

General Conditions of Contract

1. GENERAL

1.1 Our quotation is made and given on the express understanding that unless written agreement is given by us to the contrary the following conditions of contract, together with any special conditions referred to or included in the quotation, apply to the exclusion of all others, including any attached to your order and shall be incorporated in any contract of which this quotation may form part or for any goods or services supplied by us. In the event of conflict between these conditions and the quotation, the quotation shall prevail.

1.2 No contract has been formed until your order has been accepted by us in writing. Notwithstanding acceptance, the contract shall not be deemed to have come into force until fulfilment of all actions enabling us to proceed with the contract without delay, including the establishment of Letter of Credit where appropriate. In the event that the contract does not come into force within 60 days of acceptance we reserve the right to re-negotiate the price or withdraw from the contract.

1.3 Whilst all drawings, illustrations, particulars, ect, included as part of our quotation or shown in the catalogues, price lists or advertisements are given in good faith, the should not be taken as binding in respect of detail unless so stated in our quotation. Similarly, all weights, dimensions, power or chemical consumption and other particulars of goods offered by us are stated in good faith, and deviations therefrom shall not affect the validity of the contract, or be made the basis of any claim against us.

1.4 Full details of operating conditions, including temperatures, pressures and where applicable, nature of corrosive liquids to be handled, should be notified to us.

2. PRICE VARIATION AND PAYMENT

2.1 Unless otherwise specified and subject to 2.3 below, the price quoted is nett and does not include delivery. For destinations outside the UK the quoted price excludes export packaging and delivery FOB unless otherwise stated. Prices quoted are valid for 60 days from the date of quotation.

2.2 We reserve the right to cancel or withdraw the quotation without notice at any time before acceptance Quotations not accepted within 60 days shall be deemed

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to be withdrawn unless confirmed by us in writing.

2.3 If any law, order, regulation, duty or tax, etc, is made or changed after the date of our quotation which affects our performance of the contract, the price shall be varied accordingly.

2.4 Terms of payment are strictly nett cash due on or before the 30th day from the date of invoice, or as otherwise stated by us in writing. Any account outstanding beyond our credit terms of reference will be passed out of hand to our Debt Recovery agents, and will be subject to a surcharge to cover the cost incurred; such accounts will also be subject to any other costs incurred in obtaining settlement.

2.5 Payment is due in pounds sterling at the address quoted on the invoice, unless otherwise specified by us.

2.6 You shall, in addition to the price of the goods, pay any Value Added Tax payable in respect thereof.

2.7 We reserve the right to apply a surcharge of 2% over National Westminster Bank plc base rate for overdue payments.

2.8 Any advance payments made by you are payments on account, and do not constitute a deposit, the abandonment of which would entitle either party to terminate the contract.

2.9 If you delay in making any payment we may postpone the fulfilment of our own obligations until such payment is made, unless your failure is due to our act or omission.

2.10 The property in the goods shall not pass to you until you have paid the full price therefore. If, nevertheless, you sell the goods before they have been paid for in full, you shall hold the proceeds of the sale in trust for us.

2.11 The risk in the goods shall pass to you upon delivery, and you shall insure them against all usual risks until the price is paid.

3. DELIVERY

3.1 Although estimated delivery dates are given in good faith and on the best available information, time shall not be of the essence of any contract for the sale of goods unless otherwise agreed in writing between us, and we shall not be liable

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for any loss, direct or consequential, arising out of any failure, - for whatever reason, - to deliver by the estimated date. Any times quoted for delivery or completion are to date from the coming into force of the contract. Late delivery shall not affect your obligation to pay the price.

3.2 If we are prevented by your instructions, or lack of instructions, or by an act of omission on your part from dispatching goods that are ready for despatch at the date specified in your order, then the cost involved in storage, protection, insurance, re-inspection and delivery from store shall be added to the price, and any payment due on delivery shall be made on delivery into store as though goods held had been delivered in accordance with the order.

