

FIBERCORE LIMITED (the "Company") CONDITIONS OF Sale

1 INTERPRETATION

In these Conditions the following definitions and rules of interpretation shall apply:

- 1.1 "Buyer" means the person, firm or company who buys the Goods and/or the Services from the Company;
- 1.2 "Conditions" means the standard terms of sale set out in this document and (unless the context otherwise requires) including any special terms agreed in Writing between the Buyer and the Company;
- 1.3 "Contract" means any contract between the Company and the Buyer for the sale and purchase of Goods and/or the supply of Services, incorporating these Conditions;
- 1.4 "Goods" means any goods agreed in the Contract to be supplied to the Buyer by the Company (including any part or parts of them);
- 1.5 "INCOTERMS" means the international rules for the interpretation of trade terms of the International Chamber of Commerce as in force at the date the Contract is made;
- 1.6 "Service Specification" means the description or specification for the Services provided in writing by the Company to the Buyer.
- 1.7 "Services" means any services agreed in the Contract to be supplied to the Buyer by the Company;
- 1.8 "Writing" and any similar expression, includes faxes but not e-mail.
- 1.9 Any reference to a statute or statutory provisions is a reference to it as amended or re-enacted or extended at the relevant time;
- 1.10 Any reference to a clause (unless otherwise stipulated) is reference to a clause of these Conditions;
- 1.11 A reference to one gender includes a reference to the other gender;
- 1.12 A reference to the singular includes the plural and vice versa;
- 1.13 Clause headings are for convenience only and shall not affect the interpretation of these Conditions.

2 BASIS OF SALE

- 2.1 Subject to any variation under clause 2.4, the Contract shall be on these Conditions to the exclusion of all other terms and conditions (including any terms or conditions which the Buyer purports to apply).
- 2.2 Any quotation is given on the basis that no Contract will come into existence until the Company despatches an acceptance of order (an "Order Acceptance") to the Buyer. Any quotation is valid for a period of 30 days provided the Company has not previously withdrawn it.
- 2.3 The Company will be under no liability for any order received until the Order Acceptance is delivered to the Buyer or (if earlier) the Company delivers the Goods to the Buyer or performs the Services for the Buyer at which time a Contract will be formed.
- 2.4 These Conditions apply to all of the Company's sales and may only be varied with the Company's written consent.
- 2.5 Any advice, recommendation or representations about the Goods given by the Company or its employees or agents shall have no effect unless expressly agreed in Writing to form part of the Contract and signed by a director of the Company. Save in the case of fraudulent misrepresentation, the Company shall not be liable for any such advice or recommendation which is not so confirmed.
- 2.6 The Buyer must ensure that the terms of its order and any applicable specification are complete and accurate.
- 2.7 If there is any conflict between any term set out in the Order Acceptance and these Conditions, the term in the Order Acceptance shall apply.
- 2.8 All of these Conditions shall apply to the supply of both Goods and Services except where application to one or the other is specified.

3 DESCRIPTION AND SPECIFICATIONS OF THE GOODS

- 3.1 The quantity, quality and description of the Goods shall be set out in the Order Acceptance. The Company reserves the right to make any changes to the specification referred to in the Contract which are required to conform with any applicable statutory or regulatory requirements or which do not materially affect the quality or performance of the Goods.
- 3.2 All samples, specifications, drawings, descriptions, photographs, measurements or capacities issued by the Company which are not in the Order Acceptance are approximate only and given for illustrative purposes and shall not form part of the Contract. No Contract shall be a sale by sample.
- 3.3 If Goods are to be manufactured or any process is to be applied to the Goods by the Company in accordance with a specification submitted by the Buyer, the Buyer shall indemnify the Company against all loss, damages, costs and expenses awarded against or incurred by the Company in connection with or paid or agreed to be paid by the Company in settlement of any claim of infringement of any patent, copyright, registered design, design right, trade mark or other industrial or intellectual property rights of any other person which results from the Company's use of the Buyer's specification.

