



TERMS AND CONDITIONS OF TRADING

ENCOMPASS GROUP Ltd, TERMATE Ltd, kA TESTING FACILITY Ltd & 3 PHASE DESIGN Ltd

APPLICATION OF THESE TERMS AND CONDITIONS (Version No5. Jan 2014)

These Terms and Conditions apply to all supplies of goods and/or services or any part of either of them provided to the customer unless otherwise agreed in writing by a duly authorised representative of Encompass Group, Termate, kA Testing Facility or 3 Phase Design hereafter referred to as an Encompass Group. When applicable see kA Testing Facility and 3 Phase Design, Terms and Condition quotation additions.

Clauses within these Terms and Conditions with reference to product would not be applicable to kA Testing Facility.

1. QUOTATIONS

(A) Any quotation given by Encompass Group will only be binding if given in writing by post or by email on Encompass Group notepaper (by a duly authorised representative of Encompass Group) and the quotation has not expired.

A written quotation will be based on samples and materials provided and on the basis of instructions given by the Customer. Encompass Group reserves the right to amend any quotation given to reflect any incomplete, inaccurate or changed instructions or samples or materials given by the Customer. Any verbal quotation is an estimate only and will not be binding unless and until confirmed by Encompass Group in writing.

Any quotation is valid for a period of 14 days only from its date of issue by an Encompass Group, (provided that Encompass Group has not previously withdrawn it and subject to the provisions of condition 3 below) and shall be deemed to be an offer by Encompass Group to provide goods and/or services upon these terms and conditions to the Customer.

Any order made in respect of a written quotation shall be deemed to be an acceptance of the offer set out in that written quotation by the Customer.

(B) The Customer must ensure that any quotation it wishes to accept, its order and any applicable specification are complete and accurate. The quantity and description of the goods or services shall be as set out in an Encompass Group written quotation or the Customer's order as accepted.

(C) Subject to condition 5(A) a Business Customer (a Customer who is dealing with Encompass Group in the course of its business) may not cancel an order which Encompass Group has accepted except with the agreement in writing of Encompass Group and any Customer cancelling any order hereby agrees to indemnify Encompass Group in full against all losses (including loss of profits), costs (including the costs of all labour and material used until the date of cancellation), damages, charges and expenses incurred by an Encompass Group as a result of the cancellation.

- (i) Encompass Group may cancel an order at any time prior to delivery upon notice to the Customer whereupon a refund of any monies paid for the relevant goods and/or services will be promptly made.

(D) All quotations are given and all orders accepted subject to Encompass Group Conditions of Sale and no others. These conditions, which supersede any earlier sets of conditions appearing in Encompass Group catalogue or elsewhere, shall override any other terms or conditions stipulated or incorporated or referred to by the Customer, whether in the order or in any negotiations.

(E) The Customer acknowledges that there are no representations outside these conditions which have induced the Customer into this contract and these conditions and the terms of the quotation constitute the entire understanding between the parties, and supersede all previous agreements between the parties.

(F) Any modification of these conditions is ineffective unless made by an express written agreement between the parties. The signing by Encompass Group of any of the Customer's documentation does not imply a modification of these conditions.



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2. DRAWINGS

All specifications, drawings and particulars of weights and dimensions submitted with the quotation are approximate only, and the descriptions and illustrations contained in Encompass Group catalogues, price lists and other advertising material are intended merely to present a general idea of the goods described therein, and none of these shall form part of the contract.

3. PRICE

The price payable will (subject to condition 3) be as stated in Encompass Group written quotation and/or the order as accepted subject to a minimum order value of £25.

The price payable (unless specifically stated otherwise) is exclusive of:

- (i) Any costs of packaging and carriage of goods;
- and
- (ii) Any value added tax or other applicable sales tax or duty; which shall be added to the sum in question.

4. PRICE VARIATIONS

(A) If there is any increase or decrease in the cost to Encompass Group in providing/fulfilling the order due to: -

- (i) Any factor beyond the reasonable control of Encompass Group, this includes (without limitation) increase in the cost of materials and other production cost;
- (ii) Any change in delivery, dates, quantities or specifications for the Order requested by the Customer;
- (iii) Any delay caused by any instructions of the customer or failure of the customer to give Encompass Group adequate information or instructions;
- (iv) Any corrections, amendments and alteration in style or content to material provided by the Customer, other than typographical errors of Encompass Group, and for additional proofs necessitated thereby;
- (v) Additional costs incurred as a result of materials provided by the Customer proving unsuitable; the price/quotation shall be recalculated to take account of the resulting increased or decreased cost of meeting/fulfilling the order.

