

1. INTERPRETATION

1.1 In these Conditions the following words shall have the following meanings: "the Buyer" the person(s), firm or company who purchases the Goods from the Company; "the Company" Engine Room Spares "the Contract" any contract between Engine Room Spares and the Buyer for the sale and purchase of the Goods, incorporating these Conditions; "Delivery Point" the place where delivery of the Goods is to take place under condition 4; "Goods" any goods agreed in the Contract to be supplied to the Buyer by Engine Room Spares (including any part or parts of them).

1.2 In these Conditions references to any statute or statutory provision shall, unless the context otherwise requires, be construed as a reference to that statute or provision as from time to time amended, consolidated, modified, extended, re-enacted or replaced.

1.3 In these Conditions references to the masculine include the feminine and the neuter and to the singular include the plural and vice versa as the context admits or requires.

1.4 In these Conditions headings will not affect the construction of these Conditions.

2. APPLICATION OF TERMS

2.1 Subject to any variation under condition 2.3 the Contract will be on these Conditions 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, specification or other document).

2.2 No terms or conditions endorsed upon, delivered with or contained in the Buyer's purchase order, confirmation of order, specification or other document will form part of the Contract simply as a result of such document being referred to in the Contract.

2.3 These Conditions apply to all Engine Room Spares' sales and any variation to these Conditions and any representations about the Goods shall have no effect unless expressly agreed in writing by Engine Room Spares. Nothing in this Condition will exclude or limit Engine Room Spares' liability for fraudulent misrepresentation.

2.4 Each order for Goods by the Buyer from the Company shall be deemed to be an offer by the Buyer to purchase Goods subject to these Conditions.

2.5 No order placed by the Buyer shall be deemed to be accepted by Engine Room Spares until a written acknowledgement of order is issued by Engine Room Spares or (if earlier) Engine Room Spares delivers the Goods to the Buyer.

2.6 The Buyer must ensure that the terms of its order and any applicable specification are complete and accurate.

2.7 Any quotation is given on the basis that no contract will come into existence until Engine Room Spares despatches an acknowledgement of order to the Buyer. Any quotation is valid for a period of 30 days only from its date, provided that Engine Room Spares has not previously withdrawn it.

2.8 The Buyer warrants that any specification or other material that it supplies to Engine Room Spares and Engine Room Spares use of such materials will not infringe the copyright or other rights of any third party.

3. DESCRIPTION AND USE

3.1 The description of the Goods shall be as set out in Engine Room Spares quotation.

3.2 All drawings, descriptive matter, specifications and advertising issued by Engine Room Spares and any descriptions or illustrations contained in Engine Room Spares catalogues or brochures are issued or published for the sole purpose of giving an approximate idea of the Goods described in them. They will not form part of this Contract.

4. DELIVERY

4.1 Unless otherwise agreed in writing by Engine Room Spares, delivery of the Goods shall take place at Engine Room Spares place of business.

4.2 Any dates specified by Engine Room Spares delivery of the Goods are intended to be an estimate and time for delivery shall not be made of the essence by notice. If no dates are so specified, delivery will be within a reasonable time.

4.3 Subject to the other provisions of these Conditions the Company will not be liable for any direct, indirect or consequential loss (all three of which terms include, without limitation, loss of profits, loss of business, depletion of goodwill and like loss), costs, damages, charges or expenses caused directly or indirectly by any delay in the delivery of the Goods (even if caused by Engine Room Spares negligence), nor will any delay entitle the Buyer to terminate or rescind the Contract unless such delay exceeds 360 days.

4.4 If for any reason the Buyer will not accept delivery of any of the Goods when they are ready for delivery, or Engine Room Spares is unable to deliver the Goods on time because the Buyer has not provided appropriate instructions, documents, licences or authorisations:

4.4.1 A risk in the Goods will pass to the Buyer (including for loss or damage caused by the Engine Room Spares' negligence);

4.4.2 The Goods will be deemed to have been delivered; and

4.4.3 Engine Room Spares may store the Goods until delivery whereupon the Buyer will be liable for all related costs and expenses (including, without limitation, storage and insurance).