3.3 Claims for partial loss or damage in transit must be reported to the carriers and ourselves in writing within three days of receipt with goods. If delivery is not effected within ten days from the date of the invoice we must be advised immediately as otherwise no claim for the goods can be entertained.

4.SITWORK

4.1 Where our price includes for installation or supervision and/or commissioning of the plant offered, or any other work on site, our quotations are based on the following assumptions:

(a) Should working in excess of our normal hours of work be requested by you, or additional work or expenditure be incurred due to the site conditions, or should we be delayed by you or any other contractors employed by you, or by any other cause beyond our reasonable control, then, (i) we shall not be liable for the delay, and any contract completion time quoted shall be extended by a reasonable period, and (ii) without prejudice to our other legal rights, we reserve the right to increase the price accordingly.

(b) Water or other liquids for testing purposes will be provided by you, and facilities given for discharge as and when necessary free of all costs to us.

(c) Where power and other services including oil-free air, clean water, chemicals and electricity are required for operation of the plant, our quotations are based on the assumption that, free of cost to us, suitable such services and supplies

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will be available on site for testing purposes during installation. And for putting the plant to work after installation is completed. We do not include for any treatment chemicals or services which should be made available by you during the start-up and for subsequent use in the quantities specified by us.

(d) We require you to provide us with assistance with regard to permits, visas and the like, and to indemnify us in respect of local taxes, duties and the like.

4.2 For contracts where we have included for full erection, unless otherwise specified in our offer, you shall provide suitable access to and possession of the site, properly prepared foundations ready to receive the equipment as and when delivered, adequate off-loading facilities, temporary hand-railing and scaffolding, all civil engineers and builders' work and materials of any kind, suitable storage, guarding and protection for the equipment from time of delivery, all necessary fences and barriers, any water, electric power, lighting and heating necessary on the site during and after installation, and all necessary toilet, welfare and other facilities and adequate assistance. All these shall be supplied at your expense to enable the work to be carried out expeditiously and continuously. The price (unless otherwise specified in our offer) does not include any frost protection, site wiring, cabling and painting, and treatment chemicals (which you shall produce in adequate quantities of commercially pure quality during start-up, testing, commissioning and subsequently).

5.FORCE MAJEURE AND CANCELLATION

5.1 Should the execution of the order be hindered by cancellation, or delayed by your instructions or lack of instructions, or by any act or omission on your part, or by any cause whatsoever beyond our control (including without prejudice to the generality of the foregoing, acts of God, fire, flood, embargoes, labour troubles, war, inability to obtain materials, equipment, transport or services of supply, vandalism and sabotage), we shall be at liberty to cancel or suspend the contract forthwith without any liability whatsoever, and you shall pay such charges for work undertaken as may be reasonable in the circumstances.

5.2 We shall be entitled to cancel the contract forthwith if you make any default in payment or become bankrupt or, in the case of a limited company, commence to

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be wound up or have an administration order made against you, or carry on business under an administrator, receiver or manager, but any such cancellation shall be without prejudice to any other rights or remedies we may have against you.

6. LIABILITY

6.1 We will indemnify you against damage or injury to your property or person, or that of others occurring before the plant is commissioned to the extent directly caused negligence of ourselves, our subcontractors or agents, or by defective design (other than a design made, furnished or specified by you, for which we have disclaimed responsibly in writing), workmanship or materials, but not otherwise, by making good such damage to property or compensating personal injury, provided that:

(a) Our total liability for damage to your property (including damage caused by our breach of contract, tort, or breach of statutory duty) shall not exceed

£5,000,000 (United Kingdom currency) or the price, whichever is greater, and

(b) We shall not be liable to you for any loss of profit or of contracts or, save as aforesaid, for any loss, damage or injury of any kind whatsoever, and whether caused by our breach of contract, tort, or breach of statutory duty or otherwise, howsoever.

Save as provided in the next following paragraph, and in 6.2 below, we shall not be liable for any damage or injury occurring after the plant has been commissioned.