(B) Notwithstanding the provisions of condition 3 above: the relevant price/quotation shall only be adjusted upwards if, before Encompass Group has incurred the additional cost, it has notified the Customer in writing of such increase and the Customer has agreed to the increase in writing. If the parties are then unable to agree any such increase to the price then the order shall be cancelled and Encompass Group shall be entitled to invoice the Customer for all works services or supplies carried out and/or made before the date of such cancellation.

5. PROOFS AND ERRORS

- A. Proofs are available for the Customer's approval on request. No responsibility or liability will be accepted by Encompass Group for:
- (i) Any errors not corrected by the Customer after inspecting the specifications, drawings, proofs or where the Customer declines to make such request;
- or
- (ii) Any work for which the Customer has given instructions which requires or allows Encompass Group to exercise a choice in design or technique; and the Customer shall not be entitled to reject such work although Encompass Group shall rectify any such error at the Customer's cost.

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6. DELIVERY, PAYMENT AND RISK

(A) Any dates specified by Encompass Group for delivery of the goods or performance of the services are approximate only and may not be made of the essence unless specifically agreed by Encompass Group as such in writing. If no dates are specified, delivery will be within a reasonable time.

(B) **Exchange Rates** – Where the price for the goods/services are quoted as payable in a currency other than GB Pound Sterling that price is only valid for 5 (Five) Working Days unless otherwise stated on the quote. Encompass Group will quote in and accept only US Dollars and Euros other than GB Pound Sterling, unless agreed in writing in advance stating currency, exact amounts and latest date of payment.

7. NON-DELIVERY

In the event that Encompass Group is prevented from delivery any of the goods by reason of the Customer's instructions or lack of instructions, or by strikes, lock-outs, industrial disputes, fires, accident, adverse weather conditions, defective materials or non-delivery by a third party, shortage of fuel, default by any sub-contractor, inability to obtain materials, embargo or any cause whatsoever beyond the Customer's control, whether existing at Encompass Group works or elsewhere then the delivery period shall be extended by such period as is reasonable in all the circumstances of the case and the estimated delivery date for such goods shall be recalculated accordingly. In no circumstances shall Encompass Group be liable to compensate the Customer in damages or otherwise, for non-delivery or late delivery of the goods or any part of them or any loss, consequential or economic, arising thereof.

8 WARRANTY

(A) Where Encompass Group is not the manufacturer of the goods ordered or provider of the ordered services Encompass Group will endeavour to transfer to the Customer the benefit of any warranty or guarantee to Encompass Group.

(B) Encompass Group warrants that (subject to the other provisions of these terms and conditions) upon delivery:

(i) Any goods will be of satisfactory quality within the meaning of the Sale of Goods Act 1994;

and

(ii) Any services will be performed by appropriately qualified and trained personnel, with reasonable care and diligence.

(C) Upon delivery the Customer shall be required to check the goods and/or services immediately for any immediately apparent defects. Encompass Group shall not be liable for a breach of the warranty in condition 8(B) unless the Customer gives written notice of any apparent defect to an Encompass Group within 7 days of the date of delivery and Encompass Group is given a reasonable opportunity after receiving the notice of examining such goods and the Customer (if asked to do so by Encompass Group) returns such goods to Encompass Group place of business for the examination to take place there.

(D) If the Customer makes a valid claim against Encompass Group based on a defect in the quality of goods, Encompass Group shall at its option repair or replace such goods (or the defective part), or refund the price of such goods at the relevant proportion of the price paid or payable. If Encompass Group complies with this condition it shall have no further liability for a breach of warranty in condition (B) in respect of the quality of such goods.

(E) To the maximum extent permissible in law, all conditions and warranties which are implied by statute or otherwise by general law into this contract in relation to goods or services or supplies are hereby excluded;

(i) Encompass Group shall not be liable to the Customer by reason of any representations (unless fraudulent), or any implied warranty, condition or other term, or any duty at common law, or under the express terms of the contract, for any indirect, special or consequential loss or damage (whether for loss of profit or otherwise), cost, expenses or other claim for compensation whatsoever (whether caused by Encompass Group negligence or otherwise) which arise out of or in connection with the supply of goods or services or supplies.



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8 WARRANTY (Continued)

(F) Nothing in condition 8(E) excludes, or attempts to exclude, Encompass Group liability in respect of death or personal injury caused by Encompass Group negligence.

(G) The total liability of Encompass Group to the Customer in contract, tort (including negligence or breach of statutory duty), statute or otherwise (other than for death or personal injury arising due to the negligence of Encompass Group, its employees or agents), in connection with the performance or contemplated performance of the order shall be Company for business Customers to the price quoted.

(H). The warranty is void if any modifications are made to the warranted product.

9. COMPONENT REDUNDANCY

Termate may, from time to time, implement its redundancy policy for slow moving or obsolete components.

