



PRINTED ELECTRONICS LIMITED

STANDARD TERMS AND CONDITIONS OF SALE

1. CONTRACT TERMS, VARIATIONS AND REPRESENTATIONS

(a) In these conditions "the Company" means Printed Electronics Limited and "the Customer" means the individual, firm, company or other party with whom the Company contracts. "Supply" includes (but is not limited to) any supply under a contract of sale. "International supply contract" means such a contract as is described in section 26(3) of the Unfair Contract Terms Act 1977.

(b) No order in pursuance of any quotation or otherwise shall be binding on the Company unless and until such order is accepted by the Company. Any contract made between the Company and the Customer shall be subject to these conditions and save as after mentioned no representative or agent of the Company has authority to agree any terms or make any representations inconsistent with them or to enter into any contract except on the basis of them; any such term representation or contract will bind the Company only if in writing and signed by a director.

(c) Unless otherwise agreed in writing by the Company these conditions shall apply to the exclusion of any terms and conditions stipulated or referred to by the Customer in his order or pre-contract negotiations or any inconsistent terms implied by law or trade custom, practice or course of dealing.

(d) Any general description contained in the Company's Brochures or other advertising material shall not form a representation or be part of the contract.

(e) Where the Company has not given a written acknowledgement of the Customer's order these conditions will nonetheless apply to the contract provided that the Customer has had prior notice of them.

(f) The Company reserves the right to correct any clerical or typographical errors made by its employees at any time.

(g) For the purposes of clarity the term "goods" in this document shall apply when the Company is contracted to supply either products or services.

2. SPECIFICATION, INSTRUCTIONS OR DESIGN

If goods are made to a specification, instruction or design supplied by the Customer or any third party on behalf of the Customer then

(i) the suitability and accuracy of that specification, instruction or design will be the Customer's responsibility; and

(ii) in the case where the Company is supplying to a Customer design or specification, the Customer will indemnify the Company against any infringement or alleged infringement of any third party's intellectual property rights including but not limited to patent, design right, registered design, trademark, trade name or copyright and any loss, damage or expense which it may incur by reason of any such infringement or alleged infringement in any country; and

(iii) the Customer will indemnify the Company against any loss, damage or expense in respect of any liability arising in any country by reason of the goods being made to such specification, instruction or design.

(iv) the Customer will promptly furnish any design information specifications or instructions required by the Company to undertake work in performance of the Contract.

3. QUOTATIONS AND PRICES

(a) The Company shall be entitled to increase its prices at any time to take account of any increase in the cost to the Company of purchasing any goods or materials or manufacturing working on or supplying any goods (including but not limited to any such increase arising from any error or inadequacy in any specification, instructions or design provided by the Customer, any modification carried out by the Company at the Customer's request or any change in exchange rates) and such increased prices ruling at the date of despatch by the Company shall be substituted for the previous contract price.

(b) All prices quoted are exclusive of VAT and the Customer shall pay any and all taxes duties and other government charges payable in respect of the goods.

4. DELIVERY

(a) Unless otherwise agreed in writing by the Company

(i) The Company shall deliver the goods by the means most convenient to the Company to the address or addresses specified by the Customer at the time of placing his order or (in the event that the Customer fails so to specify an address) to any address at which the Customer resides or carries on business.

(ii) The Company shall be entitled to add to the contract price a reasonable charge for packaging and delivery. Any cost of off-loading shall be at the Customer's expense.

(iii) Where goods are for delivery in instalments, each delivery shall constitute a separate contract and failure by the Company to deliver one or more instalment shall not entitle the Customer to refuse to accept delivery of or pay for any other instalment or instalments.

(b) If the contract requires the Customer to take delivery of the goods at the Company's premises

(i) for the purposes of this sub-clause "the goods" shall mean the whole or any instalment of the goods and "the collection date" shall mean the date on which the goods are or will be ready for delivery.

(ii) the Company shall notify the Customer of the collection date and the Customer shall take delivery of the goods within 7 days of the collection date.

(iii) Loading of the goods shall be at the Customer's expense.

(c) If the contract is an international supply contract it shall be deemed to incorporate the latest edition of Incoterms current at the date of the contract save that in the event of any inconsistency between Incoterms and any express term of the contract the latter shall prevail. The Company shall be under no obligation to give the Customer the notice specified in section 32(3) of the Sale of Goods Act 1979.

(d) Should the Company be delayed in or prevented from making delivery of the goods due to any cause whatsoever beyond the reasonable control of the Company the Company shall be at liberty to terminate the contract or suspend the order placed by the Customer without incurring any liability for any loss or damage arising there from, but without prejudice in any such case to rights accrued to the Company in respect of deliveries already made.

