

SILICON SENSING SYSTEMS LIMITED

STANDARD TERMS & CONDITIONS

1. DEFINITIONS

In these Conditions the following titles shall have the meanings ascribed to them:

“SSSL” means Silicon Sensing Systems Limited.

“Quotation” means SSSL’s letter attached hereto and all documents attached or referenced therein together with these Standard Conditions of Sale.

“Purchaser” means the person, firm or company to whom the Offer is addressed.

“Articles” means all equipment, material and services to be supplied by SSSL in accordance with the Quotation.

2. ACCEPTANCE

The Quotation shall become a binding contract upon acceptance by the Purchaser within the validity period of the Quotation either by formal written acceptance or by facsimile accepting all the terms thereof. The accepted Quotation shall constitute the entire contract between SSSL and the Purchaser, and supersede all other previous communications, representations or agreements between the parties.

3. PRICES

(a) The prices of the Articles are those specified in the Quotation, and unless otherwise stated elsewhere therein such prices shall be valid for a period of 30 days only from the date of the Quotation.

(b) Unless otherwise stated elsewhere in the Quotation all prices include the cost of delivery FCA or the Purchaser’s address if within the United Kingdom. Any other delivery required may be the subject of an extra charge.

(c) The prices are inclusive of the cost of packing, but to commercial standard only; any other standard of packing required will be the subject of an extra charge. Where delivery is to the Purchaser’s address in the United Kingdom packing will not be suitable for reconsignment unless specifically requested by the Purchaser, whereupon such packing may be the subject of an extra charge.

(d) The prices quoted apply only to the quantities and delivery schedule specified in the Quotation.

4. PAYMENT

(a) Unless otherwise specified elsewhere in the Quotation, payment of the price or of any stage payment for which the contract provides shall be made by the Purchaser within 30 days of the date of SSSL’s invoice therefor.

(b) Without prejudice to any other of SSSL’s rights or remedies the Purchaser shall in addition to payment of the price pay interest at the rate of 2%

per annum above the then current SSSL lending rate of the NatWest Bank on any sum remaining unpaid after the due date until the date of actual payment.

(c) Notwithstanding SSSL’s rights under condition 9 hereof, if the Purchaser fails to make any payment within 30 days after the same shall have become due SSSL shall have the right by notice in writing forthwith to suspend all further work or deliveries until such default be made good without prejudice to any other rights or remedies which may be available to SSSL.

(d) If the Purchaser should fail to take delivery of the Articles SSSL shall be entitled forthwith to invoice for the Articles and payment shall be due thereon as if delivery had been made notwithstanding SSSL’s right of lien (including lien for storage or demurrage charges).

5. OWNERSHIP

Ownership in the Articles shall not pass to the Purchaser until SSSL has received payment in full.

6. DELIVERY

(a) Unless otherwise stated elsewhere in the Quotation SSSL shall deliver the Articles FCA or to the Purchaser’s address if in the United Kingdom, whichever alternative is specified in the Purchaser’s acceptance of the Offer or, if none, whichever alternative SSSL deems at its discretion to be the most appropriate. The risk in the Articles shall pass to the Purchaser on delivery.

(b) A default by SSSL in respect of any particular delivery under the contract shall not affect any other delivery under the contract nor entitle the Purchaser to repudiate the whole or any other part of the contract.

(c) All delivery dates or periods given in the Quotation are deemed to be computed from the date of receipt of the Purchaser’s order. However, whilst every reasonable effort will be made to meet contractual delivery dates, times or dates for delivery are estimates only unless specified to the contrary elsewhere in the Quotation, and SSSL shall not be liable for the results of such delay.

7. ACCEPTANCE/REJECTION PERIOD

(a) Articles delivered under the contract will be deemed to have been finally accepted if SSSL does not receive notice of rejection within fifteen days of the date of such delivery.

