

HYTEC ELECTRONICS LTD - CONDITIONS OF SALE

1. General

(a) The Company (hereinafter referred to as "the Seller") submits all quotations and price lists and accepts all orders subject to the following conditions of Contract which shall apply to all Contracts for goods supplied or work done by the Seller or, its servants, agents, or sub-contractors to the exclusion of all other or otherwise expressed or implied.

(b) Each order received and accepted by the Seller will be deemed to form a separate Contract to which these conditions of sale shall apply

2. Price

(a) Quotations are valid for thirty (30) days and represent no obligation until the Seller accepts the purchaser's order.

(b) The Seller reserves the right to increase the price of the goods agreed to be sold in proportion to any increase of costs to the Seller between the date of acceptance of the order and the date of delivery (including but not limited to those relating to exchange rates, labour, materials, transport and taxes) or where the increase is due to any act or default of the Purchaser, including the cancellation or reschedule by the Purchaser of part of any order.

(c) Carriage and packing will be charged extra.

(d) Items supplied with release certificates are subject to an extra charge of £3 per separate release note.

(e) The Seller reserves the right to deliver in more than one consignment and to invoice each consignment separately.

3. Delivery

(a) All delivery dates are quoted in good faith but time shall not be deemed to be of the essence. The Seller shall not be liable for any loss or damage (whether direct or consequential) whatsoever arising from late delivery of goods or materials and the Purchaser shall not be entitled to treat the Contracts as repudiated by reasons of any such late delivery.

(b) Delivery shall be deemed to take place when the goods arrive at the Purchasers works and all risks in the goods shall pass to the Purchaser upon delivery.

4. Payment

(a) Liability for payment shall arise on delivery of goods to the Purchaser or such persons as it may direct, and payment shall be due thirty days following the end of the month of delivery. Any discounts specified on Sellers quotation shall apply only where payment is so received. Payment shall not be withheld on account of any claim of the Purchaser against the Seller. The Seller reserves the right to charge interest at National Westminster Bank PLC base rate plus two percent on overdue debts.

(b) The Seller reserves the right to withdraw the credit terms in paragraph (a) of this clause and substitute C.W.O. or C.O.D. terms.

(c) The Seller reserves the right to suspend deliveries when Purchaser's account is overdue, and furthermore when in the Seller's absolute discretion, the Seller had doubts arising about the continued credit worthiness of the Purchaser.

5. Title

(a) Ownership in the goods shall remain with the Seller until such time as the Purchaser has paid in full all that it owes to the Seller including the full cost outstanding of any other goods the subject of any other contract, delivery or instalment. Until that time the Purchaser shall keep the goods for the Seller in its capacity as fiduciary owner although the Purchaser shall be entitled to

sell the goods to a third party within the normal course of business, but the Purchaser shall account to the Seller for the proceeds of such a sale and, if the Seller so requires, that it shall hand over to the Seller any claims emanating from the sub-sale that it has against its buyer. The Purchaser's right to keep the goods shall cease if it commits any available act of bankruptcy or does anything or fails to do anything which would entitle a receiver to take possession or which would entitle any person to present a petition for winding-up. The Purchaser agrees that the Seller may for the purpose of receiver of its goods enter the Purchaser's premises and repossess them. The Purchaser shall also be entitled to incorporate the goods into any other product in the normal course of business on condition that ownership in the new product shall vest in the Seller.

(b) In the event of the Seller providing the services of contract staff who are subsequently recruited by the purchaser, a compensation payment of 25% of the contract staff's salary for the first year of the new employment shall be payable to the Seller.

6. Liability

(a) No liability will be accepted by the Seller in respect of damage to or shortage of goods unless a separate notice in writing is given to the carriers concerned and to the Seller, giving full details, within twenty-one days of date of invoice. The Seller shall have no liability in respect of damage or shortages caused by the acts or omissions of the Purchaser or of others or by causes beyond the Seller's control.

(b) The Seller's liability in respect of goods supplied shall be only to the Purchaser and shall be strictly limited to free replacement of goods notified as above and returned carriage paid to the Sellers works provided always that the Purchaser shall not be entitled to receive, from the Seller, any greater benefit under the provisions of this clause than shall be recovered by the Seller under any guarantee or warranty given to the Seller by the manufacturers or suppliers of the goods.

7. Cancellation, Rescheduled and Returned Goods

(a) The Seller will not accept the return of goods without prior agreement in writing except in the case of goods covered by clause (b) above.

(b) In the event of an order being cancelled or rescheduled by the Purchaser, the Purchaser shall be liable to indemnify the Seller against all losses (including loss of profits) costs and other expenses and damages (whether direct or consequential) occasioned by such cancellation and reschedule.

8. Origin of Goods

The Seller makes no representation and gives no warranty in respect of the sources or origin of manufacture or production of the goods or any part thereof.

9. Re-Exporting

Re-exporting of the goods may be controlled by U.S. Government regulations. Appropriate licences must be obtained prior to export, where such controls apply.

10. Description

The Seller shall make every effort to ensure the accuracy of technical data or literature relating to the goods, but the Seller accepts no liability for any damage or injury arising directly or indirectly from any error or omission in such technical data or literature not being caused by the gross neglect of the Seller.

11. Law

This contract shall be governed by English Law and any disputes arising out of any contract made between the Seller and the Purchaser shall be heard and determined by an English Court of competent jurisdiction or, at the option of the Seller, shall be submitted to arbitration in London in accordance with and subject to the provisions of the Arbitration Act 1950 or any statutory modification or re-enactment thereof for the time being in force.