



CORTMAN TEXTILES LIMITED

Coated Fabrics

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CONDITIONS OF TRADING

1. GENERAL (a) In these conditions (i) "Seller" means The Company (ii) the "Products" means the products to which any document relates (iii) "Buyer" means the Customer buying the Product, and (iv) "United Kingdom" means Great Britain, Northern Ireland, the Isle of Man and the Channel Islands. (b) These Conditions refer to the entire bargain between the Seller and the Buyer, and in the case of any inconsistency between these terms and the terms of any other contract documents sent by the Buyer to the Seller (whatever their respective dates) in respect of the Products, these terms shall prevail. These conditions shall apply except as may be expressly agreed by the Seller in writing. Any concession or waiver made by the Seller at any time shall not prejudice the exercise of its rights hereunder. (c) Nothing contained in these conditions shall impart any obligation on the part of the Seller to sell other products to the Buyer.

2. TRADE MARKS The Buyer undertakes (a) not to use in relation to the material any of the trademarks registered from time to time by the Seller or by any subsidiary company of the Seller while any of the said companies is the proprietor or a registered user of the relevant trademark. If the Products have been processed treated or used in any manner of which the Seller or such subsidiary company (as appropriate) has not approved in writing, and (b) to ensure that the stipulation contained in paragraph (a) of this condition is specifically advised to the Buyer's customers of the Products and to obtain corresponding undertakings from each such customer.

3. LICENCES (a) The Seller will be responsible for obtaining any necessary United Kingdom export licences or exchange contract consents. (b) The Buyer will be responsible for obtaining all necessary licences which it may require to enable it to import and use the Products and for all necessary exchange control consents to enable the Buyer to make payment for the Products, and the Buyer shall not be discharged from its obligations hereunder by any total or partial prohibition of imports or by the refusal or non availability of any import licence or by the imposition of any conditions or restriction upon the grant of such licence.

4. DELIVERY ARRANGEMENTS (a) The promised delivery date(s) specified is a genuine forecast in the light of current conditions but it is given without legal commitment and the Seller accepts no liability if in the event the Seller is unable to meet it. (b) All deliveries must be taken up by the completion date stated in the contract, or if no date is stated deliveries shall be taken and the contract completed within three months of the first day of the month in which the contract was booked. (c) When it is necessary for the Buyer to supply any containers or packaging for the material or supply particulars or do any other act to enable the Seller to effect deliveries, such particulars must be furnished or act performed within a reasonable time to enable the Seller to deliver within the contract time. The Seller shall have the right to cancel any undelivered balance not taken up by the date stated on the contract or at the end of the said three months, as the case may be, or any balance which the Seller cannot deliver by reason of the Buyer's default hereunder, and in either case without prejudice to any claim for damages the Seller may have. (d) Unless otherwise specifically agreed in writing, the Seller may effect delivery of the Products by whatever means it thinks most appropriate, (e) Where the Seller despatches the Products on the Buyer's behalf they will ordinarily be sent at the Buyer's risk. (f) The Seller may deliver the Products by instalments in advance of any specified delivery dates.

5. QUANTITY VARIATION (a) The Seller will endeavor to supply the exact quantities of the Products ordered but, unless otherwise specifically agreed:- (i) the total quantity shall be subject to a tolerance either way of 10 per cent and the Buyer will pay for the actual quantities of the Products delivered, and (ii) the indicated piece lengths are given as a general indication but without legal commitment, save that no piece will be under fifteen metres in length; (b) In particular, the Seller reserves the right to deliver:- (i) Up to five per cent, of the pieces in three parts; (ii) Up to twenty-five per cent of the remainder in two parts.

6. FAILURE TO TAKE QUANTITY SPECIFIED IN QUOTATION If the Buyer fails to order for delivery within the specified contract period that quantity of the Products on which the Seller's quotation was based, the Seller shall be entitled to charge and be paid as though the Buyer had ordered and the Seller had delivered that quantity of the Products. Furthermore, the Seller gives no undertaking that undelivered balances of the Products not taken up by the Buyer at the due date will subsequently be made available.

7. PRICE BASIS AND VARIATION (a) Unless otherwise specifically stated, the Seller's prices for loomstate Products are quoted "ex-works" and for finished Products "free delivered" to the point of delivery being within the United Kingdom specified (b) When prices are quoted "c.i.f.", "duty paid" or "free delivery" to any delivery address outside the United Kingdom any increase in insurance, packing or freight costs, import duty, internal taxes or any other charges incidental to the delivery of the Products between the date hereof and the date or dates of delivery, together with all costs of unlimited trans-shipment and/or deviation of voyage shall be paid by the Buyer (c) In the event of the Seller's costs increasing between the date hereof and the date of delivery owing to wars, Queen's enemies, defence measures, imposition of new custom excise or other duties or taxes increase in the cost of new materials or labour, scarcity of labour, or any other clause whatsoever, the price at which the Buyer's order is booked shall be deemed to be increased in respect of that portion of the order which is undelivered on the day when written notice of such increase in costs shall be given by the Seller to the Buyer. (d) In the event that the Buyer fails to take delivery of any part of the Products in accordance with condition 4(b) above, the Seller shall be entitled by notice in writing to the Buyer to increase the price of the Products remaining undelivered to the Seller's standard price or prices ruling on the actual date of delivery.

