

**MORLAND (Part of Newmor Group Ltd)**

**CONDITIONS OF SALE (STANDARD)**

1. All transactions are subject to the Company's standard conditions of sale as herein set out. If the buyer's form of acceptance or conditions of purchase contain printed conditions, conflicting therewith, the seller's conditions shall prevail.
2. No offer or quotation and no acceptance by the seller shall be valid and binding unless made by the seller in writing.
3. No express or implied warranty or condition as to quality or fitness for a particular purpose shall be implied to the Contract.
4. Any special requirements of the buyer as to physical characteristics or otherwise must be set out in the Contract to be effective.
5. Unless otherwise specifically arranged, delivery dates quoted shall be deemed to be those on which the goods will be ready for despatch from the seller's warehouse.
6. The seller shall not be responsible for any delays in delivery or any inability to deliver or any loss arising thereout due to fire, mechanical breakdown, strikes, lockouts, civil commotions, insurrections, war, shortages of labour or materials, or other unforeseen or exceptional circumstances of any kind whatsoever beyond the seller's control.
7. No claim for compensation on the part of the buyer shall be valid unless:
  - a) In the case of damage or shortage the claim is made by the buyer in writing within 3 days of the receipt of the goods giving the seller full details of the nature of the claim. If this provision is not complied with, all claims shall be deemed to be waived and absolutely barred, the goods shall be deemed to be in all respects in accordance with the Contract and the buyer shall be bound to accept and pay for the same accordingly.
  - b) In respect of a claim as to the quality of the goods supplied or in respect of the claim that the goods do not compare with the description or sample if any, as the case may be, unless the goods are returned to the seller uncut, unmarked and unused or subjected to any process, within fourteen days of receipt by the buyer.
8. The seller shall not be liable for any loss or damage arising out of defects becoming apparent more than three months after delivery. In the event of any claim the liability of Morland shall in no circumstances exceed the invoice value of the defective material.
9. It shall be deemed to be a good tender by the seller if goods delivered shall be within 10% of the order by quantity.
10. If the buyer shall fail to give delivery instructions to the seller recovering all the goods included in the Contract within two months of the date of the order, unless such delivery date shall have been included in the order the seller shall have the following options, that is to say:
  - (a) The option to cancel the Contract; or
  - (b) To invoice the outstanding balance to the buyer, but so that the seller shall not be obliged to part with possession of the goods except upon payment of the full value thereof.

11. Where the seller shall have the charge on the order for wrappers, cases, container or other packaging, the cost thereof will be repaid to the buyer in full upon the return thereof free of charge to the seller to the seller's premises in good condition.
12. The cost of carriage will be paid by the buyer except were agreed otherwise by the seller in advance of delivery and in writing.
13. If the buyer shall seek to determine the Contract he shall be liable to the seller for the cost of manufacture and/or cost of raw materials purchased by the seller down to the date of such cancellation.
14. Although every endeavor is made upon the part of the seller to supply its materials free from any defects the seller will not be responsible for any loss or damage arising out of the use of the materials supplied to the buyer either by the buyer or its sub-contractors.
15. All prices are quoted subject to alteration, if fluctuation of rates of exchange or other unforeseen events should make it necessary.
16.
  - a) Risk in the Goods shall pass to the Buyer at the time the Goods are delivered to the Buyer in accordance with the Contract.
  - b) Notwithstanding delivery and the passing of risk in the Goods or any other provision of these Conditions, the property and ownership in the Goods shall not pass to the Buyer until the Seller has received in cash or cleared funds, full payment of the price of the Goods and all other goods agreed to be sold by the Seller to the Buyer for which payment is then due.
  - c) Until such time as the property and ownership in the Goods passes to the Buyer, the Buyer shall hold the Goods as the Seller's fiduciary agent and bailee and shall keep the goods separate from those of the buyer and third parties and properly stored, protected and insured and identified as the Seller's property, but shall be entitled to resell or use the Goods in the ordinary course of its business.
  - d) Until such time as the property in the Goods passes to the buyer and provided that the Goods are still in existence and have not been resold, the Seller shall be entitled at any time to require the Buyer to deliver up the Goods to the Seller and if the Buyer fails so to do forthwith to enter upon any premises of the Buyer or any third party where the Goods are stored and to repossess the Goods.
  - e) The Buyer shall not be entitled to pledge or in any way change by way of security for any indebtedness any of the goods which remain the property of the Seller, but if the Buyer does so then all monies owing by the Buyer to the Seller shall, without prejudice to any other right or remedy of the Seller, forthwith become due and payable.
  - f) If the goods are destroyed by an insured risk before the Buyer has paid for them the Buyer shall hold the insurance proceeds as the Seller's trustee.
17. Payment will be made strictly net on or before the due date as stated on the invoice.
18. The company reserves the right to charge interest at commercial rates (and in any case not less than 4% per annum above Barclays Bank Plc base rate for the time being in force from the day any sum becomes overdue until the sum is paid with interest) on any overdue account.
19. The Contract shall be interpreted in accordance with the Laws of England.

(August 2004)