



## **STANDARD TERMS AND CONDITIONS OF SALE OR CONTRACT**

This document outlines the terms and conditions of contract or sale for goods and/or services supplied by Prodec Networks Ltd.

### **DEFINITION OF TERMS**

All references to the COMPANY, and to the author or authors of this document, such as "US", "WE", "OUR" or any terms implying title, rights, ownership or possession shall be understood to refer to Prodec Networks Ltd.

All references to the CUSTOMER and to any other unspecified person or persons shall be understood to refer to the individual, group or organisation that has entered into a contract or agreement to purchase goods or commission services from the Company.

References to the LICENSEE or HOLDER in the case of computer software, designs, ideas, written materials or schematics shall be understood to refer to the Customer, as above.

References to any CONTRACT between the Company and the Customer, shall be understood by default to refer to a formal agreement in writing between the parties above, that defines the services the Customer has requested from the Company, or in the alternative, to any agreement deemed a contract in common law. In the case of the Customer having purchased material goods from, or through the Company, the Contract shall be understood to refer to the terms and conditions of this document relating to the sale and supply of goods. It is assumed that if the Customer commissions a service or places a purchase order with the Company that the Customer is agreeing thereby to accept in full the terms and conditions defined in this document.

DAMAGE shall be defined as any condition in which any physical component part of a product, machine or system has suffered a permanent, irreversible malfunction. In the event that the Customer shall accept delivery of any physical component or product which may APPEAR to have suffered damage in transit or otherwise, it is assumed that the Customer will take appropriate measures to contact the Company BEFORE attempting to use said component or product.

GOODS or PRODUCTS shall be defined as any physical item, written material, schematic, design or computer software supplied by, or purchased through, the Company, by the Customer as listed in the CUSTOMER ORDER FORM attached.

SERVICES shall be defined as any action taken by the Company, its agents or employees at the explicit request of the Customer or necessary to perform or complete a Contract between the Company and the Customer.

COMPUTER SOFTWARE shall be defined as any intellectual (non-tangible) product or material designed for use on or in conjunction with a computer or data processing device. This shall include computer programs and computer data but NOT the medium of its storage or transmission.

MISUSE shall be defined as any use of any device, goods, products or service of the Company other than that for which they were supplied as defined at the time of order or contract. This shall include the operation of any such device in conjunction with equipment it was not designed for use with, or the use of goods or products under environmental or other conditions other than those specified at the time of order. It shall also refer to the use of any goods, device, product or service of the Company in the execution of illegal, unethical or immoral acts.

## **CONDITIONS OF SALE AND TRADING AND WARRANTY TERMS**

- 1) Unless otherwise specified at the time of sale the Company will replace any goods developing a fault within 3 months of the date of purchase provided the goods have not been subjected to misuse or modification (including attempted repairs) by the Customer or any third party.
- 2) The Company accepts no liability (and offers no warranty) for direct, or indirect damage to any goods or products it has sold or the Customer's equipment, where installation of a component or sub-assembly has been performed by any person or agency, other than, or expressly appointed to do so by the Company. The acceptance of the qualified status or competence of any person by the Company, its dealers, distributors, agents or employees shall not be deemed to constitute appointment or even approval by the Company.
- 3) It is the Customer's responsibility to contact the Company upon receipt of a visibly faulty component or sub-assembly, or one that may be suspected to be damaged or faulty, before installing it into other equipment. Failure to do so shall automatically void any warranty either express or implied made by the Company.
- 4) The Company accepts no liability for any form of consequential loss howsoever caused.
- 5) Any damage to goods in transit, or receipt of visibly damaged or malfunctioning goods must be notified to the Company within 3 days of receipt. All packing, documentation and contents must be held for inspection. In the event of non-receipt of goods, the Customer must notify the Company within 10 days of receipt of invoice. The Company shall not accept responsibility for locating or effecting delivery of any item where such notification has not been given. Though a reasonable attempt to do so may be made at the discretion of the Company.
- 6) All packing must be retained until the goods are fully tested and functional. If for any reason the goods are returned, they must be returned in their original packing material as far as is reasonably possible. This condition may be waived where re-use of the original packing would not provide adequate protection for the goods or products. Where the goods consist of electronic or computer components, materials or sub assemblies that are susceptible to the effects of electric, magnetic, electromagnetic radiation or fields, or nuclear radiation, particle emission or static electricity, it is the Customer's responsibility to ensure that the goods are handled, packed and labelled in accordance with accepted industrial procedures for doing so. The Company accepts no responsibility for damage to goods which are incorrectly handled, packed or labelled by the Customer, his agents, employees or any other person.
- 7) The Company must be notified and a returns authorisation code obtained before any goods are returned by the Customer. Any item so returned must be accompanied by a copy of the sales receipt, invoice or packing note. It is the Customer's responsibility to ensure that items sent by post or courier are suitably insured in the event of loss or damage. It is recommended that returned items are sent via registered mail or courier with consequential loss insurance where necessary wherever possible.
- 8) The Company accepts no responsibility for any expenses incurred in respect of special deliveries specifically requested by the Customer or any expenses for deliveries to destinations outside the mainland United Kingdom unless agreed in writing at the time of sale.
- 9) The Company shall not accept any liability for the supply of incorrect goods (whether by type, quality or quantity) or damaged goods etc., where the customer or his agent has collected goods from the Company. It is assumed that any Customer or agent collecting goods shall exercise his right to inspect the goods before removal and the removal of said goods by the Customer or agent shall be deemed as their unconditional acceptance in full satisfaction of the terms under which they were offered.

