

CONNECTS2 LIMITED

TERMS AND CONDITIONS FOR THE SUPPLY OF GOODS

The Customer's attention is particularly drawn to the provisions of clause 10.

1. Interpretation

1.1 Definitions. In these Conditions, the following definitions apply:

"Business Day"	a day (other than a Saturday, Sunday or a public holiday) when banks in London are open for business.
"Commencement Date"	has the meaning set out in clause 2.2.
"Conditions"	these terms and conditions as amended from time to time in accordance with clause 13.8.
"Connects2"	Connects2 Limited, registered in England number 07304539 whose registered office is at Pillar House, 113/115 Bath Road, Cheltenham, Gloucestershire, GL53 7LS.
"Contract"	the contract between Connects2 and the Customer for the supply of Goods in accordance with these Conditions.
"Customer"	the person or firm who purchases the Goods and/or Services from Connects2.
"Delivery Location"	has the meaning set out in clause 3.1.
"Force Majeure Event"	has the meaning given to it in clause 13.1.1.
"Goods"	the goods (or any part of them) set out in the Order.
"Intellectual Property Rights"	all patents, rights to inventions, utility models, copyright and related rights, trade marks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database right, topography rights, moral rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world.
"Order"	the Customer's order for the supply of Goods and/or Services, as set out in the Customer's purchase order form.

1.2 Construction. In these Conditions, the following rules apply :

- 1.2.1a **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality);
- 1.2.2a reference to a party includes its personal representatives, successors or permitted assigns;
- 1.2.3a reference to a statute or statutory provision is a reference to such statute or statutory provision as amended or re-enacted. A reference to a statute or statutory provision includes any

subordinate legislation made under that statute or statutory provision, as amended or re-enacted;

1.2.4 any phrase introduced by the terms **including, include, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and

1.2.5a reference to **writing** or **written** includes faxes and e-mails.

2. Basis of Contract

2.1 The Order constitutes an offer by the Customer to purchase Goods from Connects2 in accordance with these Conditions.

2.2 The Order shall only be deemed to be accepted when Connects2 issues written acceptance of the Order or commences the supply of the Goods (whichever is the earlier) at which point and on which date the Contract shall come into existence ("**Commencement Date**").

2.3 The Contract constitutes the entire agreement between the parties. The Customer acknowledges that it has not relied on any statement, promise or representation made or given by or on behalf of Connects2 which is not set out in the Contract. Any samples, drawings, descriptive matter or advertising issued by Connects2 and any descriptions or illustrations contained in Connects2's catalogues or brochures are issued or published for the sole purpose of giving an approximate idea of the Goods described in them. They shall not form part of the Contract or any other contract between Connects2 and the Customer for the supply of the Goods.

2.4 These Conditions apply to the Contract to the exclusion of any other terms that the Customer seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing.

2.5 Any quotation given by Connects2 shall not constitute an offer, and is only valid for a period of 20 Business Days from its date of issue.

3. Delivery of Goods

3.1 Connects2 shall deliver the Goods to the location set out in the Order or such other location as the parties may agree ("**Delivery Location**") at any time after Connects2 notifies the Customer that the Goods are ready.

3.2 Delivery of the Goods shall be completed on the Goods' arrival at the Delivery Location.

3.3 Any dates quoted for delivery of the Goods are approximate only and the time of delivery is not of the essence. Connects2 shall not be liable for any delay in delivery of the Goods that is caused by a Force Majeure Event or the Customer's failure to provide Connects2 with adequate delivery instructions or any other instructions that are relevant to the supply of the Goods.

3.4 If Connects2 fails to deliver the Goods, its liability shall be limited to the costs and expenses incurred by the Customer in obtaining replacement goods of similar description and quality in the cheapest market available, less the price of the Goods. Connects2 shall have no liability for any failure to deliver the Goods to the extent that such failure is caused by a Force Majeure Event, the Customer's failure to provide Connects2 with adequate delivery instructions for the Goods or any relevant instruction related to the supply of the Goods.

3.5 If the Customer fails to accept or take delivery of the Goods within five Business Days of Connects2 notifying the Customer that the Goods are ready, then except where such failure or delay is caused by a Force Majeure Event or by Connects2's failure to comply with its obligations under the Contract in respect of the Goods:

3.5.1 delivery of the Goods shall be deemed to have been completed at 9.00 am on the fifth Business Day following the day on which Connects2 notified the Customer that the Goods were ready; and

3.5.2 Connects2 shall store the Goods until delivery takes place, and charge the Customer for all related costs and expenses (including insurance).