4 PRICE

- 4.1 The price of the Goods and Services shall be as stated in the Order Acceptance ("Price") and, unless otherwise stated in the Order Acceptance, all prices are given by the Company on an ex works basis, and where the Company agrees to deliver the Goods otherwise than at the Company's premises, the Buyer shall pay the Company's charges for transport, packaging and insurance.
- 4.2 The Price is exclusive of any value added tax, which the Buyer shall be additionally liable to pay to the Company.
- 4.3 The Company shall have the right at any time to revise prices to take account of an increase in costs including (without limitation) costs of labour, materials, carriage or overheads.
- 4.4 The Company reserves the right, to invoice the Buyer for Goods delivered in instalments after such instalment has been delivered, and the provisions of these Conditions shall apply in full to such invoices as if such instalment was a separate Contract.

5 PAYMENT

- 5.1 If the Company has established credit facilities for the Buyer, payment of the Price shall be made in the currency shown on the Order Acceptance within 30 days of the date of the Company's invoice, otherwise the Company may at its sole discretion require full payment, a deposit payment or a confirmed irrevocable letter of credit acceptable to the Company, at the Buyer's expense and in advance of shipment.
- 5.2 The Buyer shall make no deduction of any type from such payment unless it has a valid court order requiring an amount equal to such deduction to be paid by the Company to the Buyer.
- 5.3 Time for payment shall be of the essence and failure by the Buyer to pay in accordance with the provisions of this clause 5 shall entitle the Company, without prejudice to its rights to damages, to suspend any outstanding deliveries or to cancel the Contract.
- 5.4 In addition to the Company's rights under clause 5.3, the Buyer shall be liable to pay interest (compounded monthly) on any amounts outstanding (both before and after judgment) at the rate of 2 per cent above the NatWest Bank Plc base rate for the time being in force, accruing on a daily basis until payment is made.
- 5.5 No payment shall be deemed to have been received until the Company has received cleared funds.
- 5.6 All payments payable to the Company under the Contract shall become due immediately upon termination of the Contract despite any other provision.

6 DELIVERY OF THE GOODS

- 6.1 Delivery of the Goods shall take place by the Buyer collecting the Goods from the Company's premises within 5 days of the Company giving it notice that the Goods are ready for delivery, or if some other place for delivery is agreed by the Company in writing, by the Company delivering the Goods to that place ("Delivery Point")
- 6.2 Any dates specified by the Company for delivery of the Goods are intended to be an estimate and time for delivery shall not be of the essence unless previously agreed in writing by the Company. If no dates are so specified, delivery will be within a reasonable time. The Goods may be delivered early by the Company.
- 6.3 If for any reason the Buyer will not accept delivery of any of the Goods when they are ready for delivery, or the Company is unable to deliver the Goods on time because the Buyer has not provided appropriate instructions, documents, licences or authorisations:
  - 6.3.1 the risk in the Goods will pass to the Buyer (including for loss or damage caused by the Company's negligence);
  - 6.3.2 the Goods will be deemed to have been delivered; and
  - 6.3.3 the Company may store the Goods until delivery in which case the Buyer will be liable for all related costs and expenses (including without limitation, storage and insurance).
- 6.4 The Buyer will provide at the Delivery Point and at its expense adequate and appropriate equipment and manual labour for unloading the Goods.
- 6.5 If the Company fails to deliver the Goods, its liability shall be limited to the costs and expenses incurred by the Buyer in obtaining replacement Goods of similar description and quality in the cheapest market available, less the Price.