10) All goods and products supplied by the Company shall remain the property of the Company until the Customer has completed payment in full. We reserve the right to withdraw any product, goods or services before payment has been transacted and in the event of the non-payment of any invoice. Furthermore we retain all rights of title and ownership in whole and in part to any and all goods supplied irrespective of whether they have been sold on to third parties or manufactured into other products by the Customer. It shall be understood that goods are supplied strictly on the basis of the Customer's liability in the event of non-payment in accordance and the customer shall observe the conditions below:

i) All goods and materials supplied by the Company shall be stored separately from any other goods and materials in the possession of the Customer and shall be clearly marked so as to indicate that they are the property of Prodec Networks Ltd until such time as they are paid for in full. Such goods are not to be given over to or included in the realisation of assets of the Customer by any receiver or liquidator.

ii) It shall be deemed that until all goods belonging to the Company are paid for in full, the customer shall assume a fiduciary duty of care to the Company to keep and maintain a record of any such goods and materials which shall include their storage location, the nature and quantity of any materials supplied by the Company and manufactured into other products, including the sale of any such goods or manufactured items and their quantities and the name and location of any parties to whom they have been sold. Such a duty of care shall establish a priority claim on recovery of the value of the Company's goods from any receiver or liquidator of the Customer.

iii) The Company reserves the right to enter any premises in any legal manner, be they the Customer's or those of parties to whom the Customers have sold the Company's goods, for the purposes of the recovery of any goods and materials in whole or in part which have not been paid for in full.

iv) The Customer shall agree to bear in full any costs associated with the recovery of any goods or materials of the Company which have not been paid for in full, including but not limited to costs of engaging personnel for the recovery, work done to separate or recover materials from manufactured products, or the hire or commission of specialised equipment or services for this purpose.

v) Any equipment or product offered on loan or approval by the Company or any product prior to payment of invoice, shall be stored, used and maintained in good order by the Customer. The Customer shall accept sole responsibility for loss of, or damage to the equipment or product and shall take measures to reimburse the Company to the full new replacement value of the equipment or product where necessary.

11) In the event that it becomes necessary for the Company to take any form of legal action against any party for the recovery of goods or monies owed by the Customer, and judgment is entered in favour of the Company, the Customer agrees to pay unconditionally any and all reasonable expenses incurred by the Company in respect of the pursuance of payment of the debt from the date when the debt became due., including but not limited to costs of telephone calls, stationery and postage, administrative expenses etc.

12) The Company reserves the right to refuse to sell products or contract services to any party or organisation at our own discretion and without explanation.

13) The Company accepts no liability whatsoever in the event that its products or services shall be used for illegal or immoral purposes by its Customers or in the event that work contracted from the company results in any breach of any act or statute of law.

14) Prodec Networks Ltd accepts no liability whatsoever for any loss, damage or claims arising from wrongful information or advice given, where the Customer has withheld information from the Company, its agents or employees, pertinent to the situation for which that advice was given, or in the event that the Customer has failed to impart or has imparted false or mistaken information to the Company. In the event that the Customer has misstated his requirements or omitted details that affect the completion of any work performed on his behalf by the Company, the Customer shall remain liable to pay the Company in full for any work already performed regardless of its state or outcome.

