

Lancashire Oils Limited

Terms and Conditions of Sale

1. Interpretation

1.1 In these conditions:

'BUYER' means the person who accepts a quotation for the sale of Goods or whose order for the Goods is accepted by the Seller.

'GOODS' means the goods (including any instalment of the goods or any parts for them) which the Seller is to supply in accordance with these Conditions and shall include services where the contract permits.

'SELLER' means Lancashire Oils Ltd, Unit A, Naylor's Transport, Comet Rd, Moss Side Industrial Estate, Leyland, PR26 7PF.

'CONDITIONS' means the contract for the purchase and sale of the Goods.

'CONTRACT' means the contract for the purchase and sale of the Goods.

'WRITING' includes email, facsimile transmission and comparable means of communication.

1.2 Any reference in the Conditions to any provision of a statute shall be construed as a reference to that provision as amended, re-enacted or extended at the relevant time.

1.3 The headings in the Conditions are for convenience only and shall not affect their interpretation.

2. Basis of Sale

2.1 The Seller shall sell and the Buyer shall purchase the Goods in accordance with any written order of the Buyer which is accepted by the Seller, subject to these Conditions, which shall govern the contract to the exclusion of any other terms and conditions subject to which any such order is made or purported to be made, by the Buyer.

2.2 No variation to these conditions shall be binding unless agreed in writing between the authorised representative of the Buyer and the Seller.

2.3 The Seller's employees are not authorised to make any representations concerning the Goods unless confirmed by the Director in writing. In entering into the Contract the buyer acknowledges that it does not rely on and waives any claim for breach of any such representations which are not so confirmed.

2.4 Any advice or recommendations given by the Seller or its employees or agents to the Buyer or its employees or agents as to the storage, application or use of the goods which is not confirmed in writing by the seller is followed or acted upon entirely at the buyer's own risk, and accordingly the seller shall not be liable for any such advice or recommendation which is not so confirmed.

2.5 Any typographical, clerical or other errors or omission in any sales literature, quotation, price list, acceptance offer, invoice or other document or information issued by the seller shall be subject to correction without any liability on the part of the seller.

2.6 Any barrels, pallets or other equipment supplied by the seller shall remain the property of the seller and the buyer shall be responsible for the custody and safety of such equipment and shall immediately at the request of the seller return such equipment to the seller, unless payment has been received in full for said item.

3. Orders and Specifications

3.1 The buyer shall be responsible to the seller for ensuring the accuracy of the terms (including any applicable specification) submitted by the buyer, and for giving the seller any necessary information relating to the goods within a sufficient time to enable the seller to perform the contract.

in accordance with its terms.

3.2 The quantity, quality and description of and any specification for the goods shall be those set out in the seller's quotation (if accepted by the buyer) or in the buyer's order (if accepted by the seller). Illustrations and specifications in the seller's catalogues are not warranted by the seller, do not constitute a description and shall not be deemed to form part of any subsequent contract between the seller and the buyer.

3.3 The seller reserves the right to make any changes in the specifications of the Goods which are required to conform with any applicable safety or other statutory requirements or, where the goods are to be supplied to the seller's specification, which do not materially affect their quality or performance.

3.4 No order which has been accepted by the seller may be cancelled by the buyer except with the agreement in writing of the seller and on the terms that the buyer shall indemnify the seller in full against all loss (including loss of profit), costs (including the cost of all labour and materials used), damages, charges and expenses incurred by the seller as a result of cancellation.

4. Price of the Goods

4.1 The price of the goods shall be the seller's quoted price or, where no price has been quoted (or a quoted price is no longer valid), the price listed in the seller's published price list is current at the date of acceptance of the order. All the prices quoted are valid for 30 days only or until earlier acceptance by the buyer, after which the time they may be altered by the seller without giving notice to the buyer.

4.2 The seller reserves the right, by giving notice to the buyer at the time before any delivery, to increase the price of the goods to reflect any increase in the cost to the seller which is due to any factor beyond the control of the seller (such as, without limitation, any foreign exchange fluctuation, currency regulation, alteration of duties, significant increase in the costs of labour, materials or other costs of manufacture), any change in delivery dates, quantities or specifications for the goods which is requested by the buyer, or any delay caused by any instructions of the buyer or failure of the buyer to give the seller adequate information or instructions.

5. Terms of Payment

5.1 Subject to any special terms agreed in writing between the buyer and the seller, the seller shall be entitled to invoice the buyer for the price of the goods on or at any time after delivery of the goods, unless the goods are to be collected by the buyer wrongfully fails to take delivery of the goods, in which event the seller shall be entitled to invoice the buyer for the price at any time after the seller has notified the buyer that the goods are ready for collection or (as the case may be) the seller has tendered delivery of the goods.