10. RETURNS POLICY

The Seller is defined as any Group Company. The Encompass Group Seller, at its sole option and unless otherwise agreed, will accept unused goods for return under the conditions stated in this clause.

The Customer will notify the Seller's Customer Service department for authorisation to return the goods. Goods will not be accepted without a Goods Return number.

For this reason, goods which were manufactured to order specifically on the Buyer's behalf will not normally be accepted for return. The issue of a GR number does not mean that the Seller will ultimately take the goods back into its stock and issue credit thereon, only that the Seller is willing to assess the condition of the goods with a view to doing so.

All transport costs both to and from the sellers premises are at the account of the Buyer. The Seller will issue credit, at the lower of invoice or current price, against goods which the Seller chooses to accept for return. To cover the costs of handling, inspection and administration the Seller will levy a minimum handling charge of £40.00 or 10% depending on the goods value, which will be deducted from the value of the credit.

Errors which the Seller determines are its responsibility will be remedied as determined by the Seller.

11. CUSTOMER'S OWN MATERIALS

(A) Encompass Group may reject any unsuitable materials (including without limitation any paper, plates, computer disks or CD-ROMs) supplied or specified by the customer and Encompass Group reserves the right to refuse to undertake any works, services or supplies which infringes or appears to infringe the copyright or other intellectual property rights of any third party or which in its opinion contains any material which is in any way unlawful.

(B) Any Customer's other materials supplied to Encompass Group remain at the Customer's risk and Encompass Group accepts no liability for damage, destruction or loss thereof. In the case of Consumer customers, Encompass Group agree to take reasonable care of such materials while the same are in their possession although it is the responsibility of the Customer to ensure that such items are covered by their own insurance.

(C) Encompass Group shall have a lien over any materials supplied to it by the Customer against payment of all monies due to it by the Customer from time to time and shall be entitled (if any sum is not paid on the due date) to dispose of such property as Encompass Group shall in its discretion think appropriate towards settlement of the sums due, subject to reasonable notice having been given to the customer of their intention to dispose of such property.

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12. PERFORMANCE

(A) Encompass Group shall accept no liability for failure to attain any performance figures quoted by Encompass Group unless Encompass Group has specifically guaranteed them.

(B) The information contained in Encompass Group data sheets, sales catalogues and other technical circulars is intended only to give a general indication of products or services described and, unless specifically agreed to the contrary in writing by Encompass Group, no representation particulars or statement contained therein shall form part of the contract. Encompass Group reserves the right to alter, without notice, the specification, design or condition of supply of all its products and services.

13. IMPORTANT

(A) Subject to the other provisions of these conditions Encompass Group shall have no liability to the Customer for any loss (including loss of profit), costs, damages, charges or expenses caused directly or indirectly by any delay in the delivery of the goods and/or provision of the services.

(B) Any delay or failure in delivery or performance will not entitle the Customer to cancel the order unless and until the Customer, has given 7 days written notice to Encompass Group requiring delivery or performance to be made within a reasonable period (and in the case of consumer customers if they have given reasonable notice to Encompass Group requiring delivery or performance to be made within a reasonable period) and Encompass Group has not fulfilled the delivery or performed within that period. If the Customer cancels the order in accordance with this condition then

(i) Encompass Group will refund to the Customer any sums which the Customer has paid to Encompass Group in respect of that order (or part of order) which has been cancelled;

and

(ii) The Customer will be under no liability to make any further payments under condition 13(B) in respect of the order (or part of order) which has been cancelled.

(C) If the Customer fails to take delivery of goods when they are ready for delivery or to provide any instructions, documents or authorisations required to enable the goods to be delivered on time (except where Encompass Group is at fault) risk in goods will pass to the Customer and the Customer hereby agrees to fully insure the same, the goods will be deemed to be delivered and (without prejudice to its other rights) Encompass Group may store or arrange for the storage of the good until actual delivery and charge the Customer for all related costs and expenses (including, without limitation, storage and insurance) it incurs.

(D) Encompass Group may invoice the Customer:

(i) For goods provided when or at any time after notifying the Customer that the goods are ready for delivery;

(ii) For services provided on or at any time after performance of the services or their commencement;

(iii) Notwithstanding the provisions in conditions 13(B)(i) and (ii), in the event that an order is suspended or delayed as a result of any act or omission on the part of the Customer for a period in excess of thirty days, for any part of the order which has been processed/delivered and/or performed.

(E) The Encompass Group standard terms of business for an approved credit account customer, is net 30 days from date of invoice and applies to all credit accounts unless otherwise agreed in writing. Payment for non-credit customers is by pro-forma invoice prior to delivery or provision of service unless otherwise agreed in writing. All kA Testing Facility customers are required to make full payment prior to testing as per their quote in order to maintain full independence and integrity of the testing process as required by our accreditation bodies. Time of payment shall be of the essence.

