

STANDARD DOMESTIC (U.K.) CONDITIONS OF SALE

(Please refer to our specialist Conditions of Sale for non-UK supply)

1. General

The following terms and conditions (**Conditions**) apply to all sales of goods made by AATI Limited (**we, us, our**). Any quotation we provide and any addition or amendment to it, and any order placed with us is subject to these Conditions, and no addition, variation or term inconsistent with these Conditions shall have effect unless expressly accepted by us in writing signed by one of our a directors. All quotations assume a simple domestic supply-only subcontract order with no penalty or retention clauses.

2. Quotations and Prices

(i) Unless previously withdrawn by us or otherwise specified by us in writing, quotations are open for acceptance within 30 days from the date when they are made. Any acceptance of a quotation shall be deemed to be an unqualified acceptance of these Conditions and any term or condition contained in an acceptance which is inconsistent with these Conditions shall not apply and will not amend or vary these Conditions.

(ii) Our quoted prices are based on the cost of metal at London Metal Exchange prices ruling at the date of the quotation. The price payable will be our quoted price plus or minus any increase or decrease (as the case may be) in the London Metal Exchange price of the required metal between the date of the quotation and the date of receipt by us of the customer's acceptance of our quotation. We will notify the customer of any price variation and if the customer wishes to terminate the order as a consequence, we must be notified in writing within 5 days of our notification to the customer. An increase in the quoted price will also be payable if our production costs are increased by any alteration by the customer in the design, weight, quantities or specifications of the goods, or by any suspension or delay in commencement or carrying out of work due to instructions or lack of instructions or by any of the circumstances referred to in paragraph 4(i) of these Conditions.

(iii) Unless specifically stated to the contrary, all prices quoted for castings are for un-machined self-coloured castings only.

3. Terms of Payment

(i) Our normal terms are net cash monthly. Payment of monthly accounts is due not later than the last day of the month following the end of the month in which the date of such account falls. We reserve the right, however, to require cash on or before delivery of goods.

(ii) When deliveries are made by instalments spread over a period of time, each consignment despatched during a month shall be included in the account for that month.

(iii) In the event of the customer failing to make punctual payment of any monies due from him, we reserve the right to withdraw, without notice, any credit facilities which may be allowed by us, and all monies then owing by the customer shall immediately become payable. Further, in such event, we reserve the right to suspend deliveries or reduce the rate of delivery on this or on any other outstanding order until all monies then owing are paid.

4. Patterns, Dies, etc

(i) If a customer supplies his own patterns, core boxes, dies, tools, gauges, jigs or fixtures, our quotation is based on the assumption that they are in good condition, true to drawing (where applicable) and suitable in all respects for our methods of production and for the production of castings in the quantities and qualities required. If, in our opinion, it is necessary to modify, repair, renovate or replace any such item supplied by the customer, we reserve the right to make an additional charge for any work or expense involved. We also reserve the right to increase our quoted price for any goods which cost us more to produce as a result of any such item or any other property supplied by the customer being defective or inadequate or not corresponding to the description or information on which our quotation was based. All other equipment, including pouring gates and technical running methods used by us in executing an order, shall remain our property.

(ii) Customer's property on our premises will be at the customer's risk and will not be insured by us and we accept no responsibility for loss of or damage to such property unless it is directly attributable to the negligence of ourselves, our servants or agents. Our liability for loss or damage, which is so attributable, shall not exceed the market value of the lost or damaged items or, in the case of damaged items, the cost of repairing the damage, if lower.

5. Delivery

(i) Any time quoted for delivery shall be calculated (subject to clause 9(iii)) from the date upon which we receive the customer's acceptance of our quotation on the acceptance form provided by us, or (if later) the date upon which we have full and final information, drawings and (where these are to be supplied by

the customer) patterns, core boxes, dies or other equipment necessary to enable us to put the work in hand. Any dates quoted for delivery are approximate only and the time of delivery is not of the essence. (ii) We shall not be liable for, nor shall any contract with us be liable to cancellation for, delay in delivery or failure to deliver caused by strikes, lockouts, labour disputes, government interference, war, fire, flood, accident, defective material, delay in obtaining materials not manufactured by us or any other cause (whether or not similar to any of the foregoing) beyond our control.

6. Warranty & Liability

(i) We expressly exclude all warranties and conditions whether express or implied (whether by statute, common law or otherwise) in respect of all goods manufactured and supplied by us, but we undertake to replace or repair at our option any goods of our own manufacture or any part thereof which are defective in materials or workmanship (including goods which do not comply with specified margins or specific tests agreed or prescribed in as mentioned in paragraph 7 below), if returned to our works carriage paid within six months from the date of despatch. **Installation of all our products must be in accordance with our recommended installation guidelines.**

(ii) Any non-ferrous casting returned after machining will be credited in full, less an allowance for swarf (unless the swarf is also returned) and replacement castings will be invoiced. Please note that ferrous castings are supplied with a thin coat of rust-inhibiting phosphate primer. Over time this will wear off with footfall and expose raw cast iron which may display signs of rusting.

(iii) Notwithstanding the foregoing, we give no warranty in respect of goods made from material supplied by the customer nor where defects are attributed to a customer's design, specification, drawings, patterns or particulars, or to any core box, die, tool, gauge, jig, fixture or other article supplied by the customer.