3.6 If 20 Business Days after Connects2 notified the Customer that the Goods were ready for delivery the Customer has not accepted or taken delivery of them, Connects2 may resell or otherwise dispose of part or all of the Goods.

3.7 Connects2 may deliver the Goods by instalments, which shall be invoiced and paid for separately. Each instalment shall constitute a separate contract. Any delay in delivery or defect in an instalment shall not entitle the Customer to cancel any other instalment.

4. Quality of Goods

4.1 Connects2 warrants that on, and for a period of 12 months from the date of delivery, the Goods shall:

4.1.1 conform in all material respects with their description; and;

4.1.2 be free from material defects in design, material and workmanship.

4.2 Subject to clause 4.3, if:

4.2.1 the Customer gives notice in writing within five Business Days of discovery that some or all of the Goods do not comply with the warranty set out in clause 4.1;

4.2.2 Connects2 is given a reasonable opportunity of examining such Goods; and

4.2.3 the Customer (if asked to do so by Connects2) returns such Goods to Connects2's place of business at the Customer's cost,

Connects2 shall, where it accepts that some or all of the Goods do not comply with the said warranty, at its option, repair or replace the defective Goods, or refund the price of the defective Goods and the cost of return carriage in full.

4.3 Connects2 shall not be liable for the Goods' failure to comply with the warranty in clause 4.1 if:

4.3.1 the Customer makes any further use of such Goods after giving a notice in accordance with clause 4.2;

4.3.2 the defect arises because the Customer failed to follow Connects2's oral or written instructions as to the storage, installation, commissioning, use or maintenance of the Goods or (if there are none) good trade practice;

4.3.3 the defect arises as a result of Connects2 following any drawing, design or specification supplied by the Customer;

4.3.4 the Customer alters or repairs such Goods without the written consent of Connects2; or

4.3.5 the defect arises as a result of fair wear and tear, wilful damage, negligence, or abnormal working conditions.

4.4 Except as provided in this clause 4, Connects2 shall have no liability to the Customer in respect of the Goods' failure to comply with the warranty set out in clause 4.1.

4.5 The terms of these Conditions shall apply to any repaired or replacement Goods supplied by Connects2 under clause 4.2.

5. Title and Risk

5.1 The risk in the Goods shall pass to the Customer on completion of delivery.

5.2 Title to the Goods shall not pass to the Customer until Connects2 has received payment in full (in cash or cleared funds) for:

5.2.1 the Goods; and

5.2.2 any other goods that Connects2 has supplied to the Customer.

5.3 Until title to the Goods has passed to the Customer, the Customer shall:

5.3.1 hold the Goods on a fiduciary basis as Connects2's bailee;

5.3.2 store the Goods separately from all other goods held by the Customer so that they remain readily identifiable as Connects2's property;

5.3.3 not remove, deface or obscure any identifying mark or packaging on or relating to the Goods;

5.3.4 maintain the Goods in satisfactory condition and keep them insured against all risks for their full price on Connects2's behalf from the date of delivery;

5.3.5 notify Connects2 immediately if it becomes subject to any of the events listed in clause 11.1.2 to clause 11.1.12; and

5.3.6 give Connects2 such information relating to the Goods as Connects2 may require from time to time,

but the Customer may resell or use the Goods in the ordinary course of its business.

5.4 If before title to the Goods passes to the Customer the Customer becomes subject to any of the events listed in clause 11.1.2 to clause 11.1.12, or Connects2 reasonably believes that any such event is about to happen and notifies the Customer accordingly, then, provided the Goods have not been resold, or irrevocably incorporated into another product, and without limiting any other right or remedy Connects2 may have, Connects2 may at any time require the Customer to deliver up the Goods and, if the Customer fails to do so promptly, enter any premises of the Customer or of any third party where the Goods are stored in order to recover them.