5.2 The buyer shall pay the price for the goods within 15 days from the end of the month of the date of the seller's invoice, notwithstanding that the delivery may not have taken place and the property in the goods has not passed to the buyer. The time of payment of the price shall be of the essence of the contract. Receipts for payment will be issued only upon request.

5.3 If the buyer fails to make payment on the due date then, without prejudice to any other right or remedy available to the seller, the seller shall be entitled to:

5.3.1 Demand a credit charge of 10% of the total invoice value as shown on the invoice.

5.3.2 Cancel the contract or suspend any further deliveries to the buyer.

5.3.3 appropriate any payment made by the buyer to such of the goods (or the goods supplied under any other contract between the buyer and the seller) as the seller may think fit (notwithstanding any purported appropriation by the Buyer; and

5.3.4 Charge the buyer interest (both before and after any judgement) on the amount unpaid at the rate of 5 percent per annum above Natwest bank base rate from time to time, until the payment in full is made (a part of a month being treated as a full month for the purpose of interest) calculating

6. Delivery

6.1 Delivery of the goods shall be made by the buyer collecting the goods at the seller's premises at any time after the seller has notified the buyer that the goods are ready for collection or if some other place for delivery is agreed by the seller, by the seller delivering the goods to that place

6.2 Any dates quoted for delivery of the goods are approximate only and the seller 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 agreed by the seller in writing. The goods may be delivered by the seller in advance of the quoted delivery date upon giving reasonable notice the buyer.

6.3 Where the goods are to be delivered in instalments, each delivery shall constitute a separate contract and failure by the seller to deliver any one or more of the instalments in accordance with these conditions or any claim by the buyer in respect of any one or more of the instalments shall not entitle the buyer to treat the contract as a whole as repudiated.

6.4 If the seller fails to deliver the goods for any reason other than any cause beyond the seller's reasonable control or the buyer's fault, and the seller is accordingly liable to the buyer. The seller's liability shall be limited to the excess (if any) of the cost to the buyer (in the cheapest available market) of similar goods to replace those not delivered over the price of the goods.

6.5 If the buyer fails to take delivery of the goods or fails to give the seller adequate delivery instructions at the time stated for delivery (otherwise than by reason of any cause beyond the buyer's reasonable control or by reason of seller's fault) then without prejudice to any other right or remedy available to the seller, the seller may:

6.5.1 Store the goods until actual delivery and charge the buyer for the reasonable costs (including insurance) of the storage and of the transport and handling of the goods : or

6.5.2 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.

7. Risk and Property

7.1 Risk of damage to or loss of the goods shall pass to the buyer.

7.1.1 In the case of goods to be delivered at the seller's premises, at the time when the seller notifies the buyer that the goods are available for collection.

Or:

7.1.2 In the case of goods to be delivered otherwise than at the seller's premises, at the time of delivery and before they are unloaded or, if the buyer wrongfully fails to take delivery of the goods, the time when the seller has tendered delivery of the goods.

7.2 Notwithstanding delivery and the passing of risk in the goods, or any other provision of these conditions, the property in the goods shall not pass to the buyer until the seller

has received in cash or cleared funds payment in full of the price of the goods and all other goods agreed to be sold by the seller to the buyer for which payment is then due.

7.3 Until such time as the property in the goods passes to the buyer, the buyer shall hold the goods as the seller's *fiduciary agent and Baile*, and shall keep the goods separate from those of the buyer and third parties and property stored, protected and insured and identified as the seller's property. Until that time the buyer shall be entitled to resell or use the goods in the ordinary course of its business, but shall account to the seller 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 moneys or property of the buyer or any third parties and in the case of tangible proceeds stored, protected and insured.

7.4 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 seller shall be entitled at any time to require the buyer to deliver up the goods to the seller 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.

7.5 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 seller, but if the buyer does so all the moneys owing by the buyer to the seller shall (without prejudice to any other right or remedy of the seller) forthwith become due and payable.

8. Warranties and Liability.

8.1 The following conditions shall apply:

8.1.1 The seller shall be under no liability in respect of any defect in the goods arising from any drawing, design or specification supplied by the buyer.

8.1.2 The seller shall be under no liability in respect of any defect in the goods arising from any fair wear and tear, wilful damage, negligence, abnormal working conditions, failure to follow the seller's instructions (whether oral or in writing), misuse or alteration or repair of the goods without the seller's approval.

8.2 Subject as expressly provided in these conditions, and except where the goods are sold to a person dealing as a consumer (within the meaning of the unfair contract terms act 1977) all warranties, conditions or other terms implied by statute or common law are excluded to the fullest extent permitted by law.

