

STANDARD CONDITIONS OF SALE

THE BUYER'S ATTENTION IS DRAWN PARTICULARLY TO CLAUSE 10 (LIMITATION OF LIABILITY).

1 DEFINITIONS

In these Conditions:

- 1.1 "Buyer" shall mean the person, firm or company who orders the Goods and/or Services from the Seller.
- 1.2 "Conditions" shall mean the terms and conditions set out in this document and (unless the context otherwise requires) includes any special terms and conditions agreed in Writing by the Seller and the Buyer.
- 1.3 "Contract" shall mean the contract between the Seller and the Buyer for the supply of the Goods and/or Services in accordance with these Conditions.
- 1.4 "Force Majeure Event" means an event beyond the reasonable control of the Seller including but not limited to strikes, lock-outs or other industrial disputes (whether involving the workforce of the Seller or any other party), failure of a utility service or transport network, act of God, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood, storm or default of suppliers or subcontractors.
- 1.5 "Goods" shall mean the goods (including any part of them), to be supplied by the Seller to the Buyer as set out in the Order.
- 1.6 "Order" shall mean the order placed by the Buyer for the Goods including these Conditions.
- 1.7 "Seller" shall mean Langley Alloys Inc registered in WA state
- 1.8 "Services" shall mean the services to be supplied by the Seller to the Buyer as set out in the Specification.
- 1.9 "Specification" shall mean, in relation to Goods, any specification for the Goods provided by the Seller to the Buyer and, in relation to Services, the description or specification for Services provided by the Seller to the Buyer
- 1.10 "Writing" shall mean electronic mail, facsimile transmission, land or air mail, and comparable means of communication (but subject as provided in clause 16.3).

2 BASIS OF CONTRACT

- 2.1 These Conditions shall apply to all contracts, whether written, oral or implied for the supply of Goods or Services to the exclusion of any conditions of purchase or other terms that the Buyer seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing.
- 2.2 No variation or alteration to these Conditions shall be of any effect unless specifically negotiated and made in Writing and signed by a director of the Seller.
- 2.3 No contract shall be created by the placing of an Order by the Buyer unless and until either the Seller shall have issued a written acknowledgement of the Order (which acknowledgement will be deemed to repeat these Conditions) or, if no such acknowledgement is issued, at the time of supply of any Goods or Services by the Seller pursuant to the Order (or, if earlier, at the time of the placement of any order by the Seller on any third party for the supply of any goods or services to the Seller in connection with the Order), when a Contract will be created subject to these Conditions.
- 2.4 The Seller reserves the right to sub-contract (but not to assign) the whole or any part or parts of the Contract as the Seller sees fit, provided that the Seller will remain responsible to the Buyer for the performance of the Contract.
- 2.5 The Contract constitutes the entire agreement between the parties. No person is authorised to make any statement, promise or representation on behalf of the Seller unless it is confirmed by the Seller in Writing and expressly incorporated in the Contract. In entering into the Contract the Buyer acknowledges that it does not rely on any statement, promise or representation which is not so confirmed and incorporated in the Contract, but nothing in these Conditions shall affect the liability of either party for fraudulent misrepresentation.
- 2.6 Any typographical, clerical or other error or omission in any sales literature, quotation, price list, acceptance of 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.
- 2.7 All of these Conditions shall apply to the supply of both Goods and Services except where application to one or the other is specified in these Conditions.

3 QUOTATIONS

- 3.1 Any quotation in whatever form provided by the Seller is given subject to these Conditions as an invitation to treat and does not constitute an offer to sell. The validity of any quotation shall expire 30 days after the date of issue unless otherwise stated in Writing.
- 3.2 The Seller reserves the right to make any changes in the composition or specification of the Goods or Services or the performance of the Services which are required to conform with any applicable legal, regulatory or health and safety requirements or which do not adversely affect their nature or quality.

4 PRICES AND MATERIALS

- 4.1 All prices do not include any federal, state or local sales, use, excise or similar taxes. levies and imposts of whatever nature payable on or in respect of the supply of Goods or Services (including, without limitation, all customs, import and export duties) and, subject to clauses 4.2, 4.3 and 4.4, shall be deemed to be fixed unless the Buyer and Seller have agreed in the Contract that they shall be subject to cost variation
- 4.2 The price for the content of the Goods is based on the price ruling on the American Metal Market on the date the Order is accepted by the Seller unless otherwise agreed in Writing.
- 4.3 Where the Buyer is to supply information or documentation to enable the Seller to fulfil the Order, the Seller is at liberty to amend any prices quoted to cover any increase in costs during any period of delay caused by the lack of such information or documentation.
- 4.4 Any alterations by the Buyer in quantities, specification or any other element of the Order will involve the adjustment of the agreed or quoted prices, if the cost to the Seller of fulfilling the Order is increased thereby.
- 4.5 Unless otherwise expressly stated in Writing by the Seller, all prices payable must be settled in USD
- 4.6 The Buyer shall pay all taxes, duties, levies and imports payable in respect of the supply of the Goods and/or Services pursuant to the Contract at the same time as payment is due for the supply of the Goods and/or Services to which they relate.