(b) Any Article rejected outside the fifteen day period stipulated in (a) above but returned and accepted as a valid warranty within the terms of Clause 8 will be repaired or replaced (at SSSL’s option) under warranty. However, SSSL will not accept debit notes nor issue credit notes for Articles returned after the expiry of the said fifteen day period.

8. WARRANTY

(a) Except as provided in (e), SSSL will repair or at its option replace any Article found within a period of twelve months from date of delivery to be defective due to faulty workmanship or defective materials provided that:

(i) the Purchaser has notified SSSL in writing of the alleged defect within 30 days of discovery hereof and has thereupon returned the Article to SSSL properly packed and at the Purchaser’s risk and expense; and

(ii) the Article has been stored, maintained, installed, operated and used in accordance with the applicable specifications, manuals or instructions issued by SSSL and in accordance with sound engineering practice; and

(iii) the Article has not been subjected to any misuse or neglect or been involved in any accident.

(b) Except as otherwise agreed in writing, SSSL shall not be responsible for any dismantling or reassembly costs incurred by the Purchaser or any third party in connection with this Condition.

(c) Upon completion of the repair or replacement of any Article accepted by SSSL as a valid warranty the unexpired period of the warranty shall then apply with respect thereto and shall run from the date of delivery of such repaired or replacement Article.

(d) Where a repair or a replacement of an Article is accepted by SSSL as a valid warranty claim SSSL shall reimburse the Purchaser’s reasonable transportation costs of returning the defective Article, and the repaired or replacement Article shall be delivered to the Purchaser at SSSL’s expense and risk. Ownership of any Articles replaced hereunder shall re-vest in SSSL.

(e) Where SSSL sells Articles which are made to a design furnished by the Purchaser, SSSL warranty obligations shall extend solely to workmanship and to materials and not provided by the Purchaser or its representative and not to fitness for purpose nor satisfactory quality.

(f) Articles represented by the Purchaser as being defective shall not form the subject of any claim for work done by the Purchaser or for any loss, damage or expense whatsoever and however arising, directly or indirectly, from any alleged defect except as provided in Condition 13.

(g) SSSL warrants that, except as provided in (e) above and unless stated to the contrary elsewhere in the Quotation, the Articles are of satisfactory quality, and conform to the applicable specifications and descriptions elsewhere in the Quotation (if any).

(h) The foregoing provisions of this Condition represent the entire liability of SSSL, its employees and agents in respect of defective Articles and all other conditions, warranties and liabilities as to quality, description, fitness for purpose or otherwise, whether expressed or implied by statute or common law are hereby excluded.

9. TERMINATION

If the Purchaser shall make default in, or commit any breach of any of, its obligations to SSSL hereunder or if any distress or execution shall be levied upon the Purchaser or its property or assets or if the Purchaser shall make or offer to make any arrangement or composition with creditors or commit any act of bankruptcy, or if any petition or receiving order in bankruptcy shall be presented or made against the Purchaser or if the Purchaser shall be a company and any resolution or petition to wind up such company's business shall be passed or presented otherwise than for reconstruction or amalgamation or if a receiver of any such company's undertaking, property or assets or any part thereof shall be appointed SSSL shall have the right forthwith to determine the contract in whole or in part upon written notice being given to the Purchaser or delivered to the Purchaser's last known address without prejudice to any claim or right which SSSL may make or exercise.

10. OVERSEAS CUSTOMERS OR END USERS

(a) Any Quotation made by SSSL to an overseas Purchaser and any contract resulting therefrom is conditional upon export clearance being authorised by the appropriate authority.

(b) Any non-UK tax, duty or other impost on sums payable by the Purchaser to SSSL under the contract will be to the Purchaser's account.