(e) While the Company will endeavour to deliver the goods by any date or within any period agreed upon, such dates and periods are estimates only given in good faith and the Company will not be liable for any failure to deliver by such a date or within such a period. Time for delivery shall not be of the essence of the contract. Moreover, the Company shall be entitled to defer delivery until any monies due from the customer have been received.

5. RISK IN THE GOODS

(a) Save in the case of international supply contracts and subject to any agreement in writing by the Company, the risk in goods which the Company agrees to supply shall pass to the Customer on (i) delivery or (ii) the date on which the Customer defaults (which expression shall have the meaning set out in sub-clause 6(a) (iii) hereof) or (iii) the date on which, the goods being ready for delivery, delivery is postponed at the Customer's request whichever shall first occur. Delivery shall be deemed to be completed before off-loading or (in the case of delivery at the Company's premises) loading of the goods.

(b) All other goods shall be at the Customer's sole risk at all times, and the Company shall not be liable for any loss of or damage sustained by any goods left with the Company howsoever caused and whether or not attributable to negligence on the part of the Company or negligence or wilful default on the part of any servant or agent of the Company.

6. PAYMENT

(a) For the purposes of this clause

(i) "the goods" shall mean the whole or any instalment of the goods or services which the Company has agreed to supply or to which the Company has agreed to carry out work.

(ii) "the relevant date" shall mean the date on which

(A) the Company despatches the goods or

(B) the Customer takes delivery of the goods or

(C) the Customer defaults or

(D) the Company completes the services

(E) the Date of the Company's sale invoice whichever shall first occur.

(iii) the Customer defaults if he fails to provide an address for delivery as required by the contract or (if it is agreed that the Customer will take delivery at the Company's premises) he fails to take delivery in accordance with such agreement.

(b) Unless otherwise specified in writing by the Company payment shall be made by the Customer net cash not later than 30 days after the relevant date notwithstanding that property in the goods has not passed to the Customer. Time for payment shall be of the essence of the contract. Without prejudice to any other rights of the Company interest will be payable on all overdue accounts at Barclays Bank plc base rate plus 5% and for the purposes of paragraphs 7 and 10 hereof the full purchase price of the goods shall include all interest payable hereunder.

7. FAILURE TO PAY, CANCELLATION OR DEFERMENT

(a) For the purposes of this clause "an intervening event" shall mean any such event as is described in sub-clause (c) hereof.

(b) If there shall be an intervening event the Company may, within a reasonable time thereafter, defer or cancel any further deliveries or services, stop any goods in transit and treat the contract of which these conditions form part as determined but without prejudice to its rights to the full purchase price for goods delivered and services performed and damages for any loss suffered in consequence of such determination.

(c) An intervening event shall be any of the following

(i) failure by the Customer to make any payment when it becomes due

(ii) breach by the Customer of any of the terms or conditions of the contract

(iii) the Customer's proposal for or entry into any composition or arrangement with creditors

(iv) the presentation against the Customer of any Petition for a Bankruptcy Order, Administration Order, Winding-Up Order, or similar process

(v) the appointment of an Administrative Receiver or Receiver in respect of the business or any part of the assets of the Customer

(vi) the Company forming the reasonable opinion that the Customer has become or is likely in the immediate future to become unable to pay his, her or its debts (adopting, in the case of a company, the definition of that term set out in section 123 of the Insolvency Act 1986).

(d) Cancellation by the Customer will only be accepted at the discretion of the Company and in any case on condition that any costs or expenses incurred by the Company up to the date of cancellation and all loss or damage resulting to the Company by reason of such cancellation will be paid by the Customer to the Company forthwith. Acceptance of such cancellation will only be binding on the Company if in writing and signed by a director.

(e) Any costs incurred by the Company due to suspension or deferment of any order by the Customer or in the event that the Customer defaults in collecting, or giving instructions for the delivery of, any goods will be payable by the Customer forthwith on demand.

8. LIMITATION OF LIABILITY

(a) The Company will have no liability for damage in transit, shortage of delivery or loss of goods unless the Customer shall have given to the Company written notice of such damage, shortage or loss with reasonable particulars thereof within 7 days of receipt of the goods or (in the case of total loss) of receipt of the invoice or other notification of despatch. The Company's liability, if any, shall be limited to replacing or (in its discretion) repairing such goods and it shall be a condition precedent to any such liability that the Customer shall if so requested provide authority for the Company's servants or agents to inspect any damaged goods within 14 days of such request.

(b) The Company will have no liability for any consequential loss arising out of any damage in transit shortage of delivery or loss of goods.

(c) (i) save as otherwise provided in these conditions the Company's liability in respect of any defect in or failure of goods supplied or work done is limited to replacing or (in its discretion) repairing or paying for the repair or replacement of goods which (in the case of defects apparent upon inspection) within 28 days of delivery and (in the case of defects not so apparent) within 12 months of delivery to the Customer are found to be defective or which fail or are unable to perform in accordance with the contract by reason of faulty or incorrect design workmanship parts or materials. The Company shall have no liability in respect of goods which have been damaged or rendered defective by the Customer's failure to maintain a suitable environment for the goods at the place of use, the Customer's neglect in the use of the goods, the alteration or modification of the goods by any party other than the Company or the use of defective or inappropriate supply with the goods.

