

TERMS AND CONDITIONS OF QUOTATION AND SALE

IMPORTANT: Please read all Terms and Conditions. You should only sign your acceptance of the Terms and Conditions if you are prepared to be legally bound by them.

Legally Binding Agreement

A legally binding agreement is created between you the 'Buyer' and Merit LILIN UK Limited the 'Sellers' when you open your Account and the date of Account opening will be the commencement date of the legal agreement between you and Merit LILIN UK Limited.

1. Contracts

- a) Contracts are made and orders are accepted only upon and subject to these Conditions of Sale. All other conditions are hereby excluded unless expressly accepted in writing by the Sellers.
- b) Any typographical, clerical or other error or omission in any sales literature, quotation, price list, acceptance of offer, invoice or any other documentation issued by the Sellers shall be subject to correction without any liability on the part of the Sellers.
- c) The Buyer acknowledges that the Buyer is not purchasing as a consumer.

2. Prices

- a) Unless expressly stated otherwise in any quotation issued by the Sellers to the Buyer, all prices quoted are ex. Works and is expressed in Pounds Sterling net and exclude the cost of packing and delivery. Any applicable Value Added Tax or any other sales tax or excise duties paid or payable by the sellers shall be added to the price and shall be payable by the Buyer.
- b) Firm price quotations are valid for a period of three months only from the date of quotation. The Sellers may, at their absolute discretion, accept or reject any order placed by the Buyer.
- c) In the event of the Buyer cancelling a part of the order in accordance with the provisions of Clause 13 the Sellers reserve the right to revise the price or prices quoted for goods already delivered.
- d) The Sellers reserve the right to review the contract price(s) in the event of the Pound Sterling or fluctuation in the rates of foreign exchange.

3. Delivery by the Sellers

- a) Any dates quoted for delivery of the goods are approximate only and the Sellers shall not be liable for any delay in delivery of the goods howsoever caused. Time for delivery shall not be of the essence unless previously and expressly agreed by the Sellers in writing.
- b) The Sellers reserve the right to deliver goods by instalments and in such event each instalment shall be treated as a separate contract and that the delivery

4. Delivery by the Buyer

- a) Delivery of the goods shall be made by the Buyer collecting the goods at the Sellers premises at any time after the Sellers have notified the Buyer that the goods are ready for collection or, if some other place for delivery is agreed by the Sellers, by the Sellers delivering the goods to that place.
- b) If the Buyer fails to take delivery of the goods, then, without prejudice to any other right or remedy available to the Sellers, the Sellers may:
 - i) Store the goods until actual delivery and charge the Buyer for the reasonable costs (including insurance) of storage; or ii) Sell the goods at the best price readily obtainable and (after deducting all reasonable storage and selling expenses) account to the Buyer for the excess over the price under the contract or charge the Buyer for any shortfall below the price under the contract.

5. Damage, Loss, Short Delivery

- a) On delivery, the Buyer shall examine the goods for defects and completeness. Thereafter, no claim for damage in transit, for shortage in delivery or for loss of goods will be entertained unless, in the case of damage, a separate notice in writing is given to the Carriers or to the Sellers within three days of the receipt of the goods, followed within 14 days of the date of advice of despatch by a complete claim in writing; or, in the case of loss of goods, a separate notice in writing and a claim is given to the Sellers Carriers within 14 days of the date of the Sellers' advice of despatch to the Buyer. In all cases, a signature 'unexamined' shall be deemed to be an unconditional acceptance of the goods.
- b) The Sellers shall not in any circumstances be liable, whether in contract or not, to the Buyer for any indirect or consequential loss or damage (including, without limitation, loss of profits, loss of contracts or damage to property) or for any claim against the Buyer by any third party and the guarantee given by the Sellers hereunder shall not be transferable to any person.
- c) The Sellers' liability for damage or non-delivery of goods duly notified in accordance with the above shall in any event be limited to replacement of goods within a reasonable time (or at the Sellers' option, refunding the price thereof) whether the damage or non-delivery is due to the Sellers' negligence or otherwise.

6. Quotation Terms

Quotations are valid for a period of 30 days from the date of issue. Quotations are based on information given & should not be considered as system design. Any quotation either verbal or in writing is not an offer & may be withdrawn or modified any time by LILIN. The entire risks to the results & performance of the system design is assumed by the company quoted. LILIN disclaims, either expressed or implied, including but not limited to, merchantability, fitness for a particular purpose, title & non-infringement arising out of any quotation/proposal. LILIN shall not be liable for any loss of data, loss of production, loss of profit, loss of use, loss of contracts or any other consequential, economic or indirect loss whatsoever.

7. Credit Agreements

- a) Where the Sellers have granted the Buyer a credit facility, the price for the goods and/or service shall be paid by the Buyer on or before 30 days end of month of invoice (the due date) or, if the Sellers shall so require under Clause (b) of this Clause, to be paid on demand without any period of notice.
- c) If the Buyer takes goods from the Sellers in excess of the Buyers credit limit, the Sellers may require payment on delivery for such excess of goods.