11. EXCUSABLE DELAY

SSSL shall not be in default by reason of any failure to perform its obligations hereunder if such failure arises by reason of any event beyond SSSL's reasonable control including but not limited to acts of God, war, fire, flood, strikes, riots or civil commotion, sabotage, action of any government or any act of omission of the Purchaser or of a third party. SSSL undertakes to advise the Purchaser at the earliest opportunity if such a situation arises and is likely to affect SSSL's performance hereunder, and SSSL shall take all reasonable steps to minimise the effects of such delay.

12. INTELLECTUAL PROPERTY RIGHTS Unless otherwise specified elsewhere in the Quotation, and subject to the rights of third parties, all intellectual property rights of whatever sort in the Articles are vested in and remain with SSSL.

13. LIMITATION OF LIABILITY

(a) Except as otherwise stipulated hereunder, SSSL shall not be liable for any loss sustained by any person or damage to property whatsoever and howsoever arising, directly or indirectly, out of or in consequence of any act or omission of SSSL in performance of the contract.

(b) The Purchaser shall indemnify and hold SSSL harmless against any claim by, or loss or damage to, any person or property directly or indirectly occasioned by or arising from:

(i) the use or operation of the Articles (excepting claims in respect of patent or other intellectual property infringements which are dealt with under Condition 14 hereof).

(ii) Default (which term shall include but not

be limited to non-compliance with any obligation hereunder, any delay or giving of wrong information and any lack of required information) of an obligation of the contract or misuse of an Article by or on the part of the Purchaser.

(c) Nothing contained in these Conditions shall affect SSSL's liability as may be imposed by the Unfair Contract Terms Act 1977 for death or personal injury caused by the negligence of SSSL.

14. PATENT INDEMNITY

(a) In respect of the infringement of letters patent or any other intellectual property rights relating to any part of the Articles, SSSL's liability shall be limited to Articles of SSSL design and relate solely to infringement of United Kingdom patents. In the event of such infringement SSSL's obligations shall be limited to (at SSSL's option) either replacing the infringing item by a non-infringing item, or securing at its own cost a licence permitting use of said item by the Purchaser (or end user, as applicable) without infringement, or paying a sum of money to the Purchaser in compensation for loss of use, such amount not to exceed the original contract price of the said item.

(b) SSSL shall, as far as it legally may, allow to the Purchaser the benefit of any reliefs or indemnities received from the supplier of any infringing item not of SSSL's design.

(c) No liability shall be accepted by SSSL in respect of infringements arising by combination of the Articles with any other items, or from their use for a purpose not specified or disclosed to SSSL.

(d) This indemnity is conditional upon SSSL receiving the earliest possible notice from the Purchaser of any claim being made or any actions threatened or brought against the Purchaser and the Purchaser permitting SSSL to conduct any litigation which might ensue and all negotiations for the settlement of the claim.

(e) The Purchaser for its part warrants that any design or instructions furnished by it shall not be such as will cause SSSL to infringe any letters patent or other intellectual property right and shall indemnify SSSL in respect of any such infringement.

15. SUB-CONTRACTING

SSSL reserves the right to sub-contract the fulfilment of the contract or any part thereof.

16. LIEN

In addition to any right of lien to which SSSL may by law be entitled, SSSL shall in the event of the Purchaser's insolvency be entitled to a general lien on all items in SSSL's possession (notwithstanding that such items or any of them may have been paid for) for the unpaid price of any other items sold and delivered to the Purchaser by SSSL under the same or any other contract.

17. WAIVER

Any failure, delay or indulgence on the part of SSSL in exercising any power or right conferred hereunder shall not operate as a waiver of such power or right or preclude the exercise of any other right or remedy hereunder.

18. NOTICES

Any notice or other communication sent to the Purchaser in connection herewith shall be sufficient if sent to the address notified to SSSL for that purpose or, in the absence of such notification, to the Purchaser's address last known to SSSL.

19. LAW

The construction, validity and performance of the contract shall be governed by English law.

20. GENERAL

If at any time any term or condition hereof is or becomes illegal or void as a consequence of the operation of law then the remaining provisions hereof shall remain in full force and effect.