7 RISK AND TITLE IN THE GOODS

- 7.1 The Goods are at the risk of the Buyer from the time of delivery.
- 7.2 Ownership of the Goods shall not pass to the Buyer until the Company has received in full (in cash or cleared funds) all sums due to it in respect of the Goods and all other sums which are or which become due to the Company from the Buyer on any account.
- 7.3 Until ownership of the Goods has passed to the Buyer, the Buyer must:
  - 7.3.1 hold the Goods on a fiduciary basis as the Company's bailee;
  - 7.3.2 store the Goods (at no cost to the Company) separately from all other goods of the Buyer or any third party in such a way that they remain readily identifiable as the Company's property;
  - 7.3.3 not destroy, deface or obscure any identifying mark or packaging on or relating to the Goods;
  - 7.3.4 maintain the Goods in satisfactory condition insured on the Company's behalf for their full price against all risks to the reasonable satisfaction of the Company. On request the Buyer shall produce the policy of insurance to the Company; and
  - 7.3.5 hold the proceeds of the insurance referred to in clause 7.3.4 on trust for the Company and not mix them with any other money, nor pay the proceeds into an overdrawn bank account.
- 7.4 The Buyer may resell the Goods before ownership has passed to it solely on the following conditions:
  - 7.4.1 any sale shall be effected in the ordinary course of the Buyer's business at full market value and the Buyer shall hold such part of the proceeds of sale as represent the amount owed by the Buyer to the Company on behalf of the Company and the Buyer shall account to the Company accordingly; and
  - 7.4.2 any such sale shall be a sale of the Company's property on the Buyer's own behalf and the Buyer shall deal as principal when making such a sale.
- 7.5 The Buyer's right to possession of the Goods shall terminate immediately if:
  - 7.5.1 the Buyer has a bankruptcy order made against him or makes an arrangement or composition with his creditors, or otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, or (being a body corporate) convenes a meeting of creditors (whether formal or informal), or enters into liquidation (whether voluntary or compulsory) except a solvent voluntary liquidation for the purpose only of reconstruction or amalgamation, or has a receiver and/or manager, administrator or administrative receiver appointed of its undertaking or any part thereof, or documents are filed with the court for the appointment of an administrator of the Buyer or notice of intention to appoint an administrator is given by the Buyer or its directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986), or a resolution is passed or a petition presented to any court for the winding-up of the Buyer or for the granting of an administration order in respect of the Buyer, or any proceedings are commenced relating to the insolvency or possible insolvency of the Buyer; or
  - 7.5.2 the Buyer suffers or allows any execution, whether legal or equitable, to be levied on his/its property or obtained against him/it, or fails to observe or perform any of his/its obligations under the Contract or any other contract between the Company and the Buyer, or is unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or the Buyer ceases to trade; or
  - 7.5.3 the Buyer encumbers or in any way charges any of the Goods.
- 7.6 The Company shall be entitled to recover payment for the Goods with immediate effect notwithstanding that ownership of any of the Goods has not passed from the Company and cancel any further deliveries due under the Contract without any liability to the Buyer.
- 7.7 The Buyer grants the Company, its agents and employees an irrevocable licence at any time to enter any premises where the Goods are or may be stored in order to inspect them, or, where the Buyer's right to possession has terminated, to recover them.
- 7.8 On termination of the Contract, howsoever caused, the Company's (but not the Buyer's) rights contained in this clause 7 shall remain in effect.

8 SUPPLY OF SERVICES

- 8.1 The Company shall provide the Services to the Buyer in accordance with the Service Specification in all material respects.
- 8.2 The Company shall use all reasonable endeavours to meet any performance dates for the Services specified in the Service Specification, but any such dates shall be estimates only and time shall not be of the essence for the performance of the Services.
- 8.3 The Company shall have the right to make any changes to the Services which are necessary to comply with any applicable law or safety requirement, or which do not materially affect the nature or quality of the Services, and the Company shall notify the Buyer in any such event.
- 8.4 The Company warrants to the Buyer that the Services will be provided using reasonable care and skill.