5 PAYMENT TERMS

- 5.1 Unless otherwise agreed in Writing between the Buyer and the Seller, the Seller may invoice the Buyer for the full amount of the Order any time after the Order is placed, whether before, on or after delivery of the Goods or performance of the Services. The Buyer shall pay for the full amount of



the Order immediately on receipt of the Seller's invoice unless the Seller has, in its absolute discretion, agreed in writing a credit period for payment, in which case the Buyer shall pay for the Order strictly in accordance with those credit terms.

- 5.2 The Seller shall be entitled at any time at its discretion to demand security for payment before commencing and/or continuing with the Contract or the supply of Goods and/or Services to which the Contract relates.
- 5.3 In the event that the Buyer fails to make payment by the due date or otherwise commits a breach of these Conditions, the Seller may in its absolute discretion and without prejudice to any other rights it may have:-
- (a) suspend all future supplies to the Buyer under the Contract and/or under any other contracts and/or terminate all or any part of any such contract(s) without liability upon its part;
 - (b) appropriate any payment made by the Buyer to such of the Goods or Services (or the goods or services 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
 - (c) in the case of non payment on or before the due date or on demand (as mentioned in clause 5.4 below) charge interest on the amount due on a day to day basis at the rate of 8 per cent per annum above the base rate of Barclays Bank plc compounded quarterly from the time of delivery or the date of invoice (whichever is the earlier) until the date of actual payment, whether before or after judgment.
- 5.4 The Seller may demand immediate payment of all sums whether or not due if the Seller believes that any of the events specified in clause 15.1 has occurred or is likely to occur with respect to the Buyer.

6 RISK AND TITLE IN GOODS

- 6.1 Risk in the Goods shall pass to the Buyer:
- (a) 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
 - (b) in the case of Goods to be delivered otherwise than at the Seller's premises, at the time of delivery or, if the Buyer wrongfully fails to take delivery of the Goods, the time when the Seller (or its agent) has tendered delivery of the Goods.
- 6.2 Notwithstanding delivery and the passing of risk in the Goods, or any other provision of these Conditions, the title 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. Until such time as the title in the Goods passes to the Buyer, the Buyer shall:
- (a) hold the Goods on a fiduciary basis as the Seller's bailee;
 - (b) store the Goods separately from those of the Buyer and third parties, so that they remain readily identifiable as the Seller's property;
 - (c) not remove, deface or obscure any identifying marks or packaging on or relating to the Goods;
 - (d) maintain the Goods in the same condition in which they were delivered and keep them insured against all risks for their full price on the Seller's behalf (but at the Buyer's cost) from the date of delivery;
 - (e) notify the Seller immediately if the Buyer becomes subject to any of the events listed in clause 15.1;
 - (f) permit the Seller and its representatives to inspect the Goods at any time during normal business hours; and
 - (g) give the Seller such information relating to the Goods as the Seller may require from time to time;
- but the Buyer may resell or use the Goods in the ordinary course of its business.
- 6.3 Until such time as the title in the Goods passes to the Buyer (and provided the Goods are still in existence and have not been resold or irrevocably incorporated into any other product) then, without limiting any other right or remedy of the Seller, the Seller may at any time require the Buyer to deliver up the Goods to the Seller and, if the Buyer fails to do so forthwith, the Seller may enter on any premises of the Buyer or any third party where the Goods are stored and repossess the Goods.
- 6.4 The Buyer shall not be entitled to pledge or in any way charge by way of security for any indebtedness any of the Goods in respect of which title remains with the Seller, but if the Buyer does so all moneys owing by the Buyer to the Seller shall (without limiting any other right or remedy of the Seller) immediately become due and payable.

7 SPECIFICATIONS

The Goods delivered under the Contract shall, where the Contract includes a Specification, comply with the Specification or, if there is no Specification, shall be of normal industrial quality. The Services shall be provided with reasonable skill and care and in all material respects in accordance with the Specification.

