the Goods;
 - 1.1.e. "Goods" means the goods (or any instalment or part of them) to be supplied pursuant to the Contract;
 - 1.1.f. "Services" means the services (if any) to be supplied under the Contract.
 - 1.1.g. "Materials" means any components and other materials comprising or comprised in Goods.
 - 1.1.h. "Tooling" means the tooling, fixtures, appurtenances, test hardware and software and any other items to be provided by the Buyer to the Company or procured or produced by the Company and paid for by the Buyer.
- 1.2. Words in the singular shall include the plural and vice versa, references to any gender shall include the others and references to legal persons shall include natural persons and vice versa.
- 2.1. These conditions shall apply to the Contract to the exclusion of any other terms and conditions contained or referred to in any order, letter, form of contract or other communication sent by the Buyer to the Company and the provisions of these conditions shall prevail unless expressly varied in writing and signed by a director on the Company's behalf.
- 2.2. Any concession made or latitude allowed by the Company to the Buyer shall not affect the strict rights of the Company under the Contract.
- 2.3. If in any particular case any of these conditions shall be or be held to be invalid or shall not apply to the Contract the other conditions shall continue in full force and effect.
- 3.1. Notwithstanding that the Company may have given a detailed quotation no order shall be binding unless and until it has been accepted in writing by the Company.
- 4.1. Unless otherwise agreed by the Company in writing:
- 4.1.a. the price payable for Goods and/or the Services shall be the list price of the Company current at the date of despatch;
 - 4.1.b. in the case of an order for delivery of the Goods by instalments or the performance of Services on separate occasions the price payable for each instalment of the Goods or quantity of Services shall be the list price of the Company current at the date of despatch or such instalment or separate performance of the Services.
- 4.2. All prices are exclusive of value added tax and this will be charged by the Company and will be payable by the Buyer at the appropriate rate.
- 5.1. The Buyer shall indemnify the Company in respect of any loss, cost or expense incurred by the Company as a result, directly or indirectly, of the Buyer's instructions or lack of instructions or through any failure or delay whatsoever in taking delivery or

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through any other act, neglect or default on the part of the Buyer, its agents or employees.

- 6.1. If the Goods are made or the Services are performed to the specification or special requirements of the Buyer, the Buyer shall indemnify the Company against all costs, claims, expenses and damages incurred by the Company or for which it may be liable due to or arising directly or indirectly out of any infringement or alleged infringement of patents, trademarks, copyright, design right or intellectual property right occasioned by the importation, manufacture or sale of the Goods and/or performance of the Services.
- 6.2. The Buyer acknowledges that it does not acquire (nor does it seek to acquire) any right or interest in the Intellectual Property in the goods. The Buyer will not exploit (or allow any of its customers, employees, or agents to exploit) the Intellectual Property Rights in the Goods and shall compensate the company on an indemnity basis against any losses incurred as a result of such breach.
- 7.1. The Buyer shall pay for the Goods and/or the Services in cash not later than the agreed period following the date of the invoice save that payment shall become due in any event immediately upon the occurrence of any of the events referred to in condition 19 of these Conditions.
- 7.2. If the Goods are delivered in instalments or the Services are performed on separate occasions the Company shall be entitled to invoice each instalment or performance as and when delivery of the Goods has been made or the quantity of services has been performed and payment shall be due in respect of each instalment or performance when delivery has been made or Services performed notwithstanding non-delivery of other instalments or non-performance of other Service or other default on the Company's part.
- 7.3. If on the terms of the Contract the price is payable by instalments or if the Buyer has agreed to take specified quantities of Goods and/or Services at specified times then on a default by the Buyer in the payment of any due instalment or the failure to give delivery or performance instructions in respect of any quantity of Goods and/or Services outstanding the whole of the balance of the price shall be immediately payable.
- 7.4. The price of the Goods and/or Services shall be due in full to the Company in accordance with the terms of the Contract and the Buyer shall not be entitled to exercise any set-off, lien or any other similar right or claim.
- 7.5. The time of payment shall be of the essence of the Contract.
- 7.6. Without prejudice to any other rights it may have the Company is entitled (both before and after any judgement) to charge interest at a rate equal to the higher of the interest rate payable on court judgements or 2% above the base rate from time to time of HSBC plc on overdue payments.
- 8.1. All times dates or periods given for delivery of the Goods and/or performance of the Services are given in good faith but without responsibility on the Company's part.
- 8.2. Time of delivery shall not be of the essence of the Contract.
- 8.3. Any period for delivery and/or performance shall be calculated from the time of the Company's acceptance of the Buyer's order or from the Company's receipt of all information necessary to enable the Company to manufacture or procure the manufacture of the Goods or to perform the Services (whichever shall be the later).