4.5 The Buyer will provide at its expense at the Delivery Point adequate and appropriate equipment and manual labour for loading the Goods.

5. NON-DELIVERY

5.1 The quantity of any consignment of Goods as recorded by Engine Room Spares upon despatch from Engine Room Spares' place of business shall be conclusive evidence of the quantity received by the Buyer on delivery unless the Buyer can provide conclusive evidence proving the contrary.

5.2 Engine Room Spares shall not be liable for any non-delivery of Goods or damage to the Goods in transit (even if caused by Engine Room Spares' negligence) unless written notice is given to Engine Room Spares within 10 days of the date when the Goods would in the ordinary course of events have been received.

5.3 Any liability of Engine Room Spares for non-delivery of the Goods shall be limited to replacing the Goods within a reasonable time or issuing a credit note at the pro rata Contract rate against any invoice raised for such Goods.

6. RISK/TITLE

6.1 The Goods are at the risk of the Buyer from the time of delivery.

6.2 Ownership of the Goods shall not pass to the Buyer until Engine Room Spares has received in full (in cash or cleared funds) all sums due to it in respect of:

6.2.1 The Goods; and

6.2.2 All other sums which are or which become due to Engine Room Spares from the Buyer on any account.

6.3 Until ownership of the Goods has passed to the Buyer, the Buyer must:

6.3.1 Hold the Goods on a fiduciary basis as Engine Room Spares' bailee;

6.3.2 Store the Goods (at no cost to Engine Room Spares) separately from all other goods of the Buyer or any third party in such a way that they remain readily identifiable as Engine Room Spares' property;

6.3.3 Not destroy, deface or obscure any identifying mark or packaging on or relating to the Goods;

6.3.4 Maintain the Goods in satisfactory condition and keep them insured on Engine Room Spares' behalf for their full price against all risks to the reasonable satisfaction of Engine Room Spares. On request the Buyer shall produce the policy of insurance to Engine Room Spares; and

6.3.5 Hold the proceeds of the insurance referred to in condition

6.3.4 On trust for Engine Room Spares and not mix them with any other money; nor pay the proceeds into an overdrawn bank account.

6.4 The Buyer may resell the Goods before ownership has passed to it solely on the following conditions:

6.4.1 Any sale shall be effected in the ordinary course of the Buyer's business at full market value; and

6.4.2 Any such sale shall be a sale of Engine Room Spares' property on the Buyer's own behalf and the Buyer shall deal as principal when making such a sale.

6.5 The Buyer's right to possession of the Goods shall terminate immediately if:

6.5.1 The Buyer has a bankruptcy order made against him or makes an arrangement or composition with his creditors, or otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, or (being a body corporate) convenes a meeting of creditors (whether formal or informal), or enters into liquidation (whether voluntary or compulsory) except a solvent voluntary liquidation for the purpose only of reconstruction or amalgamation, or has a receiver and/or manager, administrator, or administrative receiver appointed of its undertaking or any part thereof, or a resolution is passed or a petition presented to any court for the winding up of the Buyer or for the granting of an administration order in respect of the Buyer, or any proceedings are commenced relating to the insolvency or possible insolvency of the Buyer; or

6.5.2 The Buyer suffers or allows any execution, whether legal or equitable, to be levied on his/its property or obtained against him/it, or fails to observe/perform any of his/its obligations under the Contract or any other contract between Engine Room Spares and the Buyer, or is unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or the Buyer ceases to trade; or

6.5.3 The Buyer encumbers or in any way charges any of the Goods.

6.6 Engine Room Spares shall be entitled to recover payment for the Goods notwithstanding that ownership of any of the Goods has not passed from the Company.

6.7 The Buyer grants Engine Room Spares, its agents and employees an irrevocable licence at any time to enter any premises where the Goods are or may be stored in order to inspect them, or, where the Buyer's right to possession has terminated, to recover them.

7. PRICE

7.1 Unless otherwise agreed by Engine Room Spares in writing the price for the Goods shall be the price set out in the Company's quotation/offer on the date of delivery or deemed delivery.

