

PORVAIR SCIENCES LIMITED

TERMS AND CONDITIONS OF SALE

1. DEFINITIONS in these Conditions

The "Company" shall mean Porvaair Sciences Ltd. The "Customer" shall mean the other contracting party. The "Products" shall include all the goods and services supplied by the Company. The "Order" shall mean the order placed by the Customer with the Company for the Products. The "Contract" shall mean the Contract made between the Customer and the Company for the Products; this Contract is formed when the Company accepts the Customer's Order.

2. GENERAL

a) These Conditions form an integral part of every contract for the supply of the Products by the Company. The Order shall be deemed to be placed subject to these conditions and no variation of these conditions is applicable unless expressly accepted in writing by the Company. The Company's acknowledgement of the Order shall not constitute such acceptance.

b) If individual terms become null and void all others shall remain unaffected.

c) The headings in these conditions shall not be deemed to be part hereof or taken into consideration in the interpretation or construction hereof or of the Contract.

3. VALIDITY

Any quotation is valid for a period of ninety (90) days from date of quotation.

Scheduled deliveries will be subject to re-negotiation at the time of each shipment, unless agreed otherwise.

4. PRICES

Unless otherwise stated all prices are ex-Works excluding packing, insurance and carriage, which will be charged extra at cost. All prices are exclusive of Value Added Tax, which will be charged at the rate current at the time of delivery.

5. PRICE ADJUSTMENT

The Company reserves the right at any time prior to delivery to vary the price quoted for the Products if following the date of the quotation there is any change in the rates of exchange, any imposition of Government tax, any increase in the cost of labour or materials, or if the cost of supplying the Products is increased by any factor beyond the control of the Company.

6. PAYMENTS

a) All Customers: unless otherwise agreed payment is to be made against the Company's invoice and payment shall be made in cleared funds, without set-off, within 30 days of the date of the invoice. Unless otherwise stated in the Company's quotation or otherwise agreed, invoices shall be submitted upon delivery of the Products. Any sums not paid on the due date shall be subject to an interest charge at the rate of 3% per month or parts thereof on all amounts overdue until payment thereof, such interest to run from day to day and to accrue after as well as before any judgement.

b) Overseas Customers: unless otherwise agreed the Order must be accompanied by a remittance or advice that an irrevocable sterling Letter of Credit has been established with and confirmed by a major United Kingdom Clearing Bank in favour of the Company. This letter of Credit shall have a validity equal to the full delivery period of the Products plus one month and shall provide for part shipment and trans-shipment with the release of one hundred percent of the value for each shipment against presentation of commercial invoices, packing list and bill of lading or forwarding agents receipt or airway bill in evidence of despatch of the Products from the United Kingdom.

7. DELIVERY AND RISK

a) Subject to the following sub clauses of this clause all risks shall pass to the Customer upon delivery.

b) Unless otherwise specified in the Company's quotation or otherwise agreed, delivery shall be deemed to take place when the Products have been delivered to the Customer ex Works the Company's premises (Incoterms 2010)..

c) All dates and times specified to the Customer for despatch of the Products are estimates only. Such dates and times date from the receipt by the Company of the Customer's Order or from the date of receipt of all the necessary information, drawings and inserts to enable the Company to initiate manufacture, whichever is the later. The Company shall not have any liability for delay or for any damages or losses sustained by the Customer as a result of such dates or times not being met. The Customer shall not be entitled to refuse acceptance of the Products as a consequence of such delay. The Company may make partial deliveries.

d) The Company may in its absolute discretion withhold delivery pending payment of any sum due from the Customer to the Company under any Contract.

e) If the Customer does not accept delivery of a consignment of Products at the agreed date then:

i) the Company shall be entitled to claim payment in accordance with Clause 6 above for the Products refused.

ii) the Products refused shall be in all respects at the Customer's risk.

iii) the cost of storing the Products shall be borne by the Customer.