- 8.5 The Buyer shall:
- 8.5.1 co-operate with the Company in all matters relating to the Services; provide the Company, its employees, agents, consultants and subcontractors, with access to the Buyer's premises, office accommodation and other facilities as reasonably required by the Company to provide the Services;
- 8.5.2 provide the Company with such information and materials as the Company may reasonably require to supply the Services and ensure that such information is accurate in all material respects; and
- 8.5.3 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 start.
- 8.6 The Company shall not be liable for any costs or losses sustained or incurred by the Buyer arising directly or indirectly from the Company's failure or delay to perform any of its obligations in respect of the Services, if such failure or delay arises from an act or omission of the Buyer or failure of the Buyer to perform any of its obligations set out in clause 8.5 above.
- 9 WARRANTY**
- 9.1 The Company warrants that (subject to the other provisions of these Conditions) Goods which are manufactured by the Company shall for a period of 12 months from the date of delivery:
- 9.1.1 be of satisfactory quality within the meaning of the Sale of Goods Act 1979;
- 9.1.2 conform in all material respects with their description and be free from material defects in design, material and workmanship; and
- 9.1.3 be reasonably fit for any particular purpose for which the Goods are being bought if the Buyer had made known that purpose to the Company in writing and the Company has confirmed in writing that it is reasonable for the Buyer to rely on the skill and judgement of the Company; providing written notification of any defect is given promptly to the Company after its discovery and in any event not later than the end of such 12 month period. Time shall be of the essence in respect of notification of all claims for breach of this warranty.
- 9.2 In respect of Goods not manufactured by the Company, the Company shall endeavour to assign for the benefit of the Buyer such rights (including guarantee or warranty rights) as the Company has against such manufacturer but shall not be liable for such Goods beyond this clause 9.2.
- 9.3 The Company reserves the right to require that all faulty Goods be returned to the Company. In that event the Company shall refund the cost of carriage by normal means on returned Goods and the repaired or replacement Goods will be delivered free of charge by the Company to the location of the faulty Goods. Where Goods are repaired or replaced under this clause they will be considered as having been delivered at the same time as the original Goods.
- 9.4 The Company shall not be liable for a breach of any of the warranties in this clause 9 if:
- 9.4.1 the Buyer makes any further use of such Goods after giving notice of such defects; or
- 9.4.2 the defect arises because the Buyer failed to follow the Company's oral or written instructions as to the storage, installation, commissioning, use of the Goods, or, if there are none, good trade practices; or
- 9.4.3 the Buyer alters or repairs such Goods without the written consent of the Company.
- 9.5 The Company's sole obligation under this clause 9 shall be at its option to repair or replace the Goods or any part thereof or refund the price of such Goods at the pro rata Price. The Company's liability under this clause 9 shall be in lieu of any warranty or condition express or implied, whether by statute or otherwise, including, but without limitation, any implied warranties as to satisfactory quality or fitness for purpose.
- 9.6 Except as expressly set forth in this clause 9, all warranties, conditions and other terms implied by statute or common law (save for conditions implied by section 12 of the Sale of Goods Act 1979) are, to the fullest extent permitted by law, excluded from the Contract.
- 10 LIMITATION OF LIABILITY**
- 10.1 NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THIS CLAUSE 10 SETS OUT THE ENTIRE FINANCIAL LIABILITY OF THE COMPANY (INCLUDING ANY LIABILITY FOR THE ACTS OR OMISSIONS OF ITS EMPLOYEES, AGENTS AND SUB-CONTRACTORS) TO THE BUYER RELATING TO OR ARISING OUT OF THE CONTRACT AND ANY REPRESENTATION, STATEMENT OR TORTIOUS ACT OR OMISSION, INCLUDING NEGLIGENCE, ARISING UNDER OR IN CONNECTION WITH THE CONTRACT.
- THE BUYER'S ATTENTION IS IN PARTICULAR DRAWN TO THE PROVISIONS OF CLAUSE 10.2.**