(F) Encompass Group may deliver goods in separate instalments and/or perform any services in stages. Each separate instalment or stage shall be invoiced and paid for in accordance with the provisions of these terms and conditions. Each instalment or stage shall be a separate contract and no cancellation or termination under clause 13(B) of any one contract relating to an instalment or stage shall entitle the customer to repudiate or cancel any other contract, instalment or stage.

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13. IMPORTANT (Continued)

(G) All sums payable to Encompass Group under any order shall become due immediately upon termination/cancellation of the order.

(H) All payments to be made by the Customer under the order shall be made in full without any set-off, restriction or condition and without any deduction for or on account of any counterclaim.

(I) If the Customer fails to make any payment when payment is due then without prejudice to any other right or remedy available to Encompass Group, Encompass Group shall be entitled to:

(i) Cancel the order or suspend any performance of the order;

(ii) Appropriate any payment made by the Customer as Encompass Group may think fit (notwithstanding any purported appropriation by the Customer);

(iii) Charge the Customer with all costs and expenses involved in collecting the overdue payment together with interest (both before and after any judgement) on the amount unpaid at the rate of 8% above Bank of England base rate or such higher rate as provided for by legislation from the due date until payment in full is made (applied monthly with any part month being treated as a full month for the purpose of calculating interest).

(J) Legal title in the Good shall not pass to the customer until Encompass Group receives payment in full (in cash or cleared funds) of all sums whether in respect of the goods, services or otherwise due owing or incurred including VAT. Until legal title passes the customer shall hold the goods on a fiduciary basis as Encompass Group bailee and shall store the goods (at no cost to Encompass Group) separately from all other goods of the Customer or any third party in such a way that they remain readily identifiable as Encompass Group property.

Where the Customer's right to possession has terminated the Customer grants Encompass Group, its agents and employees and irrevocable licence at any time to enter any premises where the goods are or may be stored to recover them. On termination of the contract, howsoever caused, Encompass Group (but not Customer's) rights contained in this condition 4 shall remain in effect.

14. TERMINATION

If the Customer is in breach of any of its obligations under these terms and conditions then Encompass Group may without prejudice to any of its other rights immediately suspend the performance of any order placed by the Customer and shall be entitled to change the Customer, and the Customer shall immediately become liable to pay, for any works, services and supplies already carried out (whether completed or not) including the cost of any materials purchased on behalf of the Customer.

15. WAIVER

Failure or delay by Encompass Group to exercise or enforce any rights hereunder shall not be deemed to be a waiver of any such right nor operate so as to bar the exercise or enforcement thereof at time or times thereafter.

16. INDEMNITY

The Customer shall indemnify Encompass Group in respect of all damage or injury occurring to any person or property and against all actions, suits, claims, demands, charges or expenses in connection therewith for which Encompass Group may become liable in respect of the goods sold under this contract in the event that the damage or injury shall have been occasioned by the negligence of Encompass Group or its servants or agents.



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17. LIMITATIONS OF LIABILITY

An Encompass Group total liability for damage to the Customer's property, howsoever caused, shall not exceed £1,000,000 or the contract price, whichever is the greater.

18. ILLEGALITY AND SEVERANCE

If any provision of these terms and conditions is held by an competent authority to be invalid or unenforceable in whole or in part then that provision shall, to the extent required, be severed from the order and shall be ineffective without as far as possible modifying any other provision or part of the order and this shall not affect any other provisions of the order which shall so far as is reasonably possible remain in force and effect.

19. ENTIRE AGREEMENT

These provisions constitute the entire agreement between Encompass Group and the Customer and replace all prior agreements, understandings, statements and communications between Encompass Group and the Customer.

20. SUB-CONTRACTING

Encompass Group may assign, licence or subcontract all or any part of its rights or obligations under the order.

21. FORCE MAJEURE

Encompass Group will make every effort to carry out the Customer's instructions and the order but shall be under no liability if unable to carry out any provision of the order for any reason beyond Encompass Group reasonable control (without limiting the foregoing) including the inability to secure labour, materials or supplies, breakdown of machinery, or as a result of the Act of God, war, labour dispute, fire, flood, drought, legislation, failure of power supply or any other cause beyond Encompass Group reasonable control.

During the continuance of such instance of Force Majeure the Customer may by notice in writing to Encompass Group elect to terminate the order and pay for works, services and/or supplies provided or used up to such notice but subject thereto shall otherwise accept delivery when available.

22. GOVERNING LAW

The formation, existence, construction, performance, validity and all aspects whatsoever of the order or of any term of the contract shall be governed by English Law. The English Courts shall have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the order.