7.2 The price for the Goods shall be exclusive of any value added tax and all costs or charges in relation to packing, packaging, loading, unloading, carriage and insurance all of which amounts the Buyer will pay in addition when it is due to pay for the Goods.

8. PAYMENT

8.1 Unless agreed otherwise with Engine Room Spares, payment of the price for the Goods is due upon delivery.

8.2 Time for payment shall be of the essence.

8.3 No payment shall be deemed to have been received until the Company has received cleared funds.

8.4 All payments payable to Engine Room Spares under the Contract shall become due immediately upon termination of this Contract despite any other provision. 8.5 The Buyer shall make all payments due under the Contract without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise unless the Buyer has a valid court order requiring an amount equal to such deduction to be paid by Engine Room Spares to the Buyer.

8.6 If the Buyer fails to pay Engine Room Spares any sum due pursuant to the Contract the Buyer will be liable to pay interest to the Company on such sum from the due date for payment at the annual rate of 5% above the base lending rate from time to time of Co-Operative Bank plc, accruing on a daily basis until payment is made, whether before or after any judgement. The Company reserves the right to claim interest under the Late Payment of Commercial Debts (Interest) Act 1998.

9. QUALITY

9.1 Where Engine Room Spares is not the manufacturer of the Goods, Engine Room Spares will endeavour to transfer to the Buyer the benefit of any warranty or guarantee given to Engine Room Spares

9.2 Engine Room Spares warrants that (subject to the other provisions of these Conditions) upon delivery, and for a period of 12 months from the date of delivery, the Goods will:

9.2.1 Be of satisfactory quality within the meaning of the Sale of Goods Act 1994; and

9.2.2 Be reasonably fit for any particular purpose for which the Goods are being bought if the Buyer had made known that purpose to Engine Room Spares in writing and Engine Room Spares has confirmed in writing that it is reasonable for the Buyer to rely on the skill and judgement of Engine Room Spares.

9.3 Engine Room Spares shall not be liable for a breach of any of the warranties in condition 9.2 unless:

9.3.1 The Buyer gives written notice of the defect to Engine Room Spares, and (if the defect is as a result of damage in transit) to the carrier, within 7 days of the time when the Buyer discovers or ought to have discovered the defect; and

9.3.2 Engine Room Spares is given a reasonable opportunity after receiving the notice of examining such Goods and the Buyer (if asked to do so by Engine Room Spares) returns such Goods to Engine Room Spares' place of business for the examination to take place there.

9.4 Engine Room Spares shall not be liable for a breach of any of the warranties in condition 9.2 if:

9.4.1 The Buyer makes any further use of such Goods after giving such notice; or

9.4.2 The defect arises because of fair wear and tear or arises because the Buyer failed to follow the Engine Room Spares' oral or written instructions as to the storage, installation, commissioning, use or maintenance of the Goods or (if there are none) good trade practice; or

9.4.3 The Buyer alters or repairs such Goods without the written consent of Engine Room Spares.

9.5 Subject to conditions 9.3 and 9.4, if any of the Goods do not conform with any of the warranties in condition 9.2 the Company shall at its option repair or replace such Goods (or the defective part) or refund the price of such Goods at the pro rata Contract rate provided that, if Engine Room Spares so requests, the Buyer shall, at Engine Room Spares' expense, return the Goods or the part of such Goods which is defective to Engine Room Spares.

9.6 If Engine Room Spares complies with condition 9.5 it shall have no further liability for a breach of any of the warranties in condition 9.2 in respect of such Goods.

9.7 Any Goods replaced will belong to Engine Room Spares and any repaired or replacement Goods will be guaranteed on these terms for the unexpired portion of the 12 month period.

10. LIMITATION OF LIABILITY AND INDEMNITY

10.1 Subject to condition 9, the following provisions set out the entire financial liability of Engine Room Spares (including any liability for the acts or omissions of its employees, agents and sub-contractors) to the Buyer in respect of:

10.1.1 Any breach of these Conditions; and

10.1.2 Any representation, statement or tortious act or omission including negligence arising under or in connection with the Contract.

