

## **FILTERSOURCE LIMITED CONDITIONS OF SALE**

### **1. INTERPRETATION**

1.1 In these Conditions:

"**Seller**" means Filtersource Limited.

"**Goods**" means the Goods (including any instalment Goods or any parts for them) which the Seller is to supply in accordance with these Conditions and (where the context requires shall include associated services);

"**Contract**" means the contract for the purchase and sale of the Goods.

1.2 The headings in these Conditions are for convenience only and shall not affect their interpretation.

### **2. BASIS OF CONTRACT**

2.1 Quotations are offered and orders are accepted subject to the following Conditions. Conditions of purchase contained on the Customer's order forms and any other conditions the Customer may seek to impose which are at variance or additional to the Conditions are not binding upon us unless specifically accepted in writing notwithstanding that these may be contained in a later document and/or purport to supersede our Conditions.

2.2 Unless otherwise stated quotations and tenders are open for acceptance for 30 days from their date and in any case are subject to confirmation by us at the time of acceptance of order.

2.3 The employees or agents of the Seller are not authorized to make any representations concerning the Goods unless confirmed by the Seller in Writing. In entering into the Contract the Customer acknowledges that it does not rely on, and waives any claim for breach of, any such representations which are not so confirmed.

2.4 Whilst the Seller takes every precaution in the preparation of its catalogues, technical circulars, price lists a other literature, these documents are for the Customer's general guidance only and the particulars contained therein shall not constitute representations by the Seller and the Seller shall not be bound thereby.

2.5 No variation to these Conditions shall be binding unless specifically agreed to in writing by the Seller.

2.6 No order which has been accepted by the Seller can be cancelled by the Customer except with the agreement in Writing of the Seller and on terms that the Customer indemnify the Seller in full against all loss as a result of the cancellation.

### **3. PRICE**

3.1 Packing. All packing cases skids or drums are chargeable and non-returnable unless otherwise specifically stated.

3.2 Value Added Tax. The price for the Goods is exclusive of Value Added Tax which shall be payable in addition if chargeable.

### **4. DELIVERY**

4.1 Time not of essence.

Although given in good faith times quoted for the delivery of Goods are intended as estimates only and are not therefore to be treated as the essence of the Contract. Accordingly the Seller shall not be liable in any way for any direct or indirect loss damage or expense (inc loss of profits and liability to third parties) which may be suffered by the Customer in consequence of late dispatch or delivery from whatever cause.

4.2 Force majeure.

We shall not be liable for failure to deliver Goods or to do so promptly if such failure is caused by strikes, riots, lock-outs or other labour trouble, war, fire, accident, mechanical failure non-availability or delay in delivery to us of supplies of goods or parts or materials government action or legislation or regulation of any kind Act of God or any circumstances whatsoever outside our reasonable control and such delay or failure to deliver such Goods shall not affect the obligations of the Customer to pay for Goods already delivered

4.3 Instalments.

The Seller reserves the right to deliver the Goods in instalments and each delivery shall constitute a separate contract. Failure by the Seller to deliver anyone or more instalment in accordance with these Conditions or any claim by the Customer in respect of anyone or more instalment shall not entitle the Customer to treat the Contract as a whole as repudiated.

4.4 Storage.

If the Customer does not supply adequate delivery instructions within 14 days after notification that the Goods are ready for dispatch we shall be entitled to arrange storage either at our own works or elsewhere and all reasonable charges for storage, insurance or demurrage shall be payable by the Customer. PROVIDED THAT nothing in this condition shall operate to relieve the

Customer from making payment for the Goods as provided in Clause 7.1 below

4.5 Performance Test.

We will inspect and where applicable test the Goods at our works to ensure that they are capable of performing to specification. If a special test or tests in the presence of the Customer's representatives are required they, unless otherwise agreed, must be made at our Works and will be charged for extra. In the event of any delay on the Customer's part in attending such tests after seven notice that we are ready the Seller shall be entitled to storage charges in accordance with Condition 4.4 and to recover interest on the Contract Price at the rate set out in Condition 7.2.3

### **5. RISK AND PROPERTY**

5.1 Where delivery to a site within the UK is included risk shall pass on delivery.

5.2 Where the Customer collects the Goods risk shall pass on collection.

5.3 Notwithstanding delivery and the passing of risk in the Goods, the property in the Goods shall not pass to the Customer until the Seller has received in cash or cleared funds payment in full of the price of the Goods and all other goods sold by the Seller to the Customer for which payment is then due.

5.4 Until such time as the property in the Goods passes to the Customer, the Customer shall hold the Goods as fiduciary agent of the Seller, and shall keep the Goods separate from those of the Customer and third parties and properly Stored protected and insured and identified as the property of the Seller and shall arrange for Purchaser's interest to be noted all relevant insurance policies. Until that time the Customer shall be entitled to resell or use the Goods in the ordinary course of its business, but shall hold the Seller's part of the proceeds of sale or otherwise of the Goods, whether tangible or intangible, including insurance proceeds, on trust for the Seller and shall keep all such proceeds separate from any moneys or property of the Customer and third parties in a separate bank account clearly denoted as an account containing monies deposited for the benefit of the Seller by the Customer acting in a fiduciary capacity.

5.5 Until such time as the property in the Goods passes to the Customer (and provided the Goods are still in existence and have not been resold), the Seller shall be entitled at any time to require the Customer to deliver up the Goods to the Seller and, if the Customer fails to do so forthwith, to enter upon any premises of the Customer or any third party where the Goods are stored and repossess the Goods.