6. Customer's Obligations

6.1 The Customer shall:

6.1.1 ensure that the terms of the Order and any information it provides to Connects2 are complete and accurate;

6.1.2 co-operate with Connects2 in all matters relating to the supply of the Goods;

6.1.3 provide Connects2, its employees, agents, consultants and subcontractors, with access to the Customer's premises, office accommodation and other facilities as reasonably required by Connects2 in connection with the supply of the Goods;

6.1.4 provide Connects2 with such information and materials as Connects2 may reasonably require to supply the Goods and ensure that such information is accurate in all material respects; and

6.1.5 keep and maintain all materials, equipment, documents and other property of Connects2 ("**Supplier Materials**") at the Customer's premises in safe custody at its own risk, maintain the Supplier Materials in good condition until returned to Connects2 and not dispose of or use the Supplier Materials other than in accordance with Connects2's written instructions or authorisation.

7.Charges and Payment

7.1The price for the Goods shall be the price set out in the Order or, if no price is quoted, the price set out in Connects2's published price list as at the date of delivery. The price of the Goods is inclusive of all costs and charges of packaging, insurance and transport of the Goods.

7.2A credit account may only be opened by the Customer on furnishing Connects2 with two satisfactory trade references and a banker's reference. Connects2 reserves the right to ask for cash payments on or before delivery of Goods whether or not a credit account has been opened by the Customer.

7.3Every credit account is assigned a credit limit at the time of opening based on trade references and credit checks undertaken. If the Customer exceeds this limit at any time the account will immediately be placed on black and payment sought to bring the account under the limit. If the Customer wishes to increase its credit limit, two further trade references must be obtained with a similar limit and from a trader with a background at least comparable to Connects2. Upon receipt of these references all information will pass to Connects2's Managing Director for a decision.

7.4If the account is not used for a period of six months, it may be placed on hold until a new application is received and trade references have been re-requested. Upon receipt of this information, Connects2's Managing Director will then assess the account once more and decide upon whether it is suitable to be re-opened and, if so, with what credit limit.

7.5Connects2 shall be entitled to invoice the Customer for the Goods and/or Services on or at any time after completion of delivery.

7.6Subject to clauses 8.2 to 8.4 above, the Customer shall pay each invoice submitted by Connects2:

7.6.1on or before the last Business Day of the month immediately following the month of invoice; and

7.6.2in full and in cleared funds to a bank account nominated in writing by Connects2, and

time for payment shall be of the essence of the Contract.

7.7All amounts payable by the Customer under the Contract are exclusive of amounts in respect of value added tax chargeable from time to time ("**VAT**"). Where any taxable supply for VAT purposes is made under the Contract by CONNECTS 2 to the Customer, the Customer shall, on receipt of a valid VAT invoice from Connects2, pay to Connects2 such additional amounts in respect of VAT as are chargeable on the supply of the Goods at the same time as payment is due for the supply of the Goods.

7.8Without limiting any other right or remedy of Connects2, if the Customer fails to make any payment due to Connects2 under the Contract by the due date for payment ("**Due Date**"), Connects2 shall have the right to charge interest on the overdue amount at the rate of four per cent per annum above the then current National Westminster Bank's base lending rate accruing on a daily basis from the Due Date until the date of actual payment of the overdue amount, whether before or after judgment, and compounding quarterly.

7.9The Customer shall pay all amounts due under the Contract in full without any deduction or withholding except as required by law and the Customer shall not be entitled to assert any credit, set-off or counterclaim against Connects2 in order to justify withholding payment of any such amount in whole or in part. Connects2 may, without limiting its other rights or remedies, set off any amount owing to it by the Customer against any amount payable by Connects2 to the Customer.

8.Intellectual Property Rights

8.1All Intellectual Property Rights in or arising out of or in connection with the Goods manufactured by Connects2 shall be owned by Connects2.

8.2All Supplier Materials are the exclusive property of Connects2.

9. Confidentiality

A party ("**Receiving Party**") shall keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to the Receiving Party by the other party ("**Disclosing Party**"), its employees, agents or subcontractors, and any other confidential information concerning the Disclosing Party's business or its products or its services which the Receiving Party may obtain. The Receiving Party shall restrict disclosure of such confidential information to such of its employees, agents or subcontractors as need to know it for the purpose of discharging the Receiving Party's obligations under the Contract, and shall ensure that such employees, agents or subcontractors are subject to obligations of confidentiality corresponding to those which bind the Receiving Party. This clause 9 shall survive termination of the Contract.