8 CARRIAGE

- 8.1 All Goods are supplied ex-works at the Seller's premises unless carriage or delivery charges are separately specified in the Contract, in which case those charges are for carriage costs by external carrier to reach the Buyer within 3 days of despatch from the Seller.
- 8.2 Extra cost of faster delivery, at the Buyer's request, by courier, overnight or other express methods will be charged to the Buyer.

9 DELIVERY AND PERFORMANCE

- 9.1 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.
- 9.2 Although given in good faith, delivery times for the supply of the Goods or for the performance of the Services by the Seller in its quotation or otherwise are estimates only and shall not be of the essence of the Contract or binding on the Seller.
- 9.3 The Seller will not be liable to the Buyer for any loss or damage (direct or indirect) occasioned by the Seller's failure (whether as a result of negligence or otherwise) to deliver the Goods or the goods upon which the Services have been rendered by the date or within the time stated and in no case shall delay be a ground for rejecting the same.
- 9.4 Unless otherwise agreed in Writing, the Buyer is responsible for unloading the delivery vehicle and for any loss of or damage to the Goods during the course of unloading.
- 9.5 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 instalments shall not entitle the Buyer to treat the Contract as a whole as repudiated.
- 9.6 If the Seller fails to deliver the Goods (or any instalment) for any reason other than a Force Majeure Event or the Buyer's fault, 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.
- 9.7 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 the Seller's fault) then, without limiting any other right or remedy available to the Seller, the Seller may (a) store the Goods until actual delivery and charge the Buyer for the costs (including insurance) of storage; or (b) 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.
- 9.8 The Buyer shall:
- (a) ensure that the terms of the Order and the information and documentation it provides to the Seller are complete and accurate in all respects;
 - (b) co-operate fully with the Seller in all matters relating to the supply of the Goods and/or Services;



- (c) provide the Seller, its employees, agents, consultants and subcontractors with all such access to the Buyer's premises, office accommodation and other facilities as reasonably required by the Seller to provide the Services;
- (d) provide the Seller with all such information, documentation and materials as the Seller may reasonably require to supply the Goods and/or Services;
- (e) obtain and maintain all necessary licences, permissions and consents which may be required for the Services before the date on which the Services are to be provided; and
- (f) keep and maintain all materials, equipment, documentation and other property of the Seller (Seller Materials) at the Buyer's premises in safe custody at the risk of the Buyer, and not use or dispose of any of the Seller Materials other than in accordance with instructions in Writing from the Seller.

10 LIMITATION OF LIABILITY

- 10.1 All warranties, conditions or other terms implied by statute, common law, trade usage or otherwise are excluded to the fullest extent permitted by law.
- 10.2 Any claim by the Buyer which is based on any defect in the quality or condition of the Goods or Services or their failure to correspond with specification shall be notified to the Seller within such time as the Buyer shall reasonably require to examine the Goods or goods upon which the Services have been rendered and in any event within 14 days from the date of delivery. If no such notification is received, the Buyer will not be entitled to reject the Goods or Services and must pay their price.
- 10.3 Where any claim in respect of the Goods or Services is notified to the Seller in accordance with these Conditions and accepted by the Seller as valid, the Seller shall be entitled to repair or replace the Goods (or the part of the Goods in question) free of charge or re-perform the Services or, at its sole discretion, refund to the Buyer the price of the Goods or Services (or a proportionate part of the price) and the Seller shall have no further liability to the Buyer.
- 10.4 Nothing in these Conditions shall limit or exclude the Seller's liability for:
 - (a) death or personal injury caused by the Seller's negligence, or the negligence of its employees, agents or subcontractors;
 - (b) fraud or fraudulent misrepresentation;
- 10.5 Subject to clause 10.4:
 - (a) the Seller shall not be liable to the Buyer, whether in contract, tort (including negligence), breach of statutory duty or otherwise for any claim related to the suitability of the Goods for any purpose or for any defect in the Goods (other than for non-conformance of the Goods with any Specification), and the Buyer shall indemnify the Seller from any liability in respect of any such claim;
 - (b) the Seller shall not be liable to the Buyer, whether in contract, tort (including negligence), breach of statutory duty or otherwise, for loss of profit or for any indirect, special or consequential loss or damage, costs, expenses or other claims for compensation which arise out of or in connection with the Contract (including any losses which may result from a deliberate breach of the Contract by the Seller, its employees, agents or subcontractors) or the use or resale by the Buyer of any of the Goods; and
 - (c) the Seller's total liability to the Buyer in respect of all other losses which arise out of or in connection with the Contract, whether in contract, tort (including negligence), breach of statutory duty or otherwise (including any losses which may result from a deliberate breach of the Contract by the Seller, its employees, agents or subcontractors) shall not (except to the extent (if any) expressly provided in the Contract) exceed the price of the Goods or the Services (as the case may be) to which the Contract relates.
- 10.6 The Seller 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 Seller's obligations in relation to the Goods or Services, if the delay or failure was due to any Force Majeure Event.
- 10.7 Where the Seller acts solely as stockholder in relation to the Goods, no representation or warranty is given as to the suitability or fitness of the Goods supplied by the Seller for any particular purpose, and the Buyer shall satisfy itself regarding this and shall be totally responsible there for. All Goods must be used strictly in accordance with the instruction and recommendations and specification (if any) of the manufacturer or supplier of the Goods to the Seller. The Seller's liability in respect of the Goods shall in any event be limited to the liability of the supplier thereof to the Seller in respect of such Goods. Further, the Seller relies upon the testing examination and research carried out by the manufacturer or supplier of the Goods to the Seller. Insofar as the Buyer shall have liability to any subsequent buyer in excess of the responsibility accepted by the Seller contained herein, such excess shall be borne by the Buyer and the Buyer undertakes to insure against such liability.