8. VALUE ADDED TAX Where applicable, value added tax will be applied in accordance, with United Kingdom legislation in force at the tax point date.

9. FORCE MAJEURE ETC (a) If events beyond the Seller's reasonable control prevent the Seller from delivering any of the Products by the appropriate delivery date, such date shall be postponed for a reasonable period. Beyond such period the Seller may without liability cancel the contract as regards such Products or the Buyer may without liability cancel the contract as regards such Products unless the Products either have been or are in the course of being made, or have been appropriated by the Seller to the contract, (b) If, by reason of any such circumstances, the Seller is prevented from-supplying the Buyer with the full quantity of the Products deliverable under the contract-and also at the same time maintaining in full its other business, then the Seller shall be at liberty to withhold, reduce or suspend deliveries to the Buyer to such extent as the Seller shall consider reasonable and equitable in all the circumstances, (c) The Seller will give as much advance notice as possible of any proposed action by it under paragraph (a) or (b) above to enable the Buyer to make alternative arrangements for the purchase of its requirements of the Products during the period of reduced or suspended delivery, and in this event the Buyer will be free to purchase from its suppliers its requirements of the Products to make good its anticipated or actual deficiency, and the Seller shall not be bound to acquire by purchase or otherwise additional quantities of the Products from other suppliers.

10. QUALITY The Seller warrants that save as otherwise herein specifically provided, the Products will accord with the contract specification and will be of sound materials and workmanship and, where the Seller has specifically so agreed, that the Products will be fit for the purpose which the Buyer specified.

11. REPLACEMENT OF DEFECTIVE PRODUCTS (a) The Seller's liability in respect of Products proved by the Buyer to be defective is limited to giving the Buyer a reasonable credit or allowance in respect of (or at the Seller's opinion replacing at the point of delivery specified (if within the United Kingdom or otherwise at such address within the United Kingdom as the Buyer and the Seller shall mutually agree) the defective Products, but in no circumstances will the Seller's maximum liability hereunder exceed the invoice value of the defective Products sold hereunder, (b) The Seller shall not be liable for:- (i) adverse effects resulting from the application to the Products of any process, operation or treatment unless specifically recommended by the Seller, nor (ii) any expenditure incurred by the Buyer in respect of Products proved or alleged to be defective, nor, (iii) loss of profit nor for consequential loss of any kind to the Buyer, however caused, nor (iv) for any Products which have been processed in any way by the Buyer or damaged after the risks in the Products has passed to the Buyer, (c) Claims for loss or damage in transit will only be considered if made so as to reach the Seller within such period as will enable a valid claim to be made against the carrier; (d) Claims in respect of Products delivered but alleged to be defective must be made in writing to the Seller within 14 days in the case of sales to customers in the United Kingdom, after delivery at the point of delivery specified, or, in the case of sales to customers outside the United Kingdom, after the Buyer first has a reasonable opportunity to examine the Products, and the allegedly defective Products are placed aside for inspection by the Seller, (e) No liability in respect of Products undelivered, lost, pilfered or damaged in transit will be accepted by the Seller where the ownership of the Products has passed to the Buyer before that occurrence or where the carrier has been given a clear receipt for the Products, (f) The Products may only be returned to the Seller if so agreed by the Seller, and the latter's certificate as to the quantity of returned Products received by it shall be final and binding, (g) In the event of the Buyer's failure to give the Seller notice as specified in paragraph (c) or (d) of this condition (as appropriate) the Buyer's claim shall be deemed to have been waived and shall be absolutely barred, (h) Where a complaint or a claim has been made in respect of Products proved or alleged to be

defective, the Seller may suspend further deliveries of Products under the contract until the validity of such complaint or claim has been finally determined and in such event the applicable delivery date (s) shall be postponed accordingly.

12. OVERDUE PAYMENTS AND CANCELLATIONS (a) The Seller shall be entitled to charge interest at 2% per month on all overdue payments, (b) The Seller shall be entitled to suspend or cancel further deliveries under this and any other contract between the parties hereto:- (i) If any payment is overdue, or (ii) if the Buyer shall have failed to take delivery of any Products, or (iii) (after notice) if and to the extent that the value of the Products delivered but not paid for exceeds or if delivered would exceed the Buyer's credit limit with the Seller, whether or not advised to the Buyer and whether or not payment is overdue, (c) For the purpose of this condition, time of payment shall be the essence of the contract, (d) The Buyer shall not be entitled to withhold or set-off payment for Products delivered for any reason whatsoever.

