MRC FLANGEFITT LIMITED TERMS OF SUPPLY

1 DEFINITIONS

1.1 'Associated Company' means any company which is a subsidiary undertaking or parent undertaking of the Seller or any subsidiary undertaking of such parent undertaking from time to time and subsidiary undertaking and parent undertaking shall have the meanings set out in section 1162 of the Companies Act 2006 as amended from time to time.

1.2 'Buyer' means the person(s), firm or company who buys or agrees to buy the Goods from the Seller.

1.3 'Conditions' means the terms and conditions of supply set out in this document.

1.4 'Confidential Information' means any and all information provided by the Seller and/or any Associated Company under the Contract.

1.5 'Contract' means any contract between the Seller and the Buyer for the supply and purchase of Goods which incorporates these Conditions, the Order and the Order Confirmation.

1.6 'Control' means the ability of a person to direct the affairs of another whether by virtue of the ownership of shares, contract or otherwise.

1.7 'Ex-Works' means the method of delivery under Incoterms 2010.

1.8 'Goods' means any goods which the Buyer agrees to buy from the Seller as set out in the Order Confirmation.

1.9 'Order' means any order made by the Buyer for the Goods from the Seller.

1.10 'Order Confirmation' means the Seller's written confirmation of the Order, incorporating these Conditions.

1.11 'Price' means the price payable by the Buyer for the Goods as notified by the Seller.

1.12 'Seller' means MRC Flangefitt Limited, registered in England and Wales with Company Number 01922173.

2 CONDITIONS APPLICABLE

2.1 These Conditions shall apply to all Contracts to the exclusion of all other terms and conditions including any terms or conditions which the Buyer purports to apply under any purchase order, confirmation of order or other document.

2.2 All Orders shall be deemed to be an offer by the Buyer to purchase Goods from the Seller subject to these Conditions.

2.3 No Order placed by the Buyer shall be deemed to have been accepted by the Seller, and no Contract shall be formed, until an Order Confirmation has been issued by the Seller.

2.4 Except as otherwise provided in these Conditions, all other terms, conditions, warranties and representations (whether oral or in writing) are excluded from any Contract between the Seller and the Buyer and these Conditions supersede any and all prior promises, representations, undertakings or implications.

3 THE PRICE AND PAYMENT

3.1 Unless agreed otherwise in writing by the Seller, all Prices are Ex-Works.

3.2 The Price is exclusive of VAT and any import taxes or duties which the Seller shall add to its invoices and shall be payable by the Buyer at the appropriate rate.

3.3 Payment of the Price shall be due and payable by the Buyer in cleared funds to the bank account nominated in writing by the Seller within 30 days of the date of invoice, unless agreed otherwise in writing by the Seller.

3.4 Interest on overdue invoices shall accrue on a daily basis from the date when payment becomes due until receipt of payment in full and cleared funds by the Seller at a rate of 5% above Barclays Bank Plc's rate from time to time in force.

3.5 Any queries in respect of invoices should be brought to the Seller's attention in writing within 5 days of the date of the invoice. If the Buyer reasonably disputes an invoice, whilst the Buyer and the Seller try and reach agreement over the disputed amount the Buyer will pay the undisputed sum under the invoice in accordance with the timescale in Condition 3.3.

3.6 In the event of default of payment by the Buyer, then without prejudice to any of the Seller's other rights, the Seller may:(i) without notice suspend or cancel any or all further deliveries to the Buyer under any Contract, and/or (ii) serve notice on the Buyer requiring immediate payment for Goods supplied by the Seller under any Contract.

3.7 The Buyer shall make all payments due under the Contract to the Seller without any deduction whatsoever whether by way of set-off, counterclaim, discount, abatement or otherwise.

3.8 The Seller has the right to withhold or deduct from payments due to the Buyer, any amounts the Seller reasonably believes that the Buyer owes to the Seller under any Contract.

4 WARRANTIES AND LIABILITY

4.1 Save as provided by Section 12 of the Sale of Goods Act 1979 and 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.

4.2 The Seller warrants that the Goods will at the time of delivery be new, materially correspond to any specification given by the Buyer, comply with laws and be free from defects.

4.3 The Seller's total liability in contract, tort (including negligence or breach of statutory duty), misrepresentation or otherwise, arising in connection with the Contract shall be limited to the Price payable for the Goods under the Contract and the Seller shall not be liable in contract, tort (including negligence), statutory duty or otherwise howsoever for any claim, damage, loss or costs in respect of (whether direct or indirect): loss of profit; loss of use; loss of anticipated contracts and/or savings; loss of goodwill; loss of opportunity; loss of business and/or business interruption or any indirect loss or consequential or special loss or damage.

4.4 Nothing in these Conditions excludes or limits the liability of either party for death or personal injury caused by its negligence or any liability for fraud or fraudulent misrepresentation or any other liability that cannot be restricted by law.