If we, our agents or subcontractors, are on site after commissioning for the purposes of remedying a defect pursuant to 6.2 below, or any other purpose of the contract, the provisions of this sub-clause shall apply as though the plant has not yet been commissioned. Save as provided in the clause, we shall not be liable for any damage or injury after the completion of such work on site as aforesaid.

6.2 We warrant all materials and workmanship to be free from defects, and undertake to replace or repair at our works or elsewhere – the choice being our option – free of charge, any parts shown to be defective within the period stated below, fair

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wear and tear accepted. Our liability is limited to making good such defected parts in a manner decided by us, and we shall not be liable for any expenses or labour costs not authorised by us. Repaired or replacement parts will be delivered carriage paid to a UK site. Parts replaced under warranty will carry the remainder of the original warranty. Expendable items are excluded from the warranty. This warranty is subject to payment being made at the time or timed and in the manner agreed.

The period covering the guarantee shall be as follows:

Supply-only contracts – twelve months from completion of installation or commissioning but, in any event, not more than thirteen months after delivery or readiness for despatch.

Details of any process guarantee are shown separately where applicable.

6.3 Our liability under this clause shall be in lieu of any warranty or condition implied by law as to the quality or fitness of the goods for any particular purpose and, save as provided in this clause, we shall not be under any liability, whether in contract, tort, or otherwise, in respect of defects in goods delivered, or for any injury (other than personal injury caused by our negligence as defined in Section 1 of the Unfair Contract Terms Act, 1977, where as the Act applies to the contract), damage or loss resulting from such defects, or from any work done in connection therewith.

6.4 We shall not be liable, whether in negligence or contract or otherwise for loss of use or profits or contracts, or any other loss, damage, costs, or expenses, however arising.

6.5 Where any recommendation or advice is given by us or our agents as to the mode of storing, applying, or using the goods, such advice is given in good faith but it shall not form part of the contract nor shall we be liable for any loss or damage suffered by reliance thereon.

6.6 We shall not be under any liability for failure to obtain any performance figures quoted by us, unless:

(i) We have expressly and specifically guaranteed them, subject to any tolerance specified, in an agreed sum as liquidated damages.

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- (ii) The equipment has been supplied and put into operation by us.
- (iii) The equipment has not been modified or altered except with our written consent.
- (iv) The equipment is at all times operated strictly in accordance with our instructions and otherwise in accordance with good practice, using commercially pure reagents.
- (v) Water or liquid is of the same nature and analysis to that specified, and the general physical conditions are maintained.

Before you become entitled to claim liquidated damages we are to be given adequate time and opportunity to rectify performance. Such liquidated damages shall be in full satisfaction of our liability under the contract or on any other contract.

7. INCOTERMS

The latest edition of these terms shall form part of the contract where not in conflict with our quotation. However, to avoid possible delays in the case of delivery FOB, we reserve the right to nominate the ship ourselves, and also to use a non-UK port where appropriate.

8. ARBITRATION AND LAW

8.1 The order shall in all respects be construed and operate as an English contract in conformity with English law.

8.2 Any dispute or difference shall, after written notice has been given, be referred to a single arbitrator to be appointed by agreement between us, or failing agreement, to some person appointed by the President for the time being of the Institute of Mechanical Engineers.

9. COPYRIGHT

9.1 All specifications, drawings and technical descriptions submitted with or in connection with our offer or our copyright. All such copyright material and all information and 'know-how', whenever supplied, shall be treated at all times by you as confidential and shall not, without our consent, be used by you except for purposes of (i) adjudicating the offer (ii) the contract (if any) placed with us, and (iii) the operation of the equipment supplied thereunder nor shall they, without our

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consent, be communicated to third parties save insofar as may be necessary for the permitted purposes.

9.2 Sub-Contractors. All customer information and all technical 'know-how' supplied to any sub-contractor will be treated by the sub-contractor as confidential and shall not be used or copied by the sub-contractor for any other purpose other than the execution of the purchase order or communicated by him to third parties