13. PASSING THE TITLE (a) Unless and until the Seller shall have been paid in full for the goods comprised in an order placed by the Buyer:- (i) Property in the Goods shall remain in the Seller notwithstanding that the risk in the Goods has passed to the Buyer and notwithstanding that the Buyer may have possession of the Goods, (ii) In the event that the Goods are converted into or become constituent parts of other products, ownership of the Seller's goods shall (where they continue to be identifiable) remain with the Seller and in addition thereto or (where the Seller's goods cease to be identifiable) in substitution therefor, ownership in such other products shall be transferred to the Seller and the Buyer (as Bailee of them for the Seller) will store them for the Seller in a proper manner without charge to the Seller, (iii) Until the happening of any of the events set out in sub-paragraphs B (i) to (iv) below the Buyer shall have the right to dispose of the Goods or such other products of which the Goods may form a constituent part in the course of its business, but for the account of the Seller and the Buyer shall have the right to pass good title to the Goods or such other said Products to a customer who is bona fide purchaser for value without notice to the Seller's rights, (iv) In the event of such disposal as is provided for in sub-clause (iii) hereof the Buyer shall be under a fiduciary duty to the Seller to account to the Seller for the sale proceeds to the extent of the amount remaining due to the Seller on the price payable by the Buyer's to the Seller for the Goods which are sold by the Buyer and the Seller is hereby irrevocably authorized in the Buyer's name and on the Buyer's behalf to do all such acts and things as the Seller shall consider necessary or appropriate to recover from the Buyer's customers the Buyer's price for any Goods to which the provisions of this clause apply to the extent that the Buyer is unpaid subject to the duty of the Seller to account to the Buyer for any sums recovered in excess of those required to discharge the liability of the Buyer to the Seller less any expenses incurred by the Seller in effecting such recovery as aforesaid; (b) However, the ownership of the Products shall remain with the Seller, which reserves the right to dispose of the Products until payment in full for all the Products has been received by it in accordance with the terms of contract or until such times as the Buyer sells the Products until payment in full for all the bona fide sale at full market value. If such payment is overdue in whole or in part the Seller may (without prejudice to any of its other rights) recover or immediately upon the commencement of any act or proceeding in which the Buyer's solvency is involved. If any of the Products are incorporated in or used as material for other goods before such payment the property in the whole of such other Goods shall be and remain with the Seller until such payment has been made, or the other Goods have been sold as aforesaid, and the Seller's rights hereunder in the Products shall extend to these other Goods.

14. COPYRIGHT ETC. INFRINGEMENT The Buyer shall be solely responsible for the consequence of any patent, trademark, design or copyright infringement or any other infringement of a third party's legal rights resulting from the Buyer's specification or use of any of the Products and the Buyer shall fully indemnify the Seller in respect of all costs, charges, and expenses incurred by the Seller as a result of any such infringement or alleged infringement.

15. DIES, TOOLS, SKETCHES ETC (a) Dies, tools, printing plates, negatives, blocks and engravings provided by the Seller remain its property, whether a charge is made in respect of them or not, and shall remain subject to the Seller's control, (b) All designs and sketches are submitted by the Seller in confidence and, unless otherwise agreed in writing, they and the copyright in them remain its property.

16. SEPARABILITY Each delivery of a quantity of Products under the contract shall be deemed to constitute a separate contract to which the terms and conditions hereof shall apply. Provided that this condition shall be subject to and shall in no way affect the Seller's rights under condition 12 above or 17 below to suspend or terminate the whole contract in the circumstances there mentioned.

17. BREACH If the Buyer (a) makes default in or commits any breach of its obligations to the Seller hereunder or (b) is involved in any legal proceedings in which its solvency is involved or (c) (being a company) commences liquidation or (d) ceases or threatens to cease to trade, or if serious doubts arise as to the Buyer's solvency, then in any such case, the Seller shall immediately become entitled (without prejudice to its claims and rights under the contract) to suspend further performance of the contract for such time not exceeding six months as it shall in its absolute discretion think fit or (whether or not notice of such suspension shall have been given) to treat the contract as wrongfully repudiated by the Buyer and forthwith terminate the contract. The Seller will notify the Buyer of the exercise of its option to suspend or terminate the contract within a reasonable time of its becoming aware of the act or default on the Buyer's part giving rise to the Seller's right under this condition.

18. "CALL OFF" FORMS The contract contains all the terms and conditions of purchase and sale relating to the supply of the Products to which it relates. No further conditions will be recognized by or binding on either party hereto apart from the actual quantities, prices, delivery dates and relevant discounts, notwithstanding that such conditions may be annexed to any documents exchanged between the parties relating to the contract or the supply of Products hereunder.

19. JURISDICTION These conditions shall be interpreted exclusively according to the law of England and the Buyer hereby accepts the jurisdiction of such courts, whether in England or elsewhere as the Seller may nominate for the purpose of trying any action arising out of these conditions.