11 TESTS AND CERTIFICATION

Unless otherwise stated, the cost testing and/or certifying any Goods will be charged extra. When figures or particulars relating to physical or chemical properties are indicated, they are to be regarded as a general guide only and constitute no guarantee from the Seller unless specifically stated in the Specification.

12 COMPLAINTS AND REJECTED GOODS

- 12.1 If a complaint is not made by the Buyer to the Seller, as provided in these Conditions, or if the Goods are resold after the complaint is made without written clearance by the Seller, then in such event the Buyer acknowledges that all rights of complaint shall have been waived and the Goods shall be deemed to be in all respects in accordance with the Contract and the Buyer shall be bound to pay for the same accordingly.
- 12.2 Defects in quality or dimension in any delivery shall not be a ground for cancellation for the remainder of the Order.
- 12.3 The provisions of 12.1 and 12.2 of this Condition shall not apply to Goods sold or taken outside the United States, unless returned and collected without cost to the Seller to and from its premises in the United States within the specified periods.

13 EXPORT

- 13.1 Subject to any special terms agreed in Writing between the Seller and the Buyer, the provisions of this clause 13 shall apply notwithstanding any other provisions in these Conditions.
- 13.2 Where the Goods are supplied for export from the United States the Buyer shall be responsible for: -
 - (a) complying with any legislation or regulations governing the importation of the Goods into the country of destination and for payment of any duties thereon;
 - (b) arranging for testing and inspection of the Goods at the Seller's premises before shipment. The Seller shall have no liability for any claim in respect of any defect in the Goods which would be apparent on inspection and which claim is made after delivery.
- 13.3 Unless otherwise agreed in Writing between the Buyer and Seller, the Goods shall be delivered ex-works and the Seller shall be under no obligation to give notice.
- 13.4 Where the Seller in its absolute discretion grants the Buyer any credit period of credit for payment then, unless otherwise agreed in Writing by the Seller, payment of all amounts due to the Seller shall be made either:-
 - (a) by irrevocable letter of credit opened by the Buyer in favour of the Seller and confirmed by a bank notified to the Seller and which the Seller has confirmed in Writing is acceptable; or
 - (b) if the Seller has confirmed in Writing on or before acceptance of the Buyer's order that the foregoing requirements will be waived, by acceptance by the Buyer and delivery to the Seller of a bill of exchange drawn on the Buyer payable thirty days after sight to the order of the Seller or as otherwise specified in the bill of exchange.



14 INTELLECTUAL PROPERTY

The Buyer warrants that any instructions, plans or designs furnished or given by it shall not be such as will cause the Seller to infringe any letters patent, copyright, registered design, right of confidence or trade mark in fulfilment of the Order and agrees to indemnify the Seller against all claims, costs, expenses and other liabilities incurred by the Seller in respect thereof.