Authorised Signatory (Managing/Finance Director): _____

Print Name: _____ Position: _____ Date: _____

8. Terms of Payment

- a) Unless credit facilities have been granted to the Buyer or unless otherwise specifically provided in writing, the price for the goods shall be paid by the Buyer in cash on delivery and in default the Sellers shall be entitled to withhold delivery until payment. In the case of non-cash sales, the Sellers shall be entitled to charge and recover interest from the Buyer on the price of goods calculated at the rate of four per cent per annum above the HSBC Bank plc base rate from time to time from the due date of full payment.
- b) The discounts allowable to the Buyer are those shown on the Sellers' quotation only, and unless otherwise expressly agreed in writing, no other discounts or commissions are to become due or allowable to the Buyer.

9. Late payment

- a) When payment of any of the Sellers' invoices is overdue, the Sellers may suspend its performance of the contract to which the invoices relates and/or of any other contract then subsisting between the Sellers and the Buyer.
- b) In the event of legal action being taken by the Sellers against the Buyer for breach of payment obligations hereunder, the Buyer shall be responsible for all costs and disbursements incurred by the Sellers on a full indemnity basis.

10. Risk and liability

- a) Risk of damage to or loss of the goods shall pass to the Buyer at the time of delivery or, if the Buyer wrongfully fails to take delivery of the goods, the time when the Sellers have tendered delivery of the goods. For the purpose of this Clause, 'delivery' shall mean the arrival of the goods at the place of delivery of the Buyer where delivery is by the Sellers, or the safe loading of the goods into the Buyer's vehicles at the Sellers' premises where delivery is through collection by the Buyer.

11. Property

- a) Notwithstanding delivery and the passing of risk in the goods or any other provisions of these conditions. The property in the goods shall not pass to the Buyer until the Sellers have received in cash (or cleared funds) payment in full of the price of the goods and all other goods agreed by the Sellers to the Buyer for which payment is then due.
- b) Until such time as the property in the goods passes to the Buyer, the Buyer shall hold the goods as the Sellers' fiduciary agent and bailee, and shall keep the goods separate from those of the Buyer and third parties and properly stored, protected and insured and identified as the Sellers' property. Until that time, the Buyer shall be entitled to resell or use the goods in ordinary course of its business, but shall account to the Sellers for the proceeds of 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, properly stored, protected and insured.
- c) Until such time as the property in the goods passes to the Buyer (and provided the goods are still in existence and have not been resold) the Sellers shall be entitled at any time to require the Buyer to deliver up the goods to the Sellers 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.
- d) The Buyer shall not be entitled to pledge or in any way charge by way of security for any indebtedness any of the goods which remain the property of the Sellers, but if the Buyer does so, all monies owing by the Buyer to the Sellers shall (without prejudice to any other right or remedy of the Sellers) forthwith become due and payable.

12. Customer cancellation of orders

- a) Contracts and orders and parts thereof may be cancelled only by the Sellers' written acceptance of such cancellation. Where the Sellers accept such cancellation, the Sellers reserve the right to charge the Buyer with the amount of any losses or expenses directly or indirectly resulting from such cancellation. Where the Sellers do not accept such cancellation, they, the Sellers, reserve the right to recover the invoice price from the Buyer and charge the Buyer with additional losses both direct and indirect resulting from such cancellation. In any case where the Sellers were required to place a deposit with a manufacturer or supplier in respect of an order, the Sellers may require the Buyer to reimburse such sum in the event of cancellation.

13. Force majeure

- a) The Sellers 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 Sellers' obligations in relation to goods, if the delay or failure was due to any cause beyond the Sellers' reasonable control. Without prejudice to the generality of the foregoing, the following shall be regarded as causes beyond the Sellers' control:
- i) act of God, explosion, flood, tempest, fire or accident;
 - ii) war or threat of war, sabotage, insurrection, civil disturbance or requisition;
 - iii) Acts, restrictions, regulations, bye-laws, prohibitions or measures of any kind on the part of any government, parliamentary or local authority;
 - iv) import or export regulations or embargoes;
 - v) strikes, lock-outs or other industrial actions or trade disputes (whether involving employees of the Sellers or of a third party);
 - vi) difficulties in obtaining raw materials, labour, fuel, parts or machinery;
 - vii) power failure or breakdown in machinery.

14. Insolvency, Bankruptcy

The Sellers shall have the right to terminate the contract forthwith where the Buyer becomes insolvent or bankrupt or makes arrangements with its creditors or suffers a Receiver to be appointed or being a body corporate enters into liquidation (other than in connection with a reconstruction or amalgamation) in any of which cases the Sellers shall have no further obligation hereunder and the price for all goods delivered and work done shall become immediately due and payable.

15. Law applicable

These conditions shall be governed and construed in accordance with English law and all disputes arising in connection therewith shall be submitted to the jurisdiction of the English courts.

Authorised Signatory (Managing/Finance Director): _____

Print Name: _____ Position: _____ Date: _____