

TERMS AND CONDITIONS

For the Supply of Goods and Services

1. Interpretation

In these Conditions:

"Buyer" means the person who accepts a quotation of the Seller for the sale of the Goods or whose order for the Goods is accepted by the Seller

"Conditions" means the standard terms and conditions of sale set out in this document and include any special terms and conditions agreed in writing between the Buyer and the Seller

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

"Force Majeure" means any circumstances beyond the reasonable control of the Seller including, without limitation, an act of God, explosion, flood, fire, war, import or export regulations, strikes, lock-outs.

"Goods" means the goods which the Seller is to supply to the Buyer under these Conditions as specified in the quotation.

"Seller" means DLX Networks LTD

2. Basis of the sale

2.1 The Seller shall sell and the Buyer shall purchase the Goods in accordance with any written quotation of the Seller which is accepted by the Buyer subject to these Conditions, which shall govern the Contract

2.2 No variation to these Conditions shall be binding unless agreed in writing between the properly authorised representatives of the Buyer and the Seller.

2.3 The Seller's employees or agents are not authorised to make any representations concerning the Goods unless confirmed by the Seller in writing.

2.4 Any advice or recommendation given by the Seller, its employees or agents to the Buyer as to the storage, application or use of the Goods which is not confirmed in writing by the Seller is followed or acted upon entirely at the Buyer's own risk.

2.5 Any typographical, clerical or other error or omission in any sales literature, quotation, price list, acceptance of offer, invoice or other document or information issued by the Seller shall be subject to correction without any liability on the part of the Seller.

3. Orders and specifications

3.1 No order submitted by the Buyer shall be deemed to be accepted by the Seller until confirmed in writing by the Seller's authorised representative.

3.2 The Buyer shall be responsible to the Seller for ensuring the accuracy of the terms of any order, and for giving the Seller any necessary information relating to the Goods to enable the Seller to perform the Contract.

3.3 The quantity, quality and description of and any specification for the Goods shall be those set out in the Seller's quotation (if accepted by the Buyer) or the Buyer's order (if accepted by the Seller).

3.4 An order which has been accepted by the Seller may not be cancelled by the Buyer.

4. Price

4.1 The price of the Goods shall be the Seller's quoted price or, where no price has been quoted, the price listed in the Seller's published price list current at the date of acceptance of the order. All prices quoted are valid for 7 days only.

4.2 The Seller reserves the right, by giving notice to the Buyer at any time before delivery, to increase the price of the Goods to reflect any increase in the cost to the Seller which is due to any circumstances beyond the reasonable control of the Seller (such as, without limitation, any foreign exchange fluctuation, alteration of duties, significant increase in the costs of labour, materials or other costs of manufacture), any change in delivery dates, quantities or specifications for the Goods which is requested by the Buyer.

4.3 The price is exclusive of any applicable value added tax, unless clearly stated.

5. Payment

5.1 The Seller shall invoice the Buyer for the Goods on or at any time after delivery of the Goods.

5.2 The Buyer shall pay the price of the Goods as per the specified duration on the Seller's quote. The time of payment of the price shall be of the essence of the Contract.

5.3 If the Buyer fails to make any payment on the due date then, without prejudice to any other right or remedy available to the Seller, the Seller shall be entitled to:

5.3.1 Cancel the contract or suspend any further deliveries to the Buyer; and

5.3.2 Charge the Buyer interest (both before and after any judgement) on the amount unpaid, at the rate of 8 per cent per annum, above HSBC Bank base rate, until payment in full is made.

6. Delivery

6.1 Any dates quoted for delivery of the Goods are approximate only and the Seller shall not be liable for any delay in delivery of the Goods however caused. Time for delivery shall not be of the essence of the Contract. The Goods may be delivered by the Seller in advance of the quoted delivery date upon giving reasonable notice to the Buyer.

6.2 If the Seller fails to deliver the Goods (or any instalment) for any reason other than any cause beyond the Seller's reasonable control or the Buyer's fault, and the Seller is accordingly liable to the Buyer, the Seller's liability shall be limited to the difference (if any) between the price of the Goods and the cost of similar replacement goods (in the cheapest available market).

6.3 If the Buyer fails to take delivery of the Goods or fails to give the Seller adequate delivery instructions (otherwise than by reasons beyond the Buyer's reasonable control or by reason of the Seller's fault) then, without prejudice to any other right or remedy available to the Seller, the Seller may:

6.3.1 Store the Goods until actual delivery and charge the Buyer for the reasonable costs (including insurance) of storage; or

6.3.2 Sell the Goods at the best price readily obtainable and (after deducting all reasonable storage and selling expenses) charge the Buyer for any shortfall below the price under the Contract.