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- 8.4. Where the Goods are handed to a carrier for carriage to the Buyer or to a United Kingdom port for export any such carrier shall be deemed to be an agent of the Company and not of the Buyer.
- 8.5. Without prejudice to any other conditions, the Buyer acknowledges and agrees that the Goods shall not be at the Company's risk if the Company fails to notify the Buyer that the Goods will be carried by sea.
- 8.6. No liability (whether in contract or for negligence or otherwise howsoever) for loss of or damage to the Goods occurring prior to delivery or for any claim that any item delivered pursuant to the contract is defective or that the Goods and/or the Services are otherwise not in accordance with the Contract (being a defect or loss, damage or non-compliance which would be obvious upon a reasonable inspection of the Goods and/or the Services) or for non-delivery or non-performance will attach to the Company unless claims to that effect are notified in writing by the Buyer to the Company (and in the case of claims for loss, damage or non-delivery with a copy to the carrier if the Company's own vehicles have not been used to deliver the Goods) within seven days of delivery or performance for loss, damage, non-delivery or non-compliance with the Contract.
- 8.7. If there is a valid claim for defect, loss, damage, or non-compliance with the Contract or non-delivery or non-performance the Company will at its option either reprocess or replace the times concerned or re-perform the Services at its expense but shall not be under any further or other liability in connection with such non-delivery, non-performance, loss, damage or non-compliance.
- 8.8. If the Buyer fails to give notice in accordance with condition 8.7 above the items delivered or the Services performed shall be deemed to be in all respects in accordance with the Contract and without prejudice to earlier acceptance by the Buyer it shall be bound to accept and pay for the same accordingly and all claims in respect of non-delivery, non-performance, shall (save as set out in condition 16 below) then be wholly barred.
- 8.9. If for any reason the Buyer is unable to accept delivery of the Goods at the time when the Goods are due and ready for delivery the Company may at its sole discretion without prejudice to its other rights and for such period as the Company may determine store the Goods at the Buyer's risk.
- 8.10. The company may make delivery by instalments of such quantities and at such intervals as it may decide and/or to perform the Services on separate occasions by such quantity and at such intervals as it may decide, and any express provision as to instalments and/or separate performance in the Contract shall be in addition to and not in derogation of this right.
- 9.1. Goods supplied in accordance with the Contract cannot be returned without the Company's prior authorisation. Duly authorised returns shall be sent to the Company's Premises at the Buyer's expenses.
- 10.1. The provisions of this condition 10 shall apply if the Company agrees to supply Goods on sale or return terms and shall apply in addition to the other provisions set out in these conditions.

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10.2. The Goods are supplied on the basis that no charge will be made by the Company in respect of Goods returned to the Company within the period specified by the Company from the day of despatch to the Buyer provided that:

10.2.a. such goods are returned in good undamaged and saleable condition carriage paid to the Company at the Company's Premises;

10.2.b. such Goods are in any event accompanied by a comprehensive delivery note.

10.3. If the Goods are not returned within the period referred to in condition 10.2 or are in a damaged or unsaleable condition, or are not accompanied by a comprehensive delivery note, then the Company shall invoice to the Buyer the full price of the Goods concerned and in addition the Company may invoice the Buyer in respect of the full amount of any carriage charges applicable.

10.4. The Company's Premises are open for the return of Goods only between the hours of 9.00 a.m. and 5.30 p.m. Monday to Thursday and 9.00 a.m. to 3.00 p.m. Friday (excluding Bank and Public Holidays). The Company shall not be obliged to accept Goods for return outside these times.