5 DELIVERY OF GOODS

5.1 Delivery of Goods shall be Ex-Works at the collection point specified in the Order Confirmation unless agreed otherwise by the Seller in writing. Time for delivery shall not be of the essence.

5.2 The Seller may deliver the Goods by separate instalments. Each separate instalment shall be invoiced and paid for in accordance with the provisions of the Contract. Any failure by the Seller to deliver or any claim by the Buyer in respect of any one or more of the instalments in accordance with these Conditions shall not entitle the Buyer to treat the Contract as a whole as repudiated.

5.3 The failure of the Buyer to pay for any one or more of the said instalments of the Goods on the due date shall entitle the Seller (at the sole option of the Seller):(i) without notice suspend or cancel any or all further deliveries to the Buyer under any Contract, and/or (ii) serve notice on the Buyer requiring immediate payment for Goods supplied by the Seller under any Contract.

6 ACCEPTANCE OF THE GOODS

6.1 The Buyer shall notify the Seller within48 hours after delivery to the Buyer of any discrepancy in the quantity of Goods delivered or of any visible defect in the Goods.

6.2 In the event that the Buyer fails to notify the Seller in accordance with Condition 6.1, the Buyer shall not be entitled to reject Goods that are visibly defective or make any claim in respect of the quantity of Goods delivered.

6.3 In case excess quantity of the Goods is delivered, such excess Goods shall be returned by Buyer to the Seller at Seller's cost. Any shortage in the delivery of the Goods or any defect in the Goods accepted by Seller shall be rectified by the Seller either by reduction of the Price or rectification at Seller's option and cost.

7 TITLE AND RISK

7.1 The Goods shall be at the Buyer's risk as from the time of delivery.

7.2 Ownership of the Goods shall not pass from the Seller to the Buyer until the Seller has received in full and in cleared funds all sums due to it in respect of the Goods.

7.3 Until ownership of the Goods passes to the Buyer in accordance with Condition 7.2 the Buyer shall:(i) hold the Goods on a fiduciary basis as bailee solely in the interest of the Seller;(ii) store the Goods (at no cost to the Seller) separately from all other goods in its possession and marked in such a way that they are clearly identified as the Seller's property;(iii) maintain the Goods in satisfactory condition, insured on the Seller's behalf for their full price against all risks to the satisfaction of the Seller and shall whenever requested by the Seller produce a copy of the policy of insurance; and (iv) hold the proceeds of the insurance referred to in (iii) on trust and for the sole behalf of the Seller and not mix them with any other money nor pay the proceeds into an overdrawn bank account.

7.4 Notwithstanding that the Goods (or any of them) remain the property of the Seller the Buyer may sell or use the Goods in the ordinary course of the Buyer's business at full market value for the account of the Seller. Any such sale or dealing shall be a sale or use of the Seller's property by the Buyer on the Buyer's own behalf and the Buyer shall deal as principal when making such sale or dealings. Until property in the Goods passes from the Seller the entire proceeds of sale or otherwise of the Goods shall be held in trust for the Seller and shall not be mixed with other money or paid into any overdrawn bank account and shall be at all material times identified as the Seller's money.

7.5 The Seller shall be entitled to recover payment for the Goods (plus VAT) notwithstanding that property in any of the Goods has not passed from the Seller.

7.6 In respect of Goods to which ownership has not passed to the Buyer, the Seller shall be entitled to require the Buyer to deliver up the Goods to the Seller and if the Buyer fails to do so, the Seller may either accelerate any credit period in relation to payment of the Price or enter upon any premises owned, occupied or controlled by the Buyer where the Goods are situated and repossess the Goods. On the making of such request the rights of the Buyer under Condition 7.4 shall cease.

7.7 The Buyer shall not pledge or in any way charge by way of security for any indebtedness any of the Goods which are property of the Seller. Without prejudice to the other rights of the Seller, if the Buyer does so all sums whatever owing by the Buyer to the Seller shall forthwith become due and payable.

7.8 This Condition 7 shall apply during the continuance of the Contract and after its termination howsoever arising.

8 REMEDIES OF BUYER

8.1 In the event that any Goods are found to be faulty within 12 months of commissioning of the Goods or 18 months of the date of delivery of the Goods to the Buyer whichever is earlier, the Buyer shall be entitled to return such Goods to the Seller on the Buyer's request.

8.2 In the event that the Seller reasonably considers that any Goods returned in accordance with Condition 8.1 are not faulty, or have been damaged or otherwise caused to be unworkable as a result of any action of the Buyer and/or the end user of the Goods, the Seller may at its sole discretion, return the same to the Buyer at the Buyer's cost.

8.3 Subject to Conditions 8.1 and 8.23, the Seller will at its sole discretion repair or replace faulty Goods at its cost.