5.6 The Customer shall not be entitled to pledge or in any way charge by way of security for any indebtedness any of the Goods which remain the property of the Seller, but if the Customer does so all moneys owing by the Customer to the Seller shall (without prejudice to any other right or remedy of the Seller) forthwith become due and payable.

### **6. EXPORT TERMS**

6.1 In these Conditions "Inco terms" means the international Rules for the interpretation of trade terms of the international Chambers of Commerce as in force at the date when the Contract is made.

6.2 Where the Goods are supplied for export from the United Kingdom:-

6.2.1 Inco terms shall apply except to the extent that Inco terms are inconsistent with any other provision of these Conditions, the Contract Schedule which shall prevail.

6.2.2 Payment of all amounts due to the Seller shall be made by irrevocable letter of credit opened by the Customer in favour of the Seller and confirmed by a bank in the United Kingdom acceptable to the Seller or if the Seller has agreed in writing to do so by acceptance by the Customer and delivery to Seller of a bill of exchange drawn on the Customer payable at sight to the order of the Seller at such branch of a nominated U.K. Bank in England as may be specified in the f of exchange. Or in any agreed prepayment method where cleared funds are present in the sellers bank account prior to goods dispatch.

### **7. PAYMENT**

7.1 Except where otherwise stated payment in respect of the Goods shall be due within 30 days of the date of the Seller's invoice or of notification of readiness for dispatch whichever is the sooner.

7.2 In the event that the Customer fails to make payment the Goods on the due date or otherwise commits a breach of these Conditions the Seller may in its absolute discretion and without prejudice to any other rights which the Seller may have

7.2.1 Suspend all future deliveries to the Customer under the Contract or under any other contract and/or terminate any contract without liability upon our part.

7.2.2 Require payment in advance for any future deliveries and

7.2.3 Require payment of interest on the amount due compound annual rate of 3% per annum above the NatWest Bank plc minimum lending rate for the time being prevailing, from the date when payment for the Goods became due date of actual payment.

7.3 The Seller shall have the same rights to those referred to above in condition 7.2 if the Customer becomes insolvent or is

unable to pay its debts within the meaning of Section 123 Insolvency Act 1986.

7.4 The Customer shall not be entitled to withhold payment of any sums after they become due by reason of any of set-off counterclaim which the Customer may have or allege to have or for any other reason whatsoever.

### **8. WARRANTIES AND LIABILITY**

8.1 Subject to the conditions set out below the Seller warrants that the Goods will correspond with the current Specification (including any tolerances) for the Goods published by the Seller at the time of despatch and will be free from defect in material and workmanship for a period of 12 months from despatch.

8.2 The above warranty is given by the Seller subject to the following conditions:

8.2.1 The Seller shall be under no liability in respect of any defect in the goods arising from any drawing, design or specification supplied by the Customer;

8.2.2 The Seller shall be under no liability in respect of any defect arising from fair wear and tear, wilful damage, negligence, abnormal working conditions or failure to follow our instructions (whether oral or in writing), misuse or alteration or repair of the Goods without our approval;

8.2.3 The Seller shall be under no liability under the above warranty (or any other warranty, condition or guarantee) if the total price for the Goods has not been paid by the due date for payment;

8.2.4 The above warranty does not extend to parts, materials or equipment not manufactured by the Seller in respect of which the Customer shall only be entitled to the benefit of any such warranty or guarantee as is given by the manufacturer to the Seller.

8.3 Subject as expressly provided in these Conditions, all warranties, conditions or other terms or liability implied by statute or common law are excluded to the fullest extent permitted by law.

8.4 Any claim by the Customer which is based on any defect in the quality or condition of the Goods or their failure to correspond with specification shall be notified to the Seller within 7 days from the date of delivery or (where the defect or failure was not apparent on reasonable inspection) within a reasonable time after discovery of the defect or failure.

8.5 Where any valid claim in respect of any of the Goods which is based on any defect in the quality or condition of the Goods or their failure to meet specification is notified to the Seller in accordance with these Conditions, the Seller shall be entitled to replace the Goods (or the part in question) free of charge, or, at our sole discretion, refund to the Customer the price of the goods (or a proportionate part of the price), but the Seller shall have no further liability to the Customer. If it should be found necessary with our agreement in writing to effect such a repair or replacement using labour and materials other than our own, then the responsibility shall be limited to the costs and expenses which would have been incurred if the work had been carried out at our works.

8.6 Except in respect of death or personal injury caused by the Seller's negligence, the Seller shall not be liable to the Customer by reason of any representation, or any implied warranty, condition or other terms, or any duty at common law, or under the express terms of the Contract, for any consequential loss or damage (whether for loss of profit or otherwise), costs, expenses or other claims for consequential compensation whatsoever (and whether caused by the negligence of the Seller, its employees or agents or otherwise) which arise in part of or in connection with the supply of the Goods or use or resale by the Customer, except as expressly provided in these Conditions.

### **9. DRAWINGS AND INFORMATION**

The Customer acknowledges that drawings and other documents and information furnished by the Seller are disclosed in confidence and that the copyright and property in the same is and shall remain our property (or that of our supplier as the case may be) and the Customer shall not without prior written consent (and where appropriate, that of the copyright owner) alter such drawings or information in any way, make further copies of such drawings or information or use or disclose such drawings or information for any purpose other than that for which they are provided. The Customer agrees that such drawings, documents and information shall be returned to the Seller forthwith upon request.

### **10. GENERAL**

10.1 No waiver by the Seller of any breach of the Contract by the Customer shall be considered as a waiver of any subsequent breach of the same or any other provision.

10.2 The Contract shall be governed by the laws of England and any dispute arising under or in connection with these Conditions or the sale of the Goods shall be subject to the jurisdiction of the English courts.