

CONDITIONS OF SALE FOR COMPANIES IN THE WATERDALE GROUP

(CPIo LTD, ARDENT SOLUTIONS LTD, ESPIDA LTD, ADVANCED DIGITAL TECHNOLOGY (UK) LTD, INTELLISELL LTD)

1 BASIS OF SALE

- 1.1 We shall supply to you goods and services (including any instalment or part) in accordance with our written quotation which you have accepted, or your written order which is accepted by us, subject in either case to these Conditions.
- 1.2 These Conditions shall govern the agreement between us to the exclusion of any other terms and conditions. No variation to these Conditions shall be binding unless the variation is agreed in writing by one of our directors or managers.
- 1.3 Because our goods and services are technical and complex, we provide our advice in writing. Our employees and agents are therefore not authorised to make any verbal representations about the subject matter of the agreement. You acknowledge that any advice or recommendations given which is not confirmed in writing by us is followed or acted upon entirely at your own risk. Nothing in these Conditions affects the liability of either party for fraudulent misrepresentation.
- 1.4 Your business is unique. You must determine the suitability of our goods and services for your intended purpose.
- 1.5 Any drawing, illustration or information contained in our advertising, sales, technical or other literature is provided for guidance only. They shall form no part of an agreement unless we have specifically stated otherwise. They are supplied on the strict understanding that we (or our licensors) retain copyright in them, and that the contents are confidential. You must not copy or disclose them to anyone else without our written consent.

2 CANCELLATIONS

- 2.1 We acknowledge that it is sometimes necessary to cancel agreements. We will accept cancellation if it is in writing and you agree to pay all costs and expenses incurred by us up to the time of cancellation (including loss of any profit) on or before cancellation.
- 2.2 We reserve the right to charge a cancellation fee which may include the full price for a Service Day if we are unable to reallocate the appropriate personnel to other projects and an administration fee (at our standard rate from time to time) to reschedule a cancelled Service Day.

3 PRICE

- 3.1 All prices quoted are valid for 30 days or until we notify you that the quotation is no longer valid (whichever is the earlier).
- 3.2 The price of the goods and services shall be our quoted price, or, if no price has been quoted (or a quoted price is no longer valid), the current price listed at the date of acceptance of the order.
- 3.3 We reserve the right to increase the price of the goods or services at any time before delivery to reflect any increase in our costs which are due to:
 - 3.3.1 any factor beyond our control (for example, any foreign exchange fluctuation, currency regulation, alteration of rates

of VAT, significant increase in the costs of labour, materials or other costs of manufacture);

- 3.3.2 any change in delivery dates, quantities or specifications which are requested by you;
- 3.3.3 any delay caused by your instructions or your failure to give us adequate information or instructions.
- 3.4 All prices stated or quoted are exclusive of VAT which will be added to the amount invoiced.

4 TERMS OF PAYMENT

- 4.1 Unless we have agreed in writing any special terms, we may invoice you for the price of the goods and services on or at any time after delivery of the goods, or the provision of the services. If the goods are to be collected by you or you fail to take delivery of the goods, or you cancel or postpone the services, we may invoice you at any time after we have notified you that the goods are ready for collection, or we have tendered delivery of the goods or the date on which the services were to be provided.
- 4.2 Invoices for Service Days must be paid on the date of presentation of the invoice. Invoices for support and maintenance contracts must be paid before their commencement date. In all other situations, you must pay the invoiced price within 30 days of the date of our invoice. The time of payment of the price shall be fundamental to the agreement.
- 4.3 Unless we have agreed in writing, you must pay the full invoiced price without set off or deductions.

5 DELIVERY

- 5.1 We are only able to provide an estimate for time of delivery of any goods. Although we will endeavour to deliver the goods within the period of time stated, you will not be entitled to terminate the agreement or make a claim against us if delivery is late.
- 5.2 If you fail to take delivery of the goods or fail to give us adequate delivery instructions we may (in addition to any other remedy available):
 - 5.2.1 store the goods until actual delivery and charge you for the reasonable costs (including insurance) of storage; or
 - 5.2.2 sell the goods at the best price readily obtainable and (after deducting all reasonable storage and selling expenses) pay to you the difference or charge you for any shortfall.