(ii) In the event of any error in any weight, dimension, capacity, performance or other description which has formed a representation or is part of a contract the Company's liability in respect of any direct loss or damage sustained by the Customer as a result of such error shall not exceed the price of the goods in respect of which the description is incorrect.

(iii) Conditions precedent to the Company's liability hereunder shall be that as soon as reasonably practicable the Customer shall have given to the Company reasonable notice of the defect, failure or error and shall have provided authority for the Company's servants or agents to inspect the goods.

(iv) The Company shall have no other or further liability in respect of any direct or consequential loss or damage sustained by the Customer arising from or in connection with any such defect failure or error as aforesaid.

(d) Where the Company agrees to repair or replace goods in accordance with the foregoing provisions of this paragraph any time specified for delivery under the contract shall be extended for such period as the Company may reasonably require.

(e) All goods sold by the Company are supplied with the benefit of the terms implied by section 12 of the Sale of Goods Act 1979. Subject thereto, and whether or not the contract is a contract of sale, all other conditions, warranties and other terms express or implied, statutory or otherwise, are expressly excluded, save insofar as contained herein or as otherwise expressly agreed by the Company in writing PROVIDED that if and insofar as any legislation or any order made there under shall make or have made it unlawful to exclude or purport to exclude from the contract any term or shall have made unenforceable any attempt to exclude any such term, the foregoing provisions of this paragraph will not apply to any such term.

9. CONTRACT

(a) Nothing in these conditions shall exclude or restrict any liability that the Company may have by virtue of the Consumer Protection Act 1987.

(b) The Company shall not be liable to the Customer in negligence.

(c) In the event of any negligence or wilful default on the part of its servants or agents in or in connection with the supply of any goods or the design or manufacture thereof or in the carrying out of any work the Company shall have no liability to the Customer save as otherwise provided in these conditions.

(d) This clause shall have effect subject to the provisions of section 2(1) of the Unfair Contract Terms Act 1977.

10. RETENTION OF TITLE

The following provisions shall apply to all goods which under the contract the Company agrees to supply to the Customer. No failure by the Company to enforce strict compliance by the Customer with such provisions shall constitute a waiver thereof and no termination of the contract shall prejudice limit or extinguish the Company's rights under this paragraph.

(i) Upon delivery of the goods the Customer shall hold the goods solely as bailee for the Company and the goods shall remain the property of the Company until such time as the Customer shall have paid to the Company and the Company shall have cleared funds for the full purchase price thereof of all goods or services supplied whether under the contract for the supply of those goods or otherwise. Until such time the Company shall be entitled to recover the goods or any part thereof and for the purpose of exercising such rights the Customer hereby grants a licence to the Company its employees and agents with appropriate transport to enter upon the Customer's premises and any other location where the goods are situated and remove the goods.

(ii) No licence is granted by the Company to incorporate the goods in any other products unless specified by a separate licence agreement.

(ii) The Customer acts as the Company's bailee in respect of any such sale and shall, immediately upon receipt of the proceeds of sale, and whether or not payment has become due under clause 6

hereof, remit to the Company the full purchase price of the goods sold on less any part thereof which has already been paid and until such amount has been so remitted shall hold such amount as trustee and agent for the Company.

(iii) The Customer shall maintain all appropriate insurance in respect of the goods from the date or dates on which the risk therein passes to him. In the event of any loss or damage occurring while the goods remain the property of the Company the Customer shall immediately on receipt of the insurance monies, remit to the Company the full purchase price of the goods lost or damaged less any part thereof which has already been paid and until such amount has been so remitted shall hold such amount as trustee and agent for the Company. For the avoidance of doubt the provisions of this sub-clause do not affect the Customer's obligations under clause 6 hereof.

11. INTELLECTUAL PROPERTY

No licence, right or transfer of any kind pursuant to the Company's intellectual property is given or implied by this contract.

12. GENERAL AND LAW

(a) The proper law of all contracts with the Company shall be English law which shall govern in all respects the construction and effect of such contracts and of these conditions.

The Customer agrees that in the event of any dispute arising out of the contract or the performance thereof he will submit to the jurisdiction of the English Court.

(b) The headings to the paragraphs of these conditions are for ease of reference only and shall not affect the interpretation or construction thereof.

(c) If any provision of these conditions is or becomes illegal, void or unenforceable for any reason, the validity of the remaining provisions shall not be affected.

(d) Failure by the Company to enforce strict compliance with these conditions by the Customer will not constitute a waiver of any of the provisions of these conditions.

(e) 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.

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