

GENERAL CONDITIONS OF COMPONENT SALES

1. Definitions

Equipment

The equipment or goods described in the sellers quotation or order acknowledgement, which the purchaser agrees to buy from the seller;

Price

The amount of money due seller for the Equipment, as specified In the Quotation or order;

Purchaser

The person or entity to whom the Quotation is addressed, or the person who orders the goods;

Seller

Hygienic Process Equipment Ltd;

2. Conditions

2.1 These Conditions shall form the basis of the contract between the Seller and the Buyer in relation to the sale of Goods, to the exclusion of all other terms and conditions including the Buyer's standard conditions of purchase or any other conditions which the Buyer may purport to apply under any purchase order or confirmation of order or any other document.

2.2 All orders for Goods shall be deemed to be an offer by the Buyer to purchase Goods from the Seller pursuant to these Conditions.

2.3 Acceptance of delivery of the Goods shall be deemed to be conclusive evidence of the Buyer's acceptance of these Conditions.

2.4 These Conditions may not be varied except by the written agreement of a director of the Seller.

2.5 These Conditions represent the whole of the agreement between the Seller and the Buyer. They supersede any other conditions previously issued.

3. Seller's Responsibilities

3.1 Seller shall supply the Equipment, which shall be free from defects in design, material and workmanship. Such warranty on the Equipment is further set out in clause 11.

3.2 Seller shall fully comply with its obligations as specified in the Quotation and these General Conditions of Component Sales in a timely and professional manner using due care to safeguard the interests of Purchaser.

3.3 Seller shall endeavour to deliver the Equipment in accordance with an agreed-upon time schedule, Seller shall deliver the Equipment on a best efforts basis.

4. Purchasers Responsibilities

Purchaser shall obtain any necessary licenses, permits and approvals for the delivery and installation of the Equipment. Purchaser shall fully comply with its obligations as specified in the Quotation and these General Conditions of Component Sales in a timely manner.

5. Price

5.1 The price shall be the amount shown on the Sellers Quotation or Order Acknowledgment

5.2 The Price is exclusive all, at seller's option, taxes, duties, shipping costs and other charges of fees which will be charged extra at the date of invoice.

5.3 Purchaser shall promptly, at seller's option, either reimburse seller or make funds available to pay for any fees or charges, which are not clearly specified as the responsibility of seller.

5.4 If by no fault of seller or seller's subcontractors, seller is delayed in the delivery of the Equipment. Seller shall be entitled to increase the price to reflect any actual costs incurred because of the delay.

6. Payment terms

6.1 If required by seller, the formation of any agreement between Purchaser and seller shall be subject to Purchaser providing an appropriate security (form content and issuer to the satisfaction of seller) for the full and timely payment of the price. Thereafter Purchaser shall supplement such security as seller may reasonably request from time to time.

6.2 Purchaser shall pay seller the price accordance with the payment schedule set forth in the Quotation. If there is no payment schedule in the Quotation, Purchaser shall pay seller the price as invoiced by seller within 30 days of the invoice date, or before the due date shown on that invoice.

6.3 Interest on overdue invoices shall accrue from the date the payment becomes due calculated on a daily basis until the date of payment at the rate of eight (8) percent per annum over the Bank of England base rate from time to time in force. Such interest shall accrue after as well as before any judgement.

6.4 The Buyer shall pay all accounts in full and not exercise any rights of set-off or counter-claim against invoices submitted by the Seller.

7. Equipment

The quantity and description of the Equipment shall be as set out in the Sellers quotation or order acknowledgement

8. Delivery

8.1 Delivery of the Goods shall be made to the address specified by the Buyer. The Buyer shall make all arrangements necessary to take delivery of the Goods.

8.2 The Seller undertakes to use its reasonable endeavours to despatch the Goods on an agreed delivery date, but does not guarantee to do so. Time of delivery shall not be of the essence of the contract.

The Seller shall not be liable to the Buyer for any loss or damage whether arising directly or indirectly from the late delivery or short delivery of the Goods. If short delivery does take place, the Buyer undertakes not to reject the Goods but to accept the Goods delivered as part performance of the contract.

8.3 If the Buyer fails to take delivery of the Goods on the agreed delivery date or, if no specific delivery date has been agreed, when the Goods are ready for despatch, the Seller shall be entitled to store and insure the Goods and to charge the Buyer the reasonable costs of so doing.