10. Limitation of Liability: THE CUSTOMER'S ATTENTION IS PARTICULARLY DRAWN TO THIS CLAUSE

10.1 Nothing in these Conditions shall limit or exclude Connects2's liability for:

10.1.1 death or personal injury caused by its negligence, or the negligence of its employees, agents or subcontractors;

10.1.2 fraud or fraudulent misrepresentation;

10.1.3 breach of the terms implied by section 12 of the Sale of Goods Act 1979 (title and quiet possession); or

10.1.4 defective products under the Consumer Protection Act 1987 ("the Act"),

provided that in circumstances where Connects2 supplies parts or products to the Customer for incorporation with, or use ancillary to, any composite products to be produced, manufactured, processed or supplied by the customer then:-

10.1.4.1 the Customer shall forthwith on demand produce for inspection by Connects2 copies of all written instructions, information and warnings to be supplied by the Customer in relation to the said composite products provided nevertheless that such inspection or right to inspect shall not of itself constitute acceptance or approval on the part of Connects2 of such instructions, information or warnings; and

10.1.4.2 the Customer shall indemnify, reimburse and compensate Connects2 for all losses and damages (including costs, expenses and charges for legal actions in which Connects2 may be involved) that Connects2 may incur in the event that any claim or claims are made against Connects2 pursuant to the Act relating to the said composite products of the customer in circumstances in which the part or product or service supplied by Connects2 was either (i) not the defective part of the said composite product, or (ii) was only rendered the defective part or became a defective part by reason of actions or omissions of the Customer, or (iii) was only rendered the defective part or became a defective product by reason of instruction or warnings given by the Customer or other supplier of the said composite product or products, or (iv) was manufactured in accordance with the Customer's specification;

10.1.4.3 for the purposes of this condition only the word "defective" shall be interpreted in accordance with the definition of "defect" contained in part 1 of the Act.

10.2 Subject to clause 10.1:

10.2.1the Customer acknowledges that it is under a duty to pass on to its customers (where appropriate) all instructions, information and warnings supplied to it by Connects2 with the Goods;

10.2.2Connects2 shall not be liable to the Customer, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, or for any indirect or consequential loss arising under or in connection with the Contract; and

10.2.3Connects2's total liability to the Customer in respect of all other losses arising under or in connection with the Contract, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall not exceed the price of the Goods supplied under the Contract.

10.3Except as set out in these Conditions, all warranties, conditions and other terms implied by statute or common law are, to the fullest extent permitted by law, excluded from the Contract.

10.4This clause 10 shall survive termination of the Contract.

11.Termination

11.1Without limiting its other rights or remedies, Connects2 may terminate the Contract with immediate effect by giving written notice to the Customer if:

11.1.1the Customer commits a material breach of its obligations under this Contract and (if such breach is remediable) fails to remedy that breach within 14 Business Days after receipt of notice in writing of the breach;

11.1.2the Customer suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or (being an individual) is deemed either unable to pay its debts or as having no reasonable prospect of so doing, in either case, within the meaning of section 268 of the Insolvency Act 1986 or (being a partnership) has any partner to whom any of the foregoing apply;

11.1.3the Customer commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with its creditors;

11.1.4a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of the Customer;

11.1.5the other party (being an individual) is the subject of a bankruptcy petition or order;

11.1.6a creditor or encumbrancer of the other party attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of its assets and such attachment or process is not discharged within 14 days;

11.1.7an application is made to court, or an order is made, for the appointment of an administrator or if a notice of intention to appoint an administrator is given or if an administrator is appointed over the Customer (being a company);

11.1.8a floating charge holder over the assets of the Customer (being a company) has become entitled to appoint or has appointed an administrative receiver;

11.1.9a person becomes entitled to appoint a receiver over the assets of the Customer or a receiver is appointed over the assets of the Customer;

11.1.10 any event occurs, or proceeding is taken, with respect to the Customer in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in clause 11.1.2 to clause 11.1.9 (inclusive);

11.1.11 the Customer suspends, threatens to suspend, ceases or threatens to cease to carry on, all or substantially the whole of its business; or

11.1.12 the Customer (being an individual) dies or, by reason of illness or incapacity (whether mental or physical), is incapable of managing his own affairs or becomes a patient under any mental health legislation.

11.2 Without limiting its other rights or remedies, Connects2 may terminate the Contract with immediate effect by giving written notice to the Customer if the Customer fails to pay any amount due under this Contract on the due date for payment.