9 TERMINATION AND CANCELLATION

9.1 The Seller may terminate the Contract with immediate effect from the date of service of written notice to the Buyer:(i) if the Buyer commits a material and/or persistent breach of any of their obligations under the Contract and (if the breach is capable of remedy) the Buyer fails to remedy it within the time reasonably permitted as stated in any notice in writing provided by the Seller;(ii) if the Buyer commits any act which brings or is likely to bring the Seller into disrepute or which damages or is likely to damage their interests; (iii) if the Buyer becomes insolvent or if the Seller, acting reasonably, has serious doubts as to the Seller's solvency; or (iv) the Buyer undergoes a change in Control.

9.2 On termination of the Contract for any reason the accrued rights of the parties as at termination and the continuation of any provision expressly stated to survive or implicitly surviving termination shall not be affected.

9.3 The Buyer may not cancel any Order without the Seller's prior written consent. If the Seller agrees to cancel an order, the Buyer shall indemnify the Seller for all costs associated with such cancellation (including but not limited to shipping costs and restocking fees and supplier termination fees) as determined by the Seller.

10 NOTICES

10.1 Any notice to be given under the Contract by either party to the other shall be in writing and may be served by personal service or by post to the address of the other party given in the Order.

10.2 Any such notice shall be deemed to have been served:(i) if delivered by hand, at the time of delivery; or (ii) if posted at the expiration of 48 hours after the envelope containing the same shall have been put in the post.

11 ASSIGNMENT

11.1 The Buyer shall not be entitled to assign, sub-contract or otherwise dispose of the Contract or any part of it without the prior written consent of the Seller.

11.2 The Seller may assign or sub-contract all or any part of its obligations under the Contract to any person, firm or company.

12 FORCE MAJEURE

12.1 The Seller reserves the right to defer the date of delivery or to cancel any Contract (without liability to the Buyer) and shall not be liable for any failure to meet its obligations under any Contract if it is prevented from or delayed in the carrying on of its business due to any circumstances beyond the reasonable control of the Seller.

13 CONFIDENTIAL INFORMATION AND INTELLECTUAL PROPERTY

13.1 The Buyer will and shall procure that the Buyer's personnel will, keep confidential all Confidential Information that it may acquire and will not use the Confidential Information for any purpose other than to complete its obligations under the Contract.

13.2 The Buyer's obligations under this Condition 13 will not apply to information which:(i) is publicly available or becomes publicly available through no act or omission of the Buyer; or (ii) the Buyer is required to disclose by order of a court or regulatory body of competent jurisdiction.

13.3 The Buyer shall not make any press announcements or publicise the Contract in any way, without the prior written consent of the Seller.

13.4 The Buyer shall acquire no right, title or interest of any kind in, or with respect to, any of the Seller's, Associated Companies' or manufacturers' trademarks appearing on Goods or otherwise, or software developed or provided by the Seller. Title to, or property rights in, software developed or provided by the Seller or an Associated Company shall pass to the Buyer only pursuant to a separate written agreement specifically setting forth the property rights provided, and only if the Buyer is specifically and separately invoiced for such software.

13.5 This Condition 13 shall apply during the continuance of the Contract and after its termination howsoever arising without limitation in time.

14 THIRD PARTY RIGHTS

14.1 An entity which is not expressly a Party to the Contract shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Contract and the provisions of the Contracts (Rights of Third Parties) Act 1999 shall be expressly excluded from these Conditions

14.2 Any Associated Company may enforce any term of the Contract.

15 SANCTIONS AND BOYCOTT

15.1 The Buyer shall not act in any manner (including omitting to act in relation to a transaction) which is inconsistent with, penalised or prohibited under any laws, regulations, orders, demands, rules or requirements of the United States of America which relates to international boycotts of any type.

15.2 The Buyer shall not cause the Seller to be, nor shall the Seller be obliged to perform any obligation under the Contract if this would be, in violation of any laws, regulations, orders, demands, rules or requirements of the European Union, any EU member state, the United Nations, the United States of America or any other relevant jurisdiction relating to trade sanctions, foreign trade controls, export controls and similar laws.

16 ANTI-CORRUPTION

16.1 Buyer warrants and represents to Seller that in connection with the Contract they will comply with all applicable laws, regulations, demands, rules and/or official government orders and requirements of the United Kingdom, the United States of America or any other relevant jurisdiction relating to anti-bribery or anti-money laundering.

17 LAW AND JURISDICTION

17.1 The Buyer shall perform its obligations under the Contract and shall at all times act in accordance with all applicable laws, statutes, regulations, and codes from time to time in force..

17.2 Any breach of Condition 15, 16.1 shall be a material breach for the purposes of Condition 9.1.

17.3 These Conditions and each Contract is subject to the law of England and Wales and the parties submit to the exclusive jurisdiction of the English courts.