15) The Customer shall remain liable to pay the Company in full in accordance with any agreed sums for any completed product or service provided that the completed product or service meets the specified terms of the initial contract, regardless of any later requirements of the Customer.

16) In the event that the Customer desires to cancel an order for goods or services already requested from the Company, the Customer shall be required to give an absolute minimum of 24 hours notice of same. If such notice is not provided the Customer shall remain liable IN FULL for the cost of any such goods, and in the case of services, the cost of such services that would have been performed on his behalf regardless of whether they were actually performed or not. If the Customer wishes to return goods, the Company may accept or deny such returns at its own discretion but in the event of acceptance, such a return will be subject to a restocking fee of 10% of the order value.

17) The Customer shall accept full responsibility for providing the Company with reasonable and adequate notice of any change in requirement for goods or services. If the Customer fails to provide an absolute minimum of at least 24 hours notice of any such change in requirements, the Company reserves the right to perform and charge in accordance with the specification of the original requirement.

18) In the event that the Customer shall desire to terminate the any contract with the Company at any time, and for any reason whatsoever, the Customer shall remain liable to pay the Company in full for any work already performed and any goods or services already ordered or commissioned by the Company on his behalf, together with handling and administrative charges.

19) If for any reason whatsoever the Customer is dissatisfied with goods or services provided by the Company, the Customer shall be required to provide notification in writing to the Company within 7 days of the provision of said goods or services. No complaint will be accepted by the Company after this period except our own discretion and no such complaint shall be used to avoid or defer any payment to the Company for goods or services provided.

20) In the event that part of a shipment shall be deficient or that individual items of goods are not supplied, faulty etc., the Customer agrees unconditionally to pay for any part of such order or for any such goods that were supplied and not faulty, and shall not withhold payment for all of a shipment on the grounds that there is a problem with part of a shipment.

21) In the event of any outstanding debt to the Company, the Customer agrees to unconditionally grant a lien to the Company on any goods that it has placed in the Company's possession. The Customer agrees that in the event of the Company's exercise of such a lien that the Company shall not be liable in any way for any direct, indirect or consequential loss either to the Customer itself or any third party. The Customer agrees to meet and settle in full any claim against itself by any third party arising out of the Company's exercise of its lien without involving the Company in any way i.e. by third party action or otherwise.

22) The Customer shall remain wholly responsible for providing a written breakdown of the products and/or services required from the Company. The Company shall accept no liability for failing to meet any conditions not stated in writing in the initial contract and approved in writing by the Company.

23) The Company shall accept no liability to pay for any repairs, replacements or modifications, whether within warranty or not, made by other persons or agencies to products supplied by the Company, without our prior written approval. Any modifications or repairs to our equipment by other parties shall automatically void any and all warranties pertaining to the item in question. If repairs are required to a product supplied by the Company, the Customer shall notify the Company of the need for such repairs and shall allow the Company a reasonable time to replace or repair the product, if the Company accepts that such are covered by its warranty terms. The time allowed for such shall not be based on any requirement of the Customer's for urgency except at the discretion of the Company. The Company will accept no liability whatsoever for any losses suffered by the Customer if the Customer chooses to buy, commission or install alternative products or replacements for goods or materials supplied by or in the process of repair by the Company.

24) The Company reserves the right to make minor changes to its products or to purchase materials from different suppliers at its own discretion. The Company undertakes to provide materials of a reasonable quality and suitability for the purposes for which they are explicitly specified, solely provided that the conditions of such use are specified in writing at the time of the contract with the Customer. The Company may at its own discretion substitute products and materials supplied to the Customer with suitable alternatives of equivalent or superior specification.

25) The Customer shall agree to abide by these terms and conditions. Placement by the Customer of any order for goods or services from the Company shall constitute acceptance by the Customer of all terms and conditions herein, in full, without modification or exception except where expressly contracted to be so in writing between the Company and the Customer.

26) Neither the Company nor the Customer shall be held liable for any failure to perform in accordance with this agreement where such performance has been rendered impossible due to circumstances beyond the reasonable control of either party, i.e. Acts of God, nature, war, industrial action etc.

27) In the event that any clause or article of this agreement shall be deemed invalid or unenforceable by a Court of Law, such clause or article shall be deemed to be struck out without prejudice as to the enforceability of the remaining clauses or articles.

28) This agreement shall be governed by and interpreted in accordance with English Law. In the event of any dispute, the English County Court or High Court shall have exclusive jurisdiction to arbitrate on any matter concerned with this agreement.