



STANDARD CONDITIONS OF SALE

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1. Definitions

In these conditions "the Company" means MacScott Bond Ltd and "the Buyer" means the person, firm or company purchasing goods pursuant to the Contract and "the Goods" means the goods the subject of this Contract.

2. Incorporation of Conditions

These conditions shall form the basis of the Contract between the Company and the Buyer. Notwithstanding anything to the contrary in any conditions attempted to be Imposed by the Buyer, or in any purchase order, acceptance note, confirmations, letter or any other document issued or sent by the Buyer, these conditions shall apply except insofar as expressly agreed in writing by the general manager of the Company. No other servant or agent of the Company may vary these conditions nor may they be varied orally. The placing of an order by the Buyer shall be deemed to be an acceptance of these conditions. These general conditions shall be subject to such further special conditions as may be prescribed in writing by the Company. In the event of any conflict or apparent conflict between the special conditions and these general conditions the special conditions shall prevail.

3. Orders

No order placed by the Buyer shall be binding on the Company unless and until it has been accepted in writing by the Company on its acknowledgement of order form.

4. Price Increases

The company reserves the right to increase without notice between the date of acceptance of order and the date of despatch any price or charge in order to take account of the cost of labour, raw materials, fluctuations in the value of the currency or any other matter beyond the Company's reasonable control which diminishes the Company's profit margin

5. Packing and Delivery

5.1 Prices quoted are ex the Company's premises at Hunter Avenue, Loanhead, Midlothian UK and carriage and packing are chargeable as additional costs Sub-sections (2) and (3) of Section 32 of the Sale of Goods Act 1979 (delivery to carrier) shall not apply.

5.2 Whilst the Company will use its reasonable endeavours to meet any delivery date requested by the Buyer time for delivery shall not be of the essence of this contract and the Company will not be liable under any circumstances for failure to meet a specified delivery date or to deliver within a reasonable time.

5.3 Delivery of the Goods shall be deemed to take place:

(a) when the Goods are collected by the Buyer or its agents or by an independent carrier or by the Buyer's carrier from the works or warehouse of the Company;

or

(b) if the Goods are transported by the Company or its agent when the Goods are physically delivered to the Buyer's place of business or such other place as the Buyer may reasonably nominate.

6. Risk

Risk in the Goods shall pass to the Buyer on delivery.

7. Payment Terms

7.1 Payment for the Goods shall be due thirty days from the date of the invoice or such earlier date as may be determined in accordance with Condition 7.5. Upon payment becoming due the Company shall be entitled to sue for the price of the Goods, Value Added Tax and any chargeable extras notwithstanding the fact that pursuant to Condition 8 property in the Goods has not passed to the Buyer.

7.2 Payment shall not be withheld or deferred on account of any claim, counter claim or set off.

7.3 Interest at the rate of 4% per annum above Lloyds Bank Plc base rate from time to time in force and accruing from day to day may be charged on all sums overdue for payment by the Buyer to the Company.

7.4 In the event of non-payment of any monies by the due date the Company shall have the right, in addition to its other remedies, to terminate any other contracts with the Buyer and in the event of any such termination the Buyer shall be liable to the Company for any expenses, loss or damage suffered by the Company as a result.

7.5 Payment shall become due upon the happening of any of the events listed in conditions 8.4 even if such event occurs within 30 days from the date of the invoice

7.6 Time shall be of the essence of this contract so far as it relates to the date on which payment is due.

8. Property in the Goods

8.1 Property in the Goods shall remain with the Company (which reserves the right to dispose of the Goods) until payment in full for all of the Goods has been received by it. Accordingly without prejudice to the Buyer's obligations to purchase the Goods, the Company shall be entitled on default in payment to repossess the Goods and for such purposes to enter any premises owned or occupied by or on behalf of the Buyer and the Buyer shall do all in its power to enable the Company to do so.

8.2 The Buyer shall not part with possession or title of any Goods for which it has not paid unless such parting with possession is upon a sale in the normal course of the Buyer's business to a customer of the Buyer at full market value, whether

or not the Goods have been converted into other products or mixed with other items to make a new product. In the event of any such sale then the Buyer shall account to the Company out of such proceeds of sale for all sums due to the Company in respect of the Goods and must not mingle the proceeds of sale of the Goods with other monies or pay them into an overdrawn account and shall at all time keep the said proceeds of sale of the Goods identifiable as the Company's money and at all times the relationship between the Buyer and the Company in respect of monies arising from the sale of any of the Goods which have not been paid for shall be a fiduciary relationship and the Company shall be entitled to trace the proceeds of any such sale into whosoever hands they may come.