Limitation of liability: THE CUSTOMER'S ATTENTION IS PARTICULARLY DRAWN TO THIS PARAGRAPH

(iv) Nothing in these Conditions shall limit or exclude our liability for:

- (a) death or personal injury caused by our negligence, or the negligence of our employees, agents or subcontractors;
- (b) fraud or fraudulent misrepresentation;
- (c) breach of the terms implied by section 2 of the Supply of Goods and Services Act 1982 (title and quiet possession);
- (d) breach of the terms implied by section 12 of the Sale of Goods Act 1979 (title and quiet possession); or
- (e) (if applicable) defective products under the Consumer Protection Act 1987.

(v) Subject to paragraph 6 (iv) above, under no circumstances whatever are we be liable to the customer, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, or any indirect or consequential loss arising under or in connection with the contract with a customer to which these Conditions apply (**Contract**); and our total liability in respect of all other losses arising under or in connection with the Contract, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall in no circumstances exceed the price of the goods supplied.

(vi) Except as set out 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.

7. Inspection and Tests

All goods manufactured by us are carefully inspected and, where practicable, submitted to our standard tests before despatch. However, notwithstanding the foregoing, where figures, particulars or other details relating to physical or chemical properties are indicated in our quotation they are to be regarded as a general guide only, unless:

- (a) specified margins have been agreed in writing, or
- (b) the customer has prescribed that specific tests to establish the necessary physical or chemical properties are to be made by ourselves at his expense.

8. Third party intellectual property rights

To the extent that the goods to be supplied by us to the customer are to be manufactured in accordance with a specification, pattern or design (**Goods Specification**) supplied by the customer, the Customer shall indemnify us against all liabilities, costs, expenses, damages and losses (including any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal and other professional costs and expenses) suffered or incurred by us in connection with any claim made against us for actual or alleged infringement of a third party's intellectual property rights arising out of or in connection with our use of the Goods Specification.

9. Samples

- (i) If expressly requested by the customer, we will supply samples at the expense of the customer.
- (ii) Where we are working from a new pattern, an altered pattern or a pattern fresh to our foundry, we may submit sample castings for approval before executing the bulk of the order, and any sample submitted shall be paid for by the customer.
- (iii) In all cases where samples are submitted, production of the bulk of the order and the time quoted for delivery shall not commence until the receipt of approval of the samples in writing.

10. Passing of Property, Risk and Title to Goods

- (i) The risk in the goods shall pass to the customer on completion of delivery.
- (ii) Title to the goods shall not pass to the customer until we have received payment in full (in cash or cleared funds) for the goods and any other goods that we have supplied to the customer.
- (iii) Until title to the goods has passed to the customer, the customer shall:
 - (a) hold the goods on a fiduciary basis as our bailee;
 - (b) store the goods separately from all other goods held by the customer so that they remain readily identifiable as our property;
 - (c) not remove, deface or obscure any identifying mark or packaging on the goods;
 - (d) maintain the goods in satisfactory condition and keep them insured against all risks for their full price on our behalf from the date of delivery;
 - (e) notify us immediately if it may become insolvent or unable to pay its debts or a security holder attempts to enforce its security; and
 - (f) give us such information relating to the goods as we may require from time to time,
 - (g) but the customer may resell or use the goods in the ordinary course of its business.

(iv) If before title to the goods passes to the customer, the customer becomes subject to any of the events mentioned in sub-paragraph (iii) above, or we reasonably believe that any such event is about to happen and notifies the customer accordingly, then, provided the goods have not been resold, or irrevocably incorporated into another product, and without limiting any other right or remedy we may have, we may at any time require the customer to deliver up the goods and, if the customer fails to do so promptly, enter any premises of the customer or of any third party where the goods are stored in order to recover them.

11. Carriage

(i) Unless specifically stated to the contrary, all prices quoted exclude delivery by road by our own vehicle (or by such other method as we may elect) to the address shown in the quotation.

(ii) We do not accept any responsibility for damage in transit or shortages unless notice in writing is given to the carriers and to ourselves within three days after receipt of the goods by the customer. In the event of non-delivery, notice must be given to ourselves and to the carriers within the period specified by the carrier's conditions of carriage, and, in any event, to ourselves within fourteen days of the date of despatch.

12. Non-Acceptance

If the customer is unable or wrongfully refuses to accept delivery of the goods upon completion of manufacture, we reserve the right (in addition to any other remedy) to invoice the goods, whereupon payment shall be due and shall be made as if delivery had been accepted. Further, if the customer does not take delivery of any goods within fourteen days after he has been notified that they are ready for delivery, we shall be paid a reasonable amount for storage, and if we have no space available we shall be at liberty to arrange storage elsewhere at the customer's expense.

13. Cancellation and Variation

Once the order acknowledgement has been received by the customer, the order may not be cancelled or varied by the customer except with our consent in writing, which, in our discretion, we may withhold or give either unconditionally or on terms which will indemnify us against any loss (including loss of profit) which may result from such cancellation or variation.

14. Interpretation

Any contract based on our quotation and these Conditions shall in all respects be construed and governed by English Law and shall be subject to the sole jurisdiction of the English Courts. The construction of these Conditions shall not be affected by their titles.