- 10.2 SUBJECT TO CLAUSE 10.3: (A) IN NO EVENT SHALL THE COMPANY BE LIABLE TO THE BUYER FOR LOSS OF PROFIT, LOSS OF BUSINESS, DEPLETION OF GOODWILL (IN EACH CASE WHETHER DIRECT, INDIRECT OR CONSEQUENTIAL AND WHETHER OR NOT FORESEEABLE) OR ANY INDIRECT, PUNITIVE, EXEMPLARY, SPECIAL OR CONSEQUENTIAL LOSS OR DAMAGE, COSTS, EXPENSES OR ANY OTHER CLAIMS FOR CONSEQUENTIAL COMPENSATION WHATSOEVER WHICH ARISE OUT OF OR IN CONNECTION WITH THE CONTRACT; AND (B) THE COMPANY'S TOTAL AGGREGATE LIABILITY IN CONTRACT, TORT (INCLUDING NEGLIGENCE OR BREACH OF STATUTORY DUTY), MISREPRESENTATION, RESTITUTION OR OTHERWISE, ARISING OUT OF OR RELATED TO THE CONTRACT SHALL BE LIMITED TO THE LOWER OF THE:
- 10.2.1 TOTAL PRICE OF GOODS SOLD TO THE BUYER UNDER THE APPLICABLE ORDER, AS EVIDENCED IN AN ORDER ACCEPTANCE;
- 10.2.2 OR 25% OF THE TOTAL PRICE OF THE GOODS SOLD TO THE BUYER DURING THE PRECEDING 12 MONTH PERIOD.
- 10.3 Nothing in these Conditions excludes or limits the liability of the Company:
- 10.3.1 for death or personal injury caused by the Company's negligence; or
- 10.3.2 for fraud or fraudulent misrepresentation by the Company; or
- 10.3.3 for any matter which it would be illegal or impermissible by law for the Company to exclude or attempt to exclude its liability.
- 11 INTELLECTUAL PROPERTY**
- 11.1 The Company shall fully indemnify the Buyer against:
- 11.1.1 any action, claim, demand, costs, charges and expenses arising from, or incurred by reason of, any infringement or alleged infringement of any patent, registered design, trade mark or trade name, copyright, design right or other intellectual property rights protected in the United Kingdom ("Intellectual Property Rights") by the use or sale of the Goods; and
- 11.1.2 all costs and damages which the Buyer may incur in any action for such infringement or for which the Buyer may become liable in any such action; provided always that this indemnity shall not apply to any infringement which is due to the Company having followed a design or instruction furnished by the Buyer or to the use of the Goods in a manner or for a purpose not reasonably inferred by the Company or disclosed to the Company prior to the making of the Contract.
- 11.2 In the event of any claim being made or action brought against the Buyer arising out of the matters referred to in this clause the Company must be promptly notified thereof and may, at its own expense and option, either modify the Goods so as to render their continued use permissible or conduct all negotiations for the settlement of the claim and any litigation that may arise there from and the Buyer shall:
- 11.2.1 not unless and until the Company shall have failed to take over the conduct of the negotiation or litigation, make any admission which might be prejudicial thereto;
- 11.2.2 at the request of the Company, afford all available assistance for any such purpose and shall be repaid any expenses incurred in so doing.
- 11.3 The Buyer on his part warrants that any design or instructions furnished or given by him shall not be such as will cause the Company to infringe any letters patent, registered design, trade mark or trade name in the performance of the Contract.
- 11.4 All Intellectual Property Rights in or arising out of or in connection with the Services shall be owned by the Company.
- 12 EXPORT TERMS**
- 12.1 Unless the context otherwise requires, any term or expression which is defined in or given a particular meaning by the provisions of INCOTERMS shall have the same meaning in these Conditions, but if there is any conflict between the provisions of INCOTERMS and these Conditions, the latter shall prevail.
- 12.2 Where the Goods are supplied for export from the United Kingdom, the provisions of this clause 12 shall (subject to any special terms agreed in Writing between the Buyer and the Company) apply notwithstanding any other provision of these Conditions.
- 12.3 The Buyer shall be responsible for complying with any legislation or regulations governing the importation of the Goods into the country of destination and for the payment of any duties on them.
- 12.4 Unless otherwise agreed in Writing between the Buyer and the Company, the Goods shall be delivered FOB the air or sea port of shipment and the Company shall be under no obligation to give more notice under section 32(3) of the Sale of Goods Act 1979.