8. DAMAGE OR LOSS IN TRANSIT

Where the Company agrees to a delivery point beyond its premises, the Company will at its absolute discretion either refund the cost or replace or repair free of charge any Products proved to the Company's satisfaction to have been lost or damaged in transit up to the moment of delivery provided that within three days of receipt of the Products in the case of damage or within ten days of receipt in the case of loss the Customer notifies both the carrier and the Company in writing of the nature and extent of the damage/loss. The Company accepts no liability for delay in transit. Where delivery is made ex Works, the Company accepts no liability for damage to the Products that in the course of loading, unless caused by the Company's negligence.

9. TITLE

a) The Customer shall acquire title to the Products only when payment has been received by the Company in accordance with Clause 6 hereof for the purposes of sub clause (c) of this Clause.

b) In the event of seizure by a third party or any other act of a third party affecting the Company's interest in the Products the Customer shall notify the Company immediately.

c) Until the Company becomes entitled to determine the Contract pursuant to clause 14 the Customer shall have the right to sell or otherwise dispose of the Products, but only for its own account and not as the agent of the Company. The Customer shall hold in trust for the Company the proceeds of such disposals including such proportion of the proceeds of disposals of higher-level assemblies in which Products are embodied as represents the sum due to the Company in respect of products so embodied.

d) Until the Customer has paid for the Products or sold them in accordance with Clause 9 c) hereof the Customer shall store the Products separately and mark them as the Company's property. If any of the events giving the Company a right to terminate under Clause 14 occurs the Company shall be entitled to enter the Customer's premises and re-take possession of the Products.

10. SPECIFICATIONS

a) The Products will be supplied generally in accordance with a mutually agreed specification therefore ("the Specification"). The Company will not accept liability for the Products supplied where variation from the Specification is significant except as set out in sections 11 and 12 below.

b) Subject to the Specification, descriptions and illustrations contained in the Company catalogues shall not form part of the Contract.

c) All Specifications, drawings and technical descriptions submitted with or in connection with any quotations or acknowledgement of the Company are the Company's copyright. All such copyright material, and all information and "know-how" whenever supplied shall at all times be treated by the Customer as confidential and shall not without the consent of the Company be used by the Customer except for the purpose of the Contract and the operation of the Products supplied thereunder, nor shall they without the consent of the Company be communicated to third parties save insofar as may be necessary for the purposes stated above.

11. WARRANTY

a) Any Products which are found to the Company's satisfaction to be defective as a result of faulty design, manufacture or workmanship will at the sole discretion of the Company be replaced free of charge or repaired free of charge provided that:

i) the Products (or samples thereof showing the alleged defects) are returned properly packed, carriage paid to the Company's works in the United Kingdom or if overseas to the Company's local Agent at the Customer's risk within 12 months from the date of delivery as defined in clause 7 hereof;

ii) the Products have not been misused, mishandled, overloaded or amended in any way by the Customer, or used for any purpose other than that for which they were designed; and

iii) if the Products have been manufactured to the Customer's design the defects are not as a result of faulty design of the Customer.

b) Repaired or replaced goods will be returned free of charge to destinations on the mainland of the United Kingdom or delivered FOB UK port or airport for other destinations.

c) In the case of Products not of the Company's manufacture any warranty shall be limited to that given to the Company by the manufacturer thereof.

12. LIABILITY

a) The Warranty given in Clause 11 above is the only warranty given by the Company and any other warranty, condition or term implied by common law, statute or otherwise is hereby expressly excluded. Unless specifically agreed the Company does not warrant that the Products are suitable for any particular application.

b) Subject to sub clause e) below, the Company shall not be under any liability for any contingent or consequential loss or damage or injury to the Customer howsoever arising.

c) Subject to sub clause e) below, the Company shall not be under any liability for infringement arising from the combination of any Products with items not supplied by the Company.

d) Subject to sub clause e) below, in the event of the Company being found liable for any loss or damage arising out of the Products its total liability shall not under any circumstances exceed, for any breach or breaches, the purchase price of the Products.

e) Nothing in these terms limits either party's liability for death or personal injury attributable to the negligence of that party, its agents or employees)

13. PATENT INDEMNITY

If the Customer is threatened with any action alleging that the Products in the form sold infringe any Patent, Copyright or Registered Design, then provided that the Customer promptly informs and fully co-operates with the Company and in cases where the Company so requests allows the Company to defend any action on the Customer's behalf, then the Company will indemnify the Customer against any award of damages and costs against the Customer arising from such action. The above indemnity is given by the Company in lieu of any or all other liabilities the Company might have in relation to any action against the Customer for infringement of patent or other proprietary rights and under no circumstances will the Company be liable for any contingent, consequential or any loss howsoever arising. The Company shall have no liability in respect of claims for infringement or alleged infringement of third parties patent or other proprietary rights arising from the execution of the Order in accordance with the Customer's designs, plans or specification.