7. Risk and property

7.1 Risk of damage to or loss of the Goods shall pass to the Buyer at the time of delivery or, if the Buyer wrongfully fails to take delivery of the Goods, the time when the Seller has tendered delivery of the Goods.

7.2 Notwithstanding delivery and the passing of risk in the Goods, the property in the Goods shall not pass to the Buyer until the Seller has received in full the price of the Goods.

7.3 Until such time as the property in the Goods passes to the Buyer (and provided 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 to do so forthwith, to enter upon any premises of the Buyer or any third party where the Goods are stored and repossess the Goods.

7.4 The Buyer shall not be entitled to pledge or in any way charge by way of security any of the Goods which remain the property of the Seller.

8. Warranties and liability

8.1 Subject to the conditions set out below the Seller warrants that the Goods will correspond with their specification at the time of delivery and will be free from defects.

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 Buyer;

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, failure to follow the Seller's instructions (whether oral or in writing), misuse or alteration or repair of the Goods without the Seller's approval; and

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 Buyer shall only be entitled to the benefit of any such warranty or guarantee as is given by the manufacturer to the Seller.

8.3 Except where the Goods are sold to a person dealing as a consumer (within the meaning of the Unfair Contract Terms Act 1977), all warranties, conditions or other terms implied by statute or common law are excluded to the fullest extent permitted by law.

8.4 Any claim by the Buyer 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 7 days after discovery of the defect or failure. If the Buyer does not notify the Seller accordingly, the Buyer shall not be entitled to reject the Goods and the Seller shall have no liability for such defect or failure, and the Buyer shall be bound to pay the price for the Goods.

8.5 Where any valid claim in respect of any of the Goods is notified to the Seller, the Seller shall be entitled to replace the Goods free of charge or, at the Seller's sole discretion, refund to the Buyer the price of the Goods, but the Seller shall have no further liability to the Buyer.

8.6 Except in respect of death or personal injury caused by the Seller's negligence, the Seller shall not be liable to the Buyer by reason of any representation (unless fraudulent), or any implied warranty, condition or other term, or any duty at common law,

or under the express terms of the Contract, for any indirect, special or consequential loss or damage, costs, expenses or other claims for compensation whatsoever (whether caused by the negligence of the Seller, its employees or agents or otherwise) which arise out of or in connection with the supply of the Goods or their use or resale by the Buyer. The entire liability of the Seller under or in connection with the Contract shall not exceed the price of the Goods.

8.7 The Seller shall not be liable to the Buyer or be deemed to be in breach of the Contract by reason of any delay in performing, or any failure to perform, any of the Seller's obligations in relation to the Goods, if the delay or failure was due to any Force Majeure.

9. Insolvency of buyer

9.1 This clause applies if:

9.1.1 The Buyer makes any voluntary arrangement with its creditors or (being an individual or firm) becomes bankrupt or (being a company) becomes subject to an administration order or goes into liquidation; or

9.1.2 The Buyer ceases, or threatens to cease, to carry on business; or

9.1.3 The Seller reasonably apprehends that any of the events mentioned above is about to occur in relation to the Buyer and notifies the Buyer accordingly.

9.2 If this clause applies then, without prejudice to any other right or remedy available to the Seller, the Seller shall at its sole discretion be entitled to cancel the Contract or suspend any further deliveries under the Contract or recover the Goods without any liability to the Buyer. If the Goods have been delivered but not paid for the price shall become immediately due and payable notwithstanding any previous agreement or arrangement to the contrary.

10. General

10.1 Any notice required or permitted to be given by either party to the other under these Conditions shall be in writing by first class recorded post or facsimile to its principal place of business or such other address which has been notified to the other party. If the notice is sent by post, it shall be deemed to have been served on the second working day after the date of posting.

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

10.3 If any provision of these Conditions is held to be invalid or unenforceable in whole or in part the validity of the other provisions of these Conditions shall not be affected.

10.4 Any dispute or difference arising out of or in connection with this Agreement shall be determined in accordance with the Chartered Institute of Arbitrators Rules (2000 edition) by a single arbitrator to be agreed between the parties, or failing agreement within 14 days after either party has given to the other a written request to concur in the appointment of an arbitrator, to be appointed by the President or a Vice President of the Chartered Institute of Arbitrators.

10.5 The Contracts (Rights of Third Parties) Act 1999 shall not apply to this contract and no person who is not a party to this contract (other than a successor in title to one of the original parties) shall be entitled in that person's own right to enforce any provisions of this contract pursuant to the provisions of the said Act.

10.6 The Contract shall be governed by English Law.

10.7 Any reference in these Conditions to any provision of a statute shall be construed as a reference to that provision as amended, re-enacted or extended at the relevant time.