- 12.5 The Buyer shall be responsible for arranging for testing and inspection of the Goods at the Seller's premises before shipment. The Company shall have no liability for any claim in respect of any defect in the Goods which would be apparent on inspection and which is made after shipment, or in respect of any damage during transit.
- 12.6 Unless otherwise required by the Seller, payment of all amounts due to the Company shall be made by an irrevocable letter of credit, in a form acceptable to the Company, to be opened by the Buyer in favour of the Company and confirmed by a bank in the United Kingdom acceptable to the Company within 14 days after the Contract is concluded.
- 12.7 The Buyer shall not offer the Goods for resale in any country notified by the Company to the Buyer at or before the time the Buyer's order is placed, or sell the Goods to any person if the Buyer knows or has reason to believe that person intends to resell in any such country.
- 12.8 The Buyer shall be responsible for complying with any legislation or regulations governing the export of the Goods from the country of destination and undertakes to not re-export or otherwise re-sell or transfer the Goods:
- 12.8.1 if it is known or suspected that they are intended or likely to be used for any purpose connected with chemical, biological or nuclear weapons, or missiles capable of delivering such weapons; or
- 12.8.2 to a destination subject to United Nations, European Union or Organisation for Security and Cooperation in Europe embargo where that act would be in breach of the terms of that embargo and that the Products, or any replica of them, will not be used in any nuclear explosive activity or unsafeguarded nuclear fuel cycle.
- 12.9 The Buyer shall fully indemnify the Company against any action, claim, demand, costs, charges and expenses arising from, or incurred, as a result of a breach by the Buyer of clause 12.8 above.
- 13 EVENTS BEYOND THE COMPANY'S CONTROL**
- 13.1 The Company shall be under no liability for any delay or failure to perform in the event that the manufacture, supply or delivery of the Goods and/or Services is prevented or delayed by any act or circumstances beyond the Company's reasonable control including but not limited to an act of God, legislation, war, fire, drought, failure of power supply, lock-out, strike or other action taken by employees in contemplation or furtherance of a trade dispute or owing to any inability to procure materials required for its performance of the Contract.
- 13.2 The Company shall notify the Buyer of any circumstance arising under clause 13.1 and if such circumstance prevails for more than 3 months then either party shall have the option by giving notice in writing to the other to bring the Contract to an end.
- 14 NOTICES**
- 14.1 Any notice or other communication required to be given under these Conditions, shall be in Writing and shall be sent by commercial courier, to each party required to receive the notice or communication as specified by the relevant party by notice in writing to the other party.
- 14.2 Any notice or other communication shall be deemed to have been duly received on the date and at the time of signature of the courier's delivery receipt.
- 15 GENERAL**
- 15.1 Any indulgence granted by the Company to the Buyer and any failure by the Company to insist upon strict performance of these Conditions shall not be deemed a waiver of any of the Company's rights or remedies nor be deemed a waiver of any subsequent default by the Buyer.
- 15.2 The invalidity, illegality or unreasonableness in whole or in part of any of these Conditions shall not affect the validity of the remainder of such Condition or these Conditions.
- 15.3 No Contract is assignable by the Buyer without the written consent of the Company and each Contract is between the Company and the Buyer as principals but the Company may without consent assign or sub-contract all or any of its rights and obligations under a Contract.
- 16 GOVERNING LAW**
- The interpretation and application of every Contract shall be in accordance with English Law and both parties agree to submit to the non-exclusive jurisdiction of the English Courts.
- 17 THIRD PARTIES**
- The parties to this Contract do not intend that any provisions of this Contract will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person that is not a party to it.