14. TERMINATION AND SUSPENSION

a) Without prejudice to any claim or right it might otherwise make or exercise the Company shall have the right forthwith to determine the contract by summary notice and to claim for any losses, costs or expenses thereby incurred in the event that the Customer commits any serious breach of any of the terms of these conditions or if the Customer makes or offers to make any arrangements or composition with creditors or becomes insolvent or unable to pay its debts as they fall due, or if any petition or receiving order in bankruptcy is presented or made against the Customer, or if the Customer is a limited company and any resolution or petition to wind up such company is passed or presented otherwise than for reconstruction or amalgamation or if a receiver of such company's undertaking property or assets or any part thereof is appointed.

b) In the event of the Company determining the Contract by summary notice it shall be lawful for the Company to enter upon the Customer's premises or any other premises where the Products are situated and take possession of the Products to which the Company has title.

c) In the event of non-payment of any invoice by the Customer by its due date, the Company shall be entitled to suspend any further orders for products or the provision of any services without liability to the Customer.

15. FORCE MAJEURE

a) The Company shall not be under any liability to the Customer for any breach of any provision hereof or failure on its part to perform any obligation as a result of force majeure which for the purposes of these Conditions shall mean and include acts of God, war, (whether declared or not), sabotage, riot, explosion, Government control, restrictions or prohibitions or any other Government act or omission whether local or national, fire, accident, earthquake, storm, flood, epidemic, drought or other natural catastrophes, inability to obtain equipment, suitable raw materials, components, fuel, power or transportation, disputes with workmen, strikes or lockouts, shortage of labour or any other cause beyond the control of the Company.

b) If the Company is unable to perform any of its obligations under the Contract by reason of any of the causes referred to in sub clause (a) of this clause then it shall forthwith notify the Customer of the estimated extent and duration of such inability.

16. REPRESENTATIONS

These Conditions supersede all previous Conditions, understandings, commitment agreements or representations whatsoever whether oral or written and shall not be varied except with the Company's written consent.

17. NOTICES

Any notice required to be given hereunder shall be sufficiently given if sent by registered post, cable, facsimile or telex to the recipient at its registered office or last known address and shall be deemed to have been properly served at the time when in the ordinary course of transmission it would reach its destination.

18. GOVERNING LAW

These Conditions and the Contract shall be governed construed and shall take effect in accordance with the laws of England, and shall be subject to the jurisdiction of the English courts.

19. AMENDMENTS OR CANCELLATIONS

Once accepted by the Company no Order can be amended or cancelled except with the Company's written approval and upon terms which indemnify the Company against any losses including loss of profit or additional costs resulting therefrom. In particular, additional costs incurred because of any alterations made at the Customer's request to quantities, delivery dates, rates or specifications shall be borne by the Customer.

20. SEVERABILITY

Any Contract entered into by the Company shall be regarded as severable in the event of Products being of different kinds or the Contract providing for delivery by instalments. Each and every delivery of separate items under the contract shall be regarded as being made under a separate Contract and damages arising from any alleged breach of Contract shall be limited accordingly.

21. INSTALLATION AND COMMISSIONING

Where installation and or commissioning is to be performed by the Company, the Company's special conditions for such work shall apply.

22. NUCLEAR RISK

If the Products being supplied are for use in connection with a Nuclear Facility, the Customer will indemnify the Company against any liability to third parties, and against damage or injury to any person or property arising out of or resulting from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, save where liability or damage in respect of property is caused by a corporate act or omission of the Company done with intent to cause injury or damage.