8.3.1 Any claim by the buyer which is based on any deficiency in the quantity of the goods supplied shall be notified to the driver of the vehicle delivering the goods immediately in writing upon delivery and such notification shall be confirmed in writing to the seller within 48 hours from the date of delivery:

8.3.2 Subject to sub-clause 3 any claim by the buyer which is based on any defect in the quality of condition of the goods or their failure to correspond with specification shall (whether or not delivery is refused by the buyer) be notified to the seller in writing within 48 hours of the date of delivery.

8.3.3 Where the defect or failure was not apparent on reasonable inspection any claim shall be notified within 7 days after discovery of the defect or failure, provided that no

claim for latent defect shall be admitted after a period of 3 months from the date of delivery. If delivery is not refused and the buyer does not notify the seller accordingly, the buyer shall not be entitled to reject the goods and the seller shall have no liability for such defect or failure and buyer shall be bound to pay the price as if the goods had been delivered in accordance with the contract.

8.4 Where any valid claim in respect of any of the goods which is based on any defect in the quality or condition of the goods or deficiency in quantity or their failure to meet specification is notified to the seller in accordance with these conditions, the seller shall be entitled to replace the goods (or part in question) free of charge or, at the seller's sole discretion, refund to the buyer the price of the goods (or proportionate part of the price), but the seller shall have no further liability to the buyer.

8.5 Except in respect of death or personal injury caused by the seller's negligence, the seller shall not be liable to the buyer by reason of any representation, or any implied warranty, condition or other term, or any duty at common law, or under the express terms of the contract, for any consequential loss or damage (whether for loss of profit or otherwise), costs, expenses or other claims for consequential compensation whatsoever (and whether caused by the negligence of the seller, its employees or agents or otherwise) which arise out of or in connection with the supply of goods or their use or resale by the buyer, except as expressly provided in these conditions.

8.6 The seller shall not be liable to the buyer or be deemed to be in breach of contract by reason any delay in performing, or any failure to perform, any of the foregoing, the following shall be regarded as causes beyond the seller's reasonable control. Without prejudice to the generality of the foregoing, the following shall be regarded as causes beyond the seller's reasonable control:

8.6.1 Act of God, explosion, flood, tempest, fire or accident.

8.6.2 War or threat of war, sabotage, insurrection, civil disturbance or requisition.

8.6.3 Acts, restrictions, regulations, bye-laws, prohibitions or measures of any kind of the part of any governmental, parliamentary or local authority.

8.6.4 Import or export regulations or embargoes,

8.6.5 Strikes, lock-outs or other or other industrial actions or trade disputes (whether involving employees of the seller or of a third party)

8.6.6 Difficulties in obtaining raw materials, labour, fuel, parts or machinery.

8.6.7 Power failure or breakdown in machinery.

9. Insolvency of Buyer

9.1 This clause applies if:

9.1.1 The buyer makes any voluntary arrangement with its creditors or becomes subject to an administration order or (being an individual or firm) becomes bankrupt or (being a company) goes into liquidation (otherwise than for the purposes of amalgamation or reconstruction); or

9.1.2 An encumbrance takes possession, or a receiver is appointed, of any of the property or assets of the buyer; or

9.1.3 The buyer ceases, or threatens to cease, to carry on business; or

9.1.4 The seller reasonably apprehends that any of the events mentioned above is about to occur in relation to the buyer and notifies the buyer accordingly.

9.2 If this clause applies then, without prejudice to any other right or remedy available to the seller, the seller shall be entitled to cancel the contract or suspend any further deliveries under the contract without any liability to the buyer, and if the goods have been delivered but not paid for the price shall become immediately due and payable notwithstanding any previous agreement or arrangement to the contrary.

10. General

10.1 The seller may sub-contract the performance of the contract in whole or in part, the contract is between the seller and the buyer as principals and shall not be assignable by the buyer without the express written consent of the seller.

10.2 Any notice required or permitted to be given by either party to the other under these conditions shall be in writing addressed to that other party at its registered office or principal place of business or such other address as may at the relevant time have been notified pursuant to this provision to the party giving the notice.

10.3 No waiver by the seller of any breach of the contract by the buyer shall be considered as a waiver of any subsequent breach of the same or any other provision.

10.4 If any provision of these conditions is held by any competent authority to be invalid or unenforceable in whole or in part the validity of the other provisions of these conditions and the remainder of the provision in question shall not be affected thereby.

10.5 The contract shall be governed by the laws of England and be subject to the jurisdiction of the English courts.