10.5. Risk in Goods returned to the Company pursuant to these conditions shall remain with the Buyer unless and until such Goods are returned to the Company in the manner set out in these conditions.

10.6. Time is of the essence in respect of all time periods stated or referred to in this condition 10.

11.1. Unless otherwise agreed by the Company in writing the Goods will be delivered to the Buyer's Premises and the price of the Goods is exclusive of carriage, packing and insurance to the Buyer's premises.

11.2. Where the Buyer request delivery in a manner other than selected by the Company in condition 11.1 above, any difference in price shall be charged to the Buyer's account.

12.1. The Buyer shall be responsible for complying with any Legislation or regulations governing the importation of the Goods into the country of destination, and into any country through which the Goods are transported, and for the payment of any duties on or in respect of importation or transportation of the Goods.

13.1. From the time of delivery, the Goods shall be at the Buyer's risk who shall be solely responsible for their custody and maintenance but, unless otherwise expressly agreed in writing, the Goods shall remain the Company's property until all payments to be made by the Buyer under the Contract and any other contract between the Company and the Buyer and on any other account whatsoever have been made in full unconditionally. Whilst the Company's ownership continues the Buyer shall keep the Goods separate and identifiable from all other goods in its possession as bailee for the Company.

13.2. Without prejudice to the equitable rules as to tracing, in the event of failure to pay the price in accordance with the Contract the Company shall have power to re-sell the Goods, such power being additional to (and not in substitution for) any other power of sale arising by operation of law or implication or otherwise and for such purpose the Company and its servants and agents may immediately enter upon any premises or land occupied or owned by the Buyer to remove the Goods.

13.3. The Buyer may only re-sell the Goods to the Buyer's customers in the ordinary course of the Buyer's business as a fiduciary and trustee for the Company.

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- 14.1. The Buyer hereby authorises the Company, and the Company shall be entitled, to order Materials as necessary to support Orders and Forecasts, including without limitation, additional Materials as are, in the opinion of the Company, reasonably required to take into account: supplier minimum requirements and economic order quantities.
- 14.2. Without limiting clause 14.1 above, where lead times for Materials are at any time longer for the period covered by Orders, the Company shall be entitled to order such Materials on the basis of the Forecast in order to meet the Buyer's delivery requested therein.
- 15.1. The Company will perform its normal test procedures relating to Goods and Services. If the Company performs tests using test equipment, procedures and software provided by the Buyer, the Company will have no liability for defects in Goods where failure to isolate the defect is attributable to such equipment, procedures or software.
- 15.2. All Buyer Information and Buyer Tooling may be used by the Company as required by the Company for the purposes of this Agreement and any Contract.
- 15.3. All Buyer Information and all Buyer Tooling (for which, if applicable the Company has been paid in full) will remain at the Company's premises and will be treated by the Company with substantially the same care as it treats its own property of a similar nature.
- 15.4. The costs of maintenance, calibration, insurance and repair of Buyer Tooling shall at all times be the responsibility of the Buyer.
- 16.1. Unless otherwise agreed in writing and in substitution for all rights which the Buyer would or might have but for these conditions the Company undertakes in the case of Goods manufactured and/or any Services performed by the Company that if within twelve months of delivery of any item of the Goods and/or performance of any Services a defect in materials or workmanship appears therein being a defect which would not be obvious on reasonable inspection thereof (whether such an inspection was carried out or not) it will at its own discretion repair it or supply a replacement of it and/or re-perform the Services free of charge at the place of delivery and/or performance specified by the Buyer for the original Goods and/or Services provided that in any case the original Goods and/or Services have been accepted and paid for.
- 16.2. In the case of Goods not manufactured by the Company, the Company will pass on to the Buyer to the extent that it is able any benefits obtainable under any warranty given by the Company's supplier provided that the Goods have been accepted and paid for.
- 16.3. In order to exercise its rights under this condition the Buyer shall inform the Company within seven days of the date when such defect appeared or ought reasonable to have been discoverable and shall at the Company's written request return the defective Goods carriage paid to the Company's premises.
- 16.4. Nothing in these conditions shall impose any liability upon the Company in respect of any defect in the Goods and/or the Services arising out of the acts, omissions, negligence or default of the Buyer, its servants or agents including in particular (but without prejudice to the generality of the foregoing) any failure by the Buyer to comply with any recommendations of the Company as to storage and handling of the Goods.
- 16.5. Where the Goods are for delivery by instalments and/or the Services are to be performed on separate occasions any defect in any instalment and/or any performance