6 RISK AND OWNERSHIP

- 6.1 Although risk passes to you on delivery, legal and equitable ownership of all goods supplied shall only pass to you when payment in full has been received by us. Until that time:
 - 6.1.1 you must allow our representatives to enter your property to repossess goods; and
 - 6.1.2 you must store the goods separately from other products at your place of business so that our ownership can be ascertained.

7 WARRANTIES AND LIABILITY

- 7.1 We warrant that the goods and services supplied will correspond with their specifications at the time of delivery and the goods will be free from defects in materials and workmanship for 90 days after their initial use or 120 days from delivery, whichever is the shorter period.
- 7.2 However we do not accept liability in respect of any defect in the goods:
- 7.2.1 arising from any design or specification supplied by you;
- 7.2.2 arising from any defect caused by fair wear and tear, wilful damage, negligence, abnormal working conditions, failure to follow our instructions, misuse, alteration or repair of the goods without our approval;
- 7.2.3 unless the total price for the goods has been paid by the due date for payment;
- 7.2.4 unless you notify us in writing within two working days of delivery of the goods of any shortage or defect apparent on examination, or within two working days of (a) a defect becoming apparent, or (b) when a defect should have come to your knowledge in the ordinary course of events;
- 7.2.5 unless you give us the opportunity to examine the goods and investigate any complaint made.
- 7.3 If upon inspection the goods are shown to be defective, we may repair or replace the defective goods or refund the cost of the defective goods. In no circumstances shall our liability exceed the cost of replacement of the goods, or the price paid by you for them.
- 7.4 The above warranty does not extend to parts, materials, software or equipment not manufactured or created by us. In these circumstances, we will pass on to you the benefit of any warranty or guarantee that is given by the manufacturer or licensor to us.
- 7.5 All other warranties, conditions or other terms implied by statute or common law are excluded to the fullest extent permitted by law.
- 7.6 We do not accept liability for any loss, cost or damage, detriment or expense arising if manufacture or delivery of the goods or the provision of the services is delayed or hindered by Act of God, governmental intervention or restriction, hostilities, civil commotion, fire, flood, accident, machinery breakdown, strike, lockout, non-delivery of goods by the Company's suppliers, or any other cause or circumstance beyond our reasonable control. On the occurrence of any of the above events, we reserve the right to cancel the agreement or suspend delivery of goods or services to you.
- 7.7 Except in respect of death or personal injury caused by our negligence, we do not accept liability to you by reason of any representation (unless fraudulent), or any implied warranty, condition or other term, or any duty at common law, or under the express term of the agreement, for any indirect, special or consequential loss or damage (whether for loss of profit or otherwise), costs, expenses or other claims for compensation whatsoever which arise out of or in connection with the supply of the goods or services or your use or resale of them,

and our entire liability under or in connection with the agreement shall not exceed the price of the goods or services (as appropriate).

8 TERMINATION

- 8.1 In addition to any other rights, all agreements between us may be cancelled by us, or suspended in whole or in part by written notice. Payment for all goods delivered or services provided but not paid for shall become immediately due and payable if:
- 8.1.1 you are in material breach of any agreement between us; or
- 8.1.2 you make any voluntary arrangement with your creditors or you become bankrupt, subject to an administration order or go into liquidation (otherwise than for the purposes of amalgamation or reconstruction); or
- 8.1.3 an encumbrancer takes possession, or a receiver is appointed of any of your property or assets; or
- 8.1.4 you cease, or threaten to cease, to carry on business; or
- 8.1.5 you do not make a payment to us when due; or
- 8.1.6 we reasonably apprehend that any of the events mentioned above is about to occur and we notify you accordingly.
- 8.2 If any of the events shown in 8.1 above occur, we reserve the right (in addition to any other right) to charge interest on any amount outstanding until the amount is paid at the annual rate of 8% above the Bank of England base rate from time to time.

9 GENERAL

- 9.1 If we waive any breach of any of the conditions of an agreement we may subsequently enforce that condition.
- 9.2 If any provision of an agreement is found to be unenforceable for any reason then the agreement shall be construed as if that provision was specifically excluded from it.
- 9.3 A person who is not a party to this agreement has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.
- 9.4 This agreement will be governed by and construed in accordance with English law and the Company and the customer shall submit in all matters or disputes arising out of this agreement to the exclusive jurisdiction of the courts of law in England.