8.4 Delivery terms (including insurance premiums and freight) shall be in accordance with the terms specified in the Quotation. In the absence of such specification, the risk of loss of or damage to the Equipment and responsibility for payment of insurance premiums and freight passes to Purchaser upon Seller's delivery of the Equipment to the first transport company.

8.5 The Seller will not accept any claim for liquidated damages resulting from late delivery unless specifically agreed in writing by a director of the Seller prior to order placement and in no event shall such liquidated damages exceed five (5) percent of such fraction of the price. Such liquidated damages are Purchase's sole remedy for Seller's failure to supply the Equipment by the date guaranteed. Seller shall have no further liability whatsoever to Purchasers for delays incurred.

8.6 Regardless of the delivery terms specified, Seller shall retain title to the Equipment until full payment thereof has been made.

9. Acceptance of the Goods

9.1 The Buyer shall be deemed to have accepted the Goods [48 hours] after delivery to the Buyer.

9.2 The Buyer shall carry out a thorough inspection of the Goods within [48 hours] of delivery and shall give written notification to the Seller within 10 working days of delivery of the Goods of any defects which a reasonable examination would have revealed.

9.3 Where the Buyer has accepted, or has been deemed to have accepted, the Goods the Buyer shall not be entitled to reject Goods which are not in accordance with the contract.

9.4 All claims for shortages or damaged goods will be rejected if the Buyer or Buyer's representative has signed for the Goods as being received in good condition.

10. Title and risk

10.1 Risk shall pass on delivery of the Goods to the Buyer's address.

10.2 Notwithstanding the earlier passing of risk, title in the Goods shall remain with the Seller and shall not pass to the Buyer until the amount due under the invoice for them (including interest and costs) has been paid in full.

10.3 Until title passes the Buyer shall hold the Goods as bailee for the Seller and shall store or mark them so that they can at all times be identified as the property of the Seller.

10.4 The Seller may at any time before title passes and without any liability to the Buyer:

10.4.1 repossess and dismantle and use or sell all or any of the Goods and by doing so terminate the Buyer's right to use, sell or otherwise deal in them; and

10.4.2 For that purpose (or determining what if any Goods are held by the Buyer and inspecting them) enter any premises of or occupied by the Buyer.

10.5 The Seller may maintain an action for the price of any Goods notwithstanding that title in them has not passed to the Buyer.

11. Mechanical Warranties on Equipment

11.1 Seller warrants to Purchaser that each item of Equipment is as specified in the Quotation or order acknowledgement. Seller further warrants that each item of Equipment quoted is free from defects in design, materials and workmanship. This warranty also extends to any repairs or replacements of defective Equipment during the warranty period.

11.2 The warranty period on each item is one (1) year after its installation or eighteen (18) months after shipment, whichever occurs first. The warranty period for repairs or replacement parts is one (1) year from date of repair or replacement but no longer than one and a half (1.5) years from the shipment of the original item replaced.

11.3 This warranty specifically excludes items or parts that are subject to normal wear & tear in use such as seals or bearings.

11.4 The Seller's responsibility under warranty claims is solely to supply replacement parts or equipment.

The Seller shall not be liable for any consequential loss or damage whatsoever arising or resulting from any defect or deficiency in, or relating to, the goods, equipment or product thereof.

11.5 Purchaser must notify Seller in writing of the claimed defect promptly after the appearance thereof and in no event later than thirty (30) days after the expiry of the warranty period.

11.6 Seller shall have no responsibility for damaged caused the Equipment by:

Ordinary wear and tear, unintended use, misuse, abuse, or improper storage, installation, maintenance, operation or repairs by Purchaser or by persons not under Seller's supervision.

11.7 Unless otherwise specified, Purchaser shall bear the cost and risk of loss of or damage to defective Equipment in shipment to Seller. Seller shall bear cost and risk of loss of or damage to repaired or replaced items of Equipment in shipment to Purchaser. Any defective items of Equipment which are replaced by Seller shall thereupon become Seller's property.

SELLER MAKES NO OTHER WARRANTIES DIFFERING FROM THOSE CONTAINED HEREIN AND IN THE QUOTATION OR ANY IMPLIED WARRANTIES, WETHER OF MERCHANTABILITY, SUITABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE.