

STANDARD CONDITIONS OF SALE – LOCKWOOD PACKAGING LTD

By purchasing goods from the Seller the Buyer is bound by the following Terms and Conditions. Please read and understand these terms carefully before placing an order except as otherwise specifically stated in writing by the Seller:-

BUYER: Means the person who accepts a quotation (verbal or written) from the Seller for the sale of goods/services or whose order for goods/services is accepted by the Seller.

SELLER: Means Lockwood Packaging Ltd

QUOTATIONS: Quotations are subject to confirmation on receipt of order. TERMS:

- (a) Unless otherwise stated on the Seller's invoice agreed in writing, payment shall be made by the Buyer 30 days from Invoice date for all account customers. For customers without an account, invoicing will be on a proforma basis.
- (b) In the case of orders involving more than one delivery if default is made in payment on the due date for any one delivery, the Seller at his option shall be entitled to treat the contract as repudiated by the buyer and to claim damaged accordingly or to refuse to supply any further installments of the order until payment has been received.
- (c) An Order, once placed and confirmed cannot be cancelled except by mutual agreement.
- (d) The Seller reserves the right to charge interest on overdue invoices at 3% above Barclays Bank Plc. Base Rate.
 - (e) All tooling (thermoforming, heat seal tooling, die cutting formes, stereotypes/printing plates) is to be paid in advance/proforma invoice. The tooling prices are a contribution to the upkeep and maintenance of the tooling and remain the property of the Seller. Should the Buyer wish to purchase the tooling, the Seller will invoice for the full cost of the tooling plus delivery costs and upon receipt of payment the Seller will despatch the tooling.
- (f) Purchases of Machines, new and used is subject to the payment terms as specified in our quotation.
- (g) The Seller's terms and conditions shall prevail in case of any inconsistencies with the Buyer's.
- (h) If the Buyer defaults on the Seller's payment terms, the Credit Account will be withdrawn and all future transactions will be on strict proforma basis only.

DELIVERY: Unless otherwise agreed in writing between the Seller and the Buyer the following provisions shall apply.

- (a) All quotations are based on ex works unless agreed otherwise. The Seller will produce the goods as soon as practicable. The delivery date or dates specified on the Seller's acceptance of order are estimates only.
- (b) The Buyer is responsible for loading the goods and ensuring that they are wrapped/strapped securely for goods being delivered to the Seller and for unloading the goods from the vehicle at the Buyer's delivery address unless arrangements to the contrary are agreed in writing between the Buyer and the Seller prior to despatch and these Conditions shall apply during such loading and/or unloading.
- (c) In the event that the customer does not organise collection within one month of the Seller notifying the Buyer that the goods are ready for collection, the Buyer shall be invoiced (payment for such balance immediately thereupon becoming due) and storage costs charged to customer's account the goods being held at customer's risk.
- (d) In cases where contracts provide for deferred deliveries such deliveries shall be accepted within three months from the date of the first delivery. In the event of failure to accept delivery the balance remaining undelivered shall be invoiced (payment for such balance immediately thereupon becoming due) and storage costs charged to customer's account the goods being held at customer's risk.
- (e) In the case of contracts involving more than one delivery any failure or defect in any one delivery shall not violate the contract and the Seller will not be deemed thereby to have repudiated the contract.
- (f) All blister formings and contract packing will be packed in outer boxes and palletized where applicable unless otherwise agreed with the Buyer. All new machine purchases and tooling will be crated/packed as specified in the quotation. All Machine repairs and/or servicing delivery is the responsibility of the Buyer. Unless otherwise specified in the quotation, outer packaging is not included unless specifically requested by the Buyer in writing, an additional cost will be incurred.
- (f) While every effort will be made by the Seller to effect delivery in accordance with any pre-arranged dates no guarantee as to dates of delivery by the Seller is to be implied and the Seller will not accept liability for any loss or damage occasioned by delay in delivery however caused.

QUANTITY VARIATIONS: A shortage or surplus, charged pro rata, not exceeding 10 per cent, will be considered due execution of any order.

DESIGNS, CADS, PROTOTYPES Etc.: All designs, CADs, prototypes and origination work remain the property of the Seller. All design, cad, prototype payments are non refundable.

ALL TOOLING (THERMOFORMING, HEAT SEAL, DIE-CUTTING FORMES STEREOS AND FILMS):

All tooling Die-Cutting Formes, Stereos and Films shall remain with the Seller unless the Buyer has paid in full. All tooling payments are non refundable. The Seller can dispose of the tooling if unused for a period of 18 months. The Seller will make every reasonable effort to notify the Buyer of its intentions 21 days prior to disposal. Where the Buyer has paid in full it shall be entitled to have them delivered to them at their cost. Where the Buyer has not paid in full it shall be similarly notified and invited to pay in full prior to disposal or despatch. Ownership of the tooling will pass on delivery.

PROOFS: Alterations from original copy on and after first proof, including alterations in style, will be subject to an additional charge. Proofs of all work may be submitted for the Buyer's approval, and no responsibility will be accepted for any errors in proofs which may be passed by the Buyer.

REPAIRS: All repairs will be carried out at the Seller's premises in Hadleigh, Suffolk unless otherwise agreed in writing. The Buyer is to obtain a job sheet number prior to sending in a machine/tooling for repair, without a job sheet number the repair will not be booked in until such number is obtained. Our engineer will endeavor to look at the machine within 48 hours of receipt and the Buyer will be advised, agree & make payment prior to any work undertaken. Only then will the machine be repaired and tested. Should the engineer encounter further issues, the Buyer will be notified and charged accordingly. The Seller reserves the right to charge for any additional work and parts should an issue arise once the machine has been tested and leaves the Buyer's premises.

WARRANTIES AND LIABILITY: Subject to the conditions set out below, the Seller warrants that the Goods will correspond with their specifications at the time of delivery and will be free from defects in material and workmanship for the Warranty Period.

The above warranty is given by the Seller subject to the following conditions:

The Seller shall be under no liability in respect of any defect in the Goods arising from any drawing, design or specification supplied by the Buyer; The Seller shall be under no liability in respect of any defect arising from fair wear and tear, willful damage, negligence, abnormal working conditions, failure to follow the Seller's instructions (whether oral or in writing), misuse or alteration or repair of the Goods without the Seller's approval. The Seller shall be under no liability under the above warranty (or any other warranty, condition or guarantee) if the total price for the Goods has not been paid by the due date for payment. The above warranty does not extend to parts, materials or equipment not manufactured by the Seller, in respect of which the Buyer shall only be entitled to the benefit of any such warranty or guarantee as is given by the manufacture to the Seller. Subject as expressly provided in these conditions, and except where the goods are sold to a person dealing as a consumer (within the meaning of the Unfair Contract Terms Act 1977), all warranties, conditions or other terms implied by statute or common law are excluded to the fullest extent permitted by law. Where the goods are resold under a consumer transaction (as defined by the Consumer Transaction (Restrictions on Statements) Order 1976)), the statutory rights of the Buyer are not affected by these conditions. The Buyer shall inspect the goods immediately upon delivery and shall within 3 days of such delivery (time being the essence) give notice in writing to the Seller and the carrier of all claims on account of damage to or total or partial loss of goods in transit or quality or condition of the Goods. Claims for non delivery must be submitted in writing to the Seller within 10 days after notification of despatch. Our liability for shortages is limited to making good the shortage. Any shortages reported and supplied after this time will be charged accordingly. If delivery is not refused, and the Buyer does not notify the Seller accordingly in writing, the Buyer shall not be entitled to reject the Goods and the Seller shall have no liability for such defect or failure, and the Buyer shall be bound to pay the price as if the Goods had been delivered in accordance with the

Contract. Where any valid claim in respect of any of the Goods which is based on any defect in the quality of the Goods or their failure to meet specification is notified to the Seller in accordance with these conditions, the Seller shall be entitled to replace the Goods (or the part in question) free of charge or, at the Seller's sole discretion, refund to the Buyer the price of the Goods (or a proportionate part of the price), but the Seller shall have no further liability to the Buyer. The Seller shall not accept any claims for damage and/or warranty caused directly or indirectly by the Buyer. Except in respect of death or personal injury caused by the Seller's negligence, the Seller shall not be liable to the Buyer by reason of any representation, or any implied warranty, condition or other term or any duty at common law, or under the express terms of the Contract, for any consequential loss or damage (whether for loss of profit or otherwise), cost, expenses or other claims for consequential compensation whatsoever (and whether caused by negligence of the Seller, its employee or agents or otherwise) which arise out of or in connection with the supply of the Goods or their use or resale by the Buyer, except as expressly provided in the conditions. The Seller shall not be liable to the Buyer or be deemed to be in breach of the Contract by reason of any delay in performing, or any failure to perform, any of the Seller's obligations in relation to the Goods, if the delay or failure was due to any cause beyond the Seller's reasonable control. Without prejudice to the generality of the foregoing, the following shall be regarded as causes beyond the Seller's reasonable control:

ACT OF GOD, EXPLOSION, FLOOD, STORM, TEMPEST, FIRE OR ACCIDENT;

War or threat of war, sabotage, insurrection, civil disturbance or requisition; Acts, restrictions, regulations, bye-laws, prohibitions or measures of any kind on the part of any governmental, parliamentary or local authority; Import or export regulations or embargoes; Strikes, lock-outs, or other industrial actions or trade disputes (whether involving employees of the Seller or of a third party); Difficulties in obtaining raw materials, labour, fuel, parts or machinery; Power failure or breakdown in machinery.

INDEMNITY : The Buyer shall indemnify the Seller in respect of all damage or injury occurring to any person, firm company or property and against all actions, suits, claims and demands, charges or expenses in connection therewith for which the Seller may become liable in respect of the Goods sold under the contract in the event that the damage or injury shall have been occasioned otherwise than by the negligence of the Seller and/or arising from breach of these Terms and Conditions.

INSOLVENCY OF BUYER: This clause applies if: The Buyer makes any voluntary arrangement with its creditors or becomes subject to any administration order or (being an individual or firm) becomes bankrupt or (being a Company) goes into liquidation (otherwise than for the purposes of amalgamation or reconstruction); or An encumbrancer takes possession, or a receiver is appointed, of any of the property or assets of the Buyer; or The Buyer ceases, or threatens to cease, to carry on business; or The Seller reasonably apprehends that any of the events mentioned above is about to occur in relation to the Buyer and notifies the Buyer accordingly. If this clause applies then, with prejudice to any other right or remedy available to the Seller, the Seller shall be entitled to cancel the Contract or suspend any further deliveries under the Contract without any liability to the Buyer, and if the Goods have been delivered but not paid for, the price shall be immediately due and payable notwithstanding any previous agreement or arrangement to the contrary.

CUSTOMER'S PROPERTY: Property or materials supplied by the Buyer will be held at the Buyer's risk. In such cases, every care will be taken to secure the best results, but no responsibility will be accepted for imperfect work caused by any defect in or unsuitability of the property or materials so supplied.

MATERIAL: Whilst every endeavour will be made to supply material in accordance with the quality of samples submitted or quoted for, this cannot be guaranteed.

FORCE MAJEURE, Etc.: The performance of all contracts is subject to variation or cancellation by the Seller owing to an Act of God, war, strikes, lock-outs, fire, flood, storm, drought, tempest or any other cause beyond the control of the Seller or owing to any inability by the Seller to procure materials or articles required for the performance of the contract and the Seller shall not be held responsible for any inability to deliver caused by any such contingency.

RISK & TITLE RETENTION: Risk of, damage to, or loss of, the Goods shall pass to the Buyer:

The Risk of any loss or damage to or deterioration of the Goods shall be borne by the Buyer once the Seller has notified the Buyer that the goods are ready for despatch. Notwithstanding delivery and the passing of risk in the Goods or any other provision of these conditions, the property of the Goods shall not pass to the Buyer until the Seller has received in cash or cleared funds payment in full of the price of the Goods and all other goods to be sold by the Seller to the Buyer for which payment is then due. Until such time as the property in the Goods passes to the Buyer, the Buyer shall hold the Goods as the Seller's fiduciary agent and bailee, properly stored, protected and insured. Until that time the Buyer shall be entitled to resell or use Goods in the ordinary course of its business, but shall account to the Seller for the proceeds of the sale or otherwise of the Goods, whether tangible or intangible, including insurance proceeds, and shall keep all such proceeds separate from any monies or property of the Buyer and third parties and, in the case of tangible proceeds, property stored, protected and insured. Until such time as the property in the Goods passes to the Buyer, the Buyer shall keep the Goods separate from those of the Buyer and third parties and identified as the Seller's property. If the Buyer shall at any time mix the Goods or any part thereof with similar products the property in the whole of such mixture, excepting such part of the mixture which may have been sold or used by the Buyer, shall be deemed to be and remain with the Seller in satisfaction of such payment due and owing then any surplus after satisfaction shall be re-delivered to the Buyer by the Seller. Until such time as the property in the Goods passes to the Buyer (and providing the Goods are still in existence and have not been resold), the Seller shall be entitled at any time to require the Buyer to deliver up the Goods to the Seller and, if the Buyer fails to do so forthwith, to enter upon any premises of the Buyer or any third party where the Goods are stored and repossess the Goods. The Buyer shall not be entitled to pledge or in any way charge by way of security or any indebtedness any of the Goods which remain the property of the Seller, but if the Buyer does so, all monies owing by the Buyer to the Seller shall (without prejudice to any other right or remedy of the Seller) forthwith become due and payable.

GENERAL: Any notice required or permitted to be given by either party to the other under the conditions shall be in writing addressed to that other party at its registered office or principal place of business or such other address as may at the relevant time have been notified pursuant to this provision to the party giving notice.

No waiver by the Seller of any breach of the Contract by the Buyer shall be considered as a waiver of any subsequent breach of the same or any other provision.

In any provision of these conditions is held by any competent authority to be invalid or unenforceable in whole or in part the validity of the other provisions of these conditions and the remainder of the provision in question shall not be affected thereby.

We reserve the right, but are not obligated, to limit the sales of our products or services to any person, company.

The Seller will not tolerate and will cease trading with the Buyer immediately if any acts or threats or disruptive behavior and/or physical violence including intimidation, harassment and/or coercion towards any employee or third party acting on behalf of the Seller. The Buyer will be entitled to claim damages accordingly for all outstanding orders.

DUTY: All import duties, VAT and other imposts will be for the Buyer's accounts.

PATENTS AND TRADEMARKS: No representation, warranty or indemnity is given by the Seller that the Goods do not infringe any letters patent, trade marks, registered designs or other industrial rights.

ASSIGNABILITY: The contract of which these Conditions form part is personal to the Buyer who shall not assign the benefit thereof without the Seller's consent.

PROPER LAW: This Agreement shall be governed by the Laws of England and the English Courts shall have non-exclusive jurisdiction in respect of any matter arising under or in respect hereof and the Company and the customers hereby submit to such jurisdiction.

We reserve the right to modify these terms and conditions without notice.