15 TERMINATION

15.1 Without limiting its other rights or remedies (including (without limitation), in the case of the Seller, its rights under clauses 5.2, 5.3 and 5.4), each party may terminate the Contract with immediate effect by giving written notice to the other party if:

- (a) the other party suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or (being a company) is deemed unable to pay its debts or (being an individual) is deemed either unable to pay its debts or as having no reasonable prospect of so doing, in either case, or (being a partnership) has any partner to whom any of the foregoing apply;
- (b) the other party commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with its creditors other than (where a company) for the sole purpose of a scheme for a solvent amalgamation of that other party with one or more other companies or the solvent reconstruction of that other party;
- (c) a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of the other party (being a company) other than for the sole purpose of a scheme for a solvent amalgamation of the other party with one or more other companies or the solvent reconstruction of that other party;
- (d) the other party (being an individual) is the subject of a bankruptcy petition or order;
- (e) a creditor or encumbrancer of the other party attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of its assets and such attachment or process is not discharged within 14 days;
- (f) an application is made to court, or an order is made, for the appointment of an administrator or a notice of intention to appoint an administrator is given or an administrator is appointed over the other party (being a company);
- (g) a floating charge holder over the assets of the other party (being a company) has become entitled to appoint or has appointed an administrative receiver;
- (h) a person becomes entitled to appoint a receiver over the assets of the other party or a receiver is appointed over the assets of the other party;
- (i) any event occurs, or proceeding is taken, with respect to the other party in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in clauses 15.1(a) to 15.1(h) (inclusive);
- (j) the other party suspends, threatens to suspend, ceases or threatens to cease to carry on, all or substantially the whole of its business; or
- (k) the other party (being an individual) dies or, by reason of illness or incapacity (whether mental or physical), is incapable of managing his own affairs or becomes a patient under any mental health legislation.

15.2 On termination of the Contract for any reason:-

- (a) the Buyer shall immediately pay to the Seller all of the Seller's outstanding unpaid invoices and interest and, in respect of any Goods or Services supplied but for which no invoice has yet been submitted, the Seller shall submit an invoice, which shall be payable by the Buyer immediately on receipt;
- (b) the Buyer shall immediately return all of the Supplier Materials. If the Buyer fails to do so, then the Seller may enter the Buyer's premises and take possession of them. Until they have been returned, the Buyer shall be solely responsible for their safe keeping and will not use them for any purpose;
- (c) the accrued rights and remedies of the parties as at termination shall not be affected, including the right to claim damages in respect of any breach of the Contract which existed at or before the date of termination or expiry; and
- (d) clauses which expressly or by implication have effect after termination shall continue in full force and effect.

16 GENERAL

16.1 All disputes arising out of or in connection with the Contract shall be governed by US law, and the Seller and the Buyer each hereby submit to the exclusive jurisdiction of the Courts save in respect of any injunctive relief which the Seller may claim in the courts of the country where the Buyer is resident or operates. In the case of any contract for the export of Goods outside the United States, shall not in any circumstances apply to the Contract and apply only to the extent permitted by law.

16.2 Each clause and, where applicable, each part of a clause is distinct and severable from all other clauses and parts of a clause, and accordingly if a court or any other competent authority finds that any clause of the Contract (or part of any clause) is invalid, illegal or unenforceable, that clause or part shall, to the extent required, be deemed deleted, and the validity and enforceability of the other clauses (or parts thereof) of the Contract shall not be affected. If any invalid, unenforceable or illegal clause (or part thereof) of the Contract would be valid, enforceable and legal if some part of it were deleted, the clause (or part thereof) shall apply with the minimum modification necessary to make it legal, valid and enforceable.

16.3 Any notice or other communication required to be given to a party under or in connection with this Contract shall be in writing and shall be delivered to the other party personally or sent by prepaid first-class post, recorded delivery or by commercial courier, at its registered office (if a company) or (in any other case) its principal place of business, or sent by fax to the other party's main fax number. Any notice or other communication shall be deemed to have been duly received if delivered personally, when left at such address or, if sent by prepaid first-class post or recorded delivery, at 9.00 am on the second Business Day after posting, or if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed, or if sent by fax, on the next Business Day after transmission. This clause 16.3 shall not apply to the service of any proceedings or other documents in any legal action. For the purposes of this clause 16.3, "writing" shall not include e-mails and for the avoidance of doubt notice given under this Contract shall not be validly served if sent by e-mail.

16.4 A waiver of any breach or default under the Contract is only effective if it is in Writing and shall not be deemed to be a waiver of any subsequent breach or default. No failure or delay by a party in exercising any right or remedy under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor preclude or restrict its further exercise. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

16.5 Unless specifically provided otherwise, rights arising under the Contract are cumulative and do not exclude rights provided by law.

16.6 Nothing in the Contract is intended to, or shall be deemed to, constitute a partnership or joint venture of any kind between any of the parties, nor constitute any party the agent of another party for any purpose. No party shall have authority to act as agent for, or to bind, the other party in any way.

16.7 A person who is not a party to the Contract shall not have any rights under or in connection with it.