8.3 Until they have been paid for in full or sold pursuant to the preceding sub-conditions, the Buyer shall take proper care of the Goods and take all reasonable steps to prevent any damage thereto or deterioration thereof and shall allow the Company to inspect them whenever the Company so requires and the Buyer shall keep the Goods free from any charge, lien or other encumbrance and store the Goods in such a way as to show clearly that they belong to the Company and shall provide to the company such information as to the Goods or their whereabouts as the Company may from time to time require.

8.4 The following are the events referred to in Conditions 7.5 and Conditions 8.2.

(a) any notice to the Buyer that a receiver or manager is to be or has been appointed over the assets or affairs of the Buyer or the appointment of any such receiver or manager, whichever is the earlier;

(b) any notice to the Buyer that a petition to wind up the Buyer will be or has been presented or the making of, or receipt of any notice proposing a resolution to wind up the Buyer (save for the purpose of reconstruction or amalgamation).

(c) any decision by the Buyer that it intends to make an arrangement with its creditors.

(d) any act of bankruptcy as defined by Section I of the Bankruptcy Act 1914.

(e) any other event, act or proceeding in which the Buyer's solvency is involved.

9. Acceptance

The Goods shall be deemed to be accepted by the Buyer unless they are rejected within seven days of delivery. This acceptance of the Goods shall be treated as conclusive evidence that they are in all respects fit for the intended and contemplated use by the Buyer and in every other way satisfactory to it.

10. Warranties and Exclusion of Liability

If and to the extent permitted by law:

10.1 No warranty, condition or other term, express or implied, statutory or otherwise, shall apply unless and except to the extent expressly contained in these conditions.

10.2 The company shall have no liability for any consequential loss or damage including (but without limitation) business interruption or loss of profits and the Buyer acknowledges that it should maintain a suitable insurance policy in respect of those risks.

10.3 Any liability to which the Company might otherwise become subject shall be limited to the price paid by the Buyer to such of the Goods as give rise to the claim.

10.4 The Buyer shall be solely responsible for deciding whether the Goods are suitable for the particular purpose for which they are required.

10.5 The Company undertakes to remedy, subject to condition 10.6 any defect resulting from faulty design, materials or workmanship where such materials have been supplied by the Company or the design or workmanship is the responsibility of the Company.

10.6 The Company shall at its option replace or repair any defective part of the Goods if details of the defect are given to the Company in writing within twelve months from the date of delivery.

10.7 The Buyer shall be responsible for arranging transport for the return of the Goods to the Company.

10.8 Risk in the Goods shall only pass back to the Company on delivery to the Company.

This warranty shall not apply to:

(a) damage or defects resulting from improper or inadequate care or maintenance of the Goods.

or

(b) damage or defects resulting from attempts other than by the Company to install, repair or service the Goods.

or

(c) damage or defects resulting from improper use of Goods or from use of the Goods with incompatible equipment or supplies.

11. Force Majeure

The Company shall be under no liability to the Buyer in the event that the Company's performance of the Contract is affected wholly or partially by any restriction imposed by a government or other competent authority, strikes, lock out, a failure in the Company's anticipated supplies of raw materials or by any other cause whatsoever which is beyond the Company's reasonable control.

12. Indemnity

The Buyer undertakes to indemnify the Company against all expenses, loss or damage suffered by the Company as a result of claims for false trade descriptions, claims for infringements of patents, trademarks, registered designs or copyright arising out of any work done by the Company in accordance with the Buyer's instructions.

13. Notices

Any notice given under this contract shall be given in writing and shall be sent by first class post to the trading address of the intended recipient, or shall be sent by telex. Notices given by post shall be deemed to have been received at 9.30am on the second working day after posting and notices if given by telex shall if given on a working day be deemed to be received at the time they are transmitted but if delivered after 5.00pm on a working day shall be deemed to be received at 9.30am on the next following working day. For the purposes of this Clause 'working day' shall mean a day other than a Saturday on which the clearing bank in the City of London are open for business.

14. Waiver

No failure by the Company to exercise or delay exercising any of its rights under this contract shall operate as a waiver of such rights, or shall prevent the Company from subsequently enforcing any right or treating any breach by the Buyer as a breach.

15. Applicable Law

This contract shall be subject Scots law and to the non-exclusive jurisdiction of the Scots courts

16. General

16.1 Under this contract all conditions and sub-conditions and all parts thereof shall be severable. In the event that any one or more of such conditions or sub-conditions or any part thereof shall be invalid, illegal or unenforceable in any respect under any relevant law, the validity and enforceability of the remaining conditions and sub-conditions and parts thereof shall not be in any way affected or impaired.

16.2 Breach by the Buyer of any of its obligations shall entitle the Company to treat the contract as repudiated