10.2 All warranties, conditions and other terms implied by statute or common law (save for the conditions implied by section 12 of the Sale of Goods Act 1979) are, to the fullest extent permitted by law, excluded from the Contract.

10.3 Nothing in these Conditions excludes or limits the liability of Engine Room Spares for death or personal injury caused by Engine Room Spares' negligence or fraudulent misrepresentation.

10.4 Subject to conditions 10.2 and 10.3:

10.4.1 Engine Room Spares' total liability in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of this Contract shall be limited to the purchase price of the Goods; and

10.4.2 Engine Room Spares shall not be liable to the Buyer for any indirect or consequential loss or damage (whether for loss of profit, loss of business, depletion of goodwill or otherwise), costs, expenses or other claims for consequential compensation whatsoever (howsoever caused) which arise out of or in connection with the Contract.

10.5 The Buyer undertakes that it will keep Engine Room Spares fully indemnified against all actions, claims, proceedings, costs and damages (including any damages or compensation paid by Engine Room Spares on the advice of its legal advisors to compromise or settle any claim) and all legal costs or other

expenses arising out of any breach of a Contract or out of any claim by a third party based on any facts which is substantiated would constitute such a breach.

11. ASSIGNMENT

11.1 The Buyer shall not be entitled to assign the Contract or any part of it without the prior written consent of Engine Room Spares.

11.2 Engine Room Spares may assign the Contract or any part of it to any person, firm or company.

12. FORCE MAJEURE

Engine Room Spares reserves the right to defer the date of delivery or payment or to cancel the Contract or reduce the volume of the Goods ordered by the Buyer (without liability to the Buyer) if it is prevented from or delayed in the carrying on of its business due to circumstances beyond the reasonable control of Engine Room Spares including, without limitation, acts of God, governmental actions, war or national emergency, acts of terrorism, protests, riot, civil commotion, fire, explosion, flood, epidemic, lock-outs, strikes or other labour disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials provided that, if the event in question continues for a continuous period in excess of 180 days, the Buyer shall be entitled to give notice in writing to Engine Room Spares to terminate the Contract.

13. GENERAL

13.1 Each right or remedy of Engine Room Spares under the Contract is without prejudice to any other right or remedy of Engine Room Spares whether under the Contract or not.

13.2 If any provision of the Contract is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid, void, voidable, unenforceable or unreasonable it shall, to the extent of such illegality, invalidity, voidness, voidability, unenforceability or unreasonableness be deemed severable and the remaining provisions of the Contract and the remainder of such provision shall continue in full force and effect.

13.3 Failure or delay by Engine Room Spares in enforcing or partially enforcing any provision of the Contract will not be construed as a waiver of any of its rights under the Contract.

13.4 Any waiver by Engine Room Spares of any breach of, or any default under, any provision of the Contract by the Seller will not be deemed a waiver of any subsequent breach or default and will in no way affect the other terms of the Contract.

13.5 The parties to this Contract do not intend that any term of this Contract will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person that is not a party to it.

13.6 The formation, existence, construction, performance, validity and all aspects of the Contract shall be governed by English law and the parties submit to the exclusive jurisdiction of the English courts.

14. COMMUNICATIONS

14.1 All communications between the parties about this Contract must be in writing and delivered by hand or sent by pre-paid first class post:

14.1.1 (in case of communications to Engine Room Spares) to its registered office or such changed address as shall be notified to the Buyer in writing by Engine Room Spares; or

14.1.2 (in the case of the communications to the Buyer) to the registered office of the addressee (if it is a company) or (in any other case) to any address of the Buyer set out in any document which forms part of this Contract or such other address as shall be notified to Engine Room Spares by the Buyer in writing.

14.2 Communications shall be deemed to have been received:

14.2.1 If sent by recorded first class post, 3 days (excluding Saturdays, Sundays and bank and public holidays) after posting (exclusive of the day of posting); and

14.2.2 If delivered by hand, on the day of receipted delivery.