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shall not be a ground for cancellation of the remainder of the instalments and/or the performances and the Buyer shall be bound to accept delivery and/or performance thereof.

16.6. Nothing in these conditions shall have the effect of excluding or restricting the liability of the Company for death or personal injury resulting from its negligence in so far as the same is prohibited by United Kingdom statute.

16.7. Any warranties (whether express or implied by statute or common law or arising from conduct or a previous course of dealing or trade custom or usage or otherwise howsoever) as to the quality of the Goods and/or the Services or their fitness for any particular purpose (even if that purpose is made known expressly or by implication to the Company) or as to the correspondence of the Goods and/or the Services with any description or sample are hereby expressly negated.

17.1. The Company shall not be liable for imperfect work caused by any inaccuracies in any drawing, bill of quantities or specification supplied by the Buyer.

18.1. The Company shall not be liable for any costs, claims, damages or expenses arising out of any tortious act or omission or any breach of contract or statutory duty calculated by reference to profits, income, production or accruals or loss of such profits, income, production or accruals or by reference to accrual of such costs, claims, damages or expenses on a time basis.

19.1. If the Buyer shall:

- 19.1.a. be in breach of any of its obligations under the Contract;
- 19.1.b. have any distress, execution or other legal process levied against its assets;
- 19.1.c. convene a meeting or propose to enter into any arrangement with its

creditors;

19.1.d. have a petition presented or other steps taken or order made against it for the purpose of winding up the Buyer (save for the purpose of a solvent reconstruction or amalgamation) or have a bankruptcy petition presented against it.

19.1.e. have a petition presented against it or other steps taken or order made for the purpose of the appointment of an administrator;

- 19.1.f. have an administrative or other receiver appointed over any part of the Buyer's assets or have any other step taken against it to enforce any encumbrance after its assets

then without prejudice to any other right or claim the Company may be notice in writing to cancel any contract with the Buyer or may (without prejudice to the Company's right subsequently to cancel the Contract should it so decide) by notice in writing suspend delivery or any further deliveries (as the case may be) of the Goods and/or performance or any further performance of the Services until any default by the Buyer be remedied.

20.1. The aggregate liability of the Company (whether in contract or for negligence or breach of statutory duty or otherwise howsoever) to the Buyer for any loss or damage of whatsoever nature and howsoever caused shall be limited to and in no circumstances shall exceed the price if the Goods and/or the Services.

21.1. No statement, description, information, warranty, condition or recommendation contained in any catalogue, price list, advertisement or communication or made verbally

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by any of the Company's agents or employees shall be construed to enlarge, vary or override in any way any of these conditions.

22.1. The Company shall be entitled to delay or cancel delivery or to reduce the amount of Goods delivered and/or the performance of the Services if and to the extent that it is prevented from or hindered in or delayed in manufacturing, obtaining or delivering the Goods and/or performing the Services by normal route through any circumstances beyond its control including (but not limited to) strikes, lockouts, accidents, war, fire, reduction in or unavailability of power at manufacturing plant, breakdown of plant or machinery or shortage or unavailability of raw materials from normal sources of supply.

23.1. Save as provided in conditions 19 and 22 of these conditions contracts may not be cancelled except by agreement in writing of both parties and upon the payment to the Company of such amount as may be necessary to indemnify the Company against all loss resulting from the said cancellation.

24.1. The Company may assign the Contract with the Buyer or sub-contract the whole or any part thereof to any person, firm or company.

25.1. The Contract shall in all respects be governed by and construed in accordance with English Law and shall be deemed to have been made in England and the Buyer and the Company agree to submit to the non-exclusive jurisdiction of the English courts.