11.3 Without limiting its other rights or remedies, Connects2 shall have the right to suspend the supply of Services or all further deliveries of Goods under the Contract or any other contract between the Customer and Connects2 if:

11.3.1 the Customer fails to pay any amount due under this Contract on the due date for payment; or

11.3.2 the Customer becomes subject to any of the events listed in clause 11.1.2 to clause 11.1.12, or Connects2 reasonably believes that the Customer is about to become subject to any of them.

12. Consequences of Termination

On termination of the Contract for any reason:

12.1.1 the Customer shall immediately pay to Connects2 all of Connects2's outstanding unpaid invoices and interest and, in respect of Services supplied but for which no invoice has yet been submitted, Connects2 shall submit an invoice, which shall be payable by the Customer immediately on receipt;

12.1.2 the accrued rights and remedies of the parties as at termination shall not be affected, including the right to claim damages in respect of any breach of the Contract which existed at or before the date of termination or expiry; and

12.1.3 clauses which expressly or by implication have effect after termination shall continue in full force and effect.

13. General

13.1 Force majeure:

13.1.1 For the purposes of this Contract, "**Force Majeure**" Event means an event beyond the reasonable control of Connects2 including but not limited to strikes, lock-outs or other industrial disputes (whether involving the workforce of the party or any other party), failure of a utility service or transport network, act of God, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood, storm or default of suppliers or subcontractors.

13.1.2 Connects2 shall not be liable to the Customer as a result of any delay or failure to perform its obligations under this Contract as a result of a Force Majeure Event.

13.1.3 If the Force Majeure Event prevents Connects2 from providing any of the Goods for more than four weeks, Connects2 shall, without limiting its other rights or remedies, have the right to terminate this Contract immediately by giving written notice to the Customer.

13.2 Assignment and subcontracting:

13.2.1 Connects2 may at any time assign, transfer, charge, subcontract or deal in any other manner with all or any of its rights under the Contract and may subcontract or delegate in any manner any or all of its obligations under the Contract to any third party.

13.2.2 The Customer shall not, without the prior written consent of Connects2, assign, transfer, charge, subcontract or deal in any other manner with all or any of its rights or obligations under the Contract.

13.3 Notices:

13.3.1 Any notice or other communication required to be given to a party under or in connection with this Contract shall be in writing and shall be delivered to the other party personally or sent by prepaid first-class post, recorded delivery or by commercial courier, at its registered office (if a company) or (in any other case) its principal place of business, or sent by fax to the other party's main fax number.

13.3.2 Any notice or other communication shall be deemed to have been duly received if delivered personally, when left at such addressor, if sent by prepaid first-class post or recorded delivery, at 9.00 am on the second Business Day after posting, or if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed, or if sent by fax, on the next Business Day after transmission.

13.3.3 This clause 13.3 shall not apply to the service of any proceedings or other documents in any legal action. For the purposes of this clause, "writing" shall not include e-mails and for the avoidance of doubt notice given under this Contract shall not be validly served if sent by e-mail.

13.4 Waiver and cumulative remedies:

13.4.1 A waiver of any right under the Contract is only effective if it is in writing and shall not be deemed to be a waiver of any subsequent breach or default. No failure or delay by a party in exercising any right or remedy under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor preclude or restrict its further exercise. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

13.4.2 Unless specifically provided otherwise, rights arising under the Contract are cumulative and to not exclude rights provided by law.

13.5 Severance:

13.5.1 If a court or any other competent authority finds that any provision of the Contract (or part of any provision) is invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed deleted, and the validity and enforceability of the other provisions of the Contract shall not be affected.

13.5.2 If any invalid, unenforceable or illegal provision of the Contract would be valid, enforceable and legal if some part of it were deleted, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable.

13.6 No partnership:

Nothing in the Contract is intended to, or shall be deemed to, constitute a partnership or joint venture of any kind between any of the parties, nor constitute any party the agent of another party for any purpose. No party shall have authority to act as agent for, or to bind, the other party in any way.

13.7 Third parties:

A person who is not a party to the Contract shall not have any rights under or in connection with it.

13.8 Variation:

Any variation, including the introduction of any additional terms and conditions, to the Contract shall only be binding when agreed in writing and signed by Connects2.

13.9 Governing law and jurisdiction:

This Contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with, English law, and the parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales.