



STONE MARINE PROPULSION LIMITED

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STONE MARINE PROPULSION STANDARD CONDITIONS OF SALE

DEFINITIONS

These Conditions shall be incorporated in all Contracts entered into by Stone Marine Propulsion Ltd ("Company") to the exclusion of any other terms and conditions whether or not the same are endorsed upon, delivered with or referred to in any purchase order or other document delivered by the Purchaser to the Company. In these conditions:

"The Contract" means any agreement between the Purchaser and the Company (howsoever concluded) for work to be carried out by the Company or for the supply and/or manufacture of goods.

"the Purchaser" means the person or company instructing the Company to carry out the work in accordance with the Contract

1. GENERAL

Unless otherwise agreed in writing all quotations, tenders and orders made or accepted by the Company are subject to the following conditions. Quotations made and tenders submitted by the Company are offers for sale and any purchase order is subject to acceptance by the Company.

2. ORDERS and CONTRACTS

2.1 Quotations or tenders include only such goods, accessories, quantities and services as are specified therein.

2.2 All orders placed with the Company whether pursuant to its quotation or otherwise must be accepted by the Company in writing before any obligation shall attach to the Company.

2.3 No alteration or addition to any order or contract may be made without the Company's agreement in writing.

2.4 All orders whether for goods or work must be accompanied by sufficient information to enable the Company to proceed forthwith. The Company shall be entitled to assume any patterns, drawings, specifications and other information supplied by the Purchaser are accurate in every respect and the Purchaser shall accept full responsibility for any error therein

3. PRICE

3.1 Unless otherwise stated prices quoted are those current on the date of quotation and are valid for thirty days thereafter.

3.2 Prices quoted are subject to adjustment in accordance with any tax, surcharge or other levy subsequently imposed by the U.K. Government.

3.3 Prices quoted assume that the Purchaser accepts the Company's quotation or tender in all respects. Should the Purchaser and the Company agree to any departure from the quotation or tender the Company reserves the right to alter the price accordingly. Should any price quoted be subject to variation the basis of such variation shall be shown in the Company's initial quotation. Purchase orders must be accompanied by sufficient information to enable the Company to proceed with the order forthwith. Otherwise the Company shall be at liberty to amend the prices quoted to cover any increase in costs which takes place after acceptance as a result of the delay.

3.4 The cost of attendance of an engineer during installation is not included in the price for the manufacture or repair of a propeller.

4. REPAIR, SERVICING and OTHER WORKS

4.1 In the event of the Company undertaking the repair or servicing or any other work (whether of a similar nature or not) on goods made available for the purpose by a Purchaser :-

4.1.1 Every care will be taken to carry out the work satisfactorily but no guarantee is given to return goods to their original state or as to their performance, nor is any liability accepted in connection with the time taken to carry out the work;

4.1.2 The Purchaser or his agents shall give the Company or its workmen or those of its agents access to any dock and ship or other premises where the goods are situated and to the goods to be worked on at all reasonable times with the use of normal dock or other services including air, water and electricity. If the Company consider it necessary to work outside normal hours the Purchaser will use his best endeavour to facilitate such work and to provide the necessary access and services.

5. DAMAGE IN TRANSIT

5.1 When the price quoted includes delivery the Company will repair or replace free of charge goods damaged in transit provided the carriers and the Company receive written notification of such damage within seven days of delivery. The Company shall not be responsible for any damage sustained after the goods have been unloaded at the agreed point of delivery of where the Purchaser has failed to notify the Company of the damage within the time period specified.

6. SPECIFICATION AND PERFORMANCE

6.1 Unless the Company has been engaged to produce technical drawings only, all specifications, drawings and other data submitted with a tender or quotation are approximate. Descriptions and illustrations contained in catalogues, prices lists and other advertising matter issued by the Company are intended only to present a general idea of the goods and none of these documents shall form part of any contract unless expressly stated.

6.2 Unless otherwise agreed by the parties, any drawings, specifications and other data issued by the Company for the purpose of any contract or prospective contract remain the property of the Company and shall be treated as confidential by the Purchaser

6.3 Performance figures given are based upon experience and are such as the Company expects to obtain on test. The Company accepts no liability if such performance is not attained in use unless it is expressly guaranteed in the contract. Where such guarantee is given it shall be without prejudice to the provisions of Clause 15 thereof.

6.4 It is the Purchaser's responsibility to satisfy himself that the specification offered by the Company defines goods which are sufficient and suitable for the Purchaser's purpose. Defects in quality or dimensions in any delivery shall not be grounds for cancellation of the remainder of the order or contract (if any).

7. INTELLECTUAL PROPERTY RIGHTS

7.1 Unless expressly stated to the contrary and embodied in the contract, all intellectual property rights in respect of the goods and services remain vested in the Company.

7.2 Where goods are not of the Company's design the Purchaser shall indemnify the Company against all damages, penalties, costs, claims and liability in respect of the infringement of any letters patent registered design or other industrial rights resulting from the carrying out of work in accordance with his design particulars specifications work data or instructions, express or implied.

8. ALTERATION OR CANCELLATION OF ORDER

8.1 On receipt of any subsequent instructions which alter the Contract the Company reserves the right to halt production, or delay delivery until revised prices have been agreed. If, however, such instructions require immediate action by the Company such action will be taken only on the strict understanding that any reasonable adjustment to price made by the Company will be paid by the Purchaser.

8.2 If work is suspended on the Purchaser's instruction or lack of instructions or information any extra expenses, howsoever incurred, shall be payable by the Purchaser.

- 8.3 Should the order be cancelled by the Purchaser (for reasons other than failure by the Company) the Purchaser shall pay to the Company an amount equivalent to the sales value of the actual and committed expenditure at the time of cancellation, plus a sum equivalent to 20% of the balance of the Contract price.
- 8.4 The Company may without prejudice to any other rights it may have hereunder terminate the Contract or refuse to make any further deliveries under it by giving notice in writing to the Purchaser:-

- (a) in the event of war, hostilities, civil war, rebellion, revolution, insurrection or other disturbances occurring in the Purchaser's country.
- (b) if the Purchaser shall commit any breach of the terms of this Agreement.
- (c) if the Purchaser compounds with or negotiates for any composition with its creditors generally or permits any judgement against it to remain unsatisfied for seven days.
- (d) if the Purchaser, being an individual, shall die or have a Receiving Order made against him or commit any act of bankruptcy.
- (e) if the Purchaser, being a Company, shall call a meeting of its creditors or have a Receiver of all or any of its assets appointed or shall enter into any liquidation.
- (f) if the Purchaser shall fail to make any payments, or being an incorporated

9. DELIVERY

- 9.1 The agreed delivery period as specified in the Contract shall run from the date of acceptance of the Contract by the Company or when the Company receives information and drawings necessary to enable the work to proceed whichever is the later.
- 9.2 The Company shall not be liable to the Purchaser or to any servant, agent, supplier or sub-contractor of the Purchaser in respect of any loss of profit or any loss damage or expense arising out of delay or detention of any ship or goods or any increase in labour expenses or any claims of third parties or any indirect or consequential loss damage or injury whether or not resulting from any breach or contract negligence or other wrongful act or omission by us and we shall be entitled to charge the Purchaser with any sum paid to such servant, agent, supplier or sub-contractor (whether or not pursuant to a legal obligation) by way of indemnity against the claim.

10. FORCE MAJEURE

- 10.1 The Company shall not be responsible for failure to carry out or observe any of its obligations if due to any cause arising from or attributable to compliance with any request, order or regulation of any person having actual or apparent authority for purposes of any national or other official authority or body or due to failure on the part of the Purchaser to provide complete working instructions or to approve drawings or to take any other step necessary for the performance of a contract or due to labour disputes, shortage of labour or materials, defaults of sub-contractors or suppliers, damage to manufacturing facilities or accidents of any kind or due to any acts, omissions, events or non-happenings beyond our reasonable control.
- 10.2 In the case of any such failure the contract shall be suspended until termination of the cause, provided that to meet the altered circumstances, the Company may make such variations to the contract terms as are in our opinion reasonable and if the Purchaser does not agree thereto we may cancel the contract so far as it remains unperformed and are to be paid a proportionate part of the quoted price for the work done and goods supplied. In the event of any dispute as to the proper proportion the matter shall be settled by the Company's Auditors who shall act as experts and not arbitrators and whose decision shall be final.

11 DESPATCH

- 11.1 The Purchaser shall provide the Company with full instructions for delivery of the goods. Unless otherwise stated the price quoted shall be ex works.

12. DELIVERY TAKING OVER AND PASSING OF PROPERTY

- 12.1 Without prejudice to any of the Company's other rights under these terms and conditions notwithstanding delivery of any goods and at the Company's sole discretion, title in the goods shall remain with the Company until they have been paid for in full.
- 12.2 If such payment is overdue in whole or in part the Company may (without prejudice to any of its other rights) recover or re-sell the goods or any of them and may enter upon your premises for that purpose, a licence for which purpose is hereby granted, if any of the goods are incorporated in other goods before such payment the Property in the goods delivery by the Company shall nevertheless be and remain with the Company until such payment has been made provided that where any goods delivered under this Contract have been sold by the Purchaser either in their original form or after further processing or incorporating in some products then the Purchaser shall be trustee for the Company of the proceeds of sale thereof or of any claim by the Purchaser in respect of such goods.
- 12.3 Notwithstanding the above, risk in the goods shall pass to the Purchaser upon delivery (and you should therefore insure).

13. STORAGE

- 13.1 Should storage charges be incurred by the Company due to instructions or lack of instructions or information from the Purchaser, the Purchaser shall pay such charges and the additional cost of insuring the goods.

14. PACKAGING

- 14.1 Unless otherwise stated packaging will be in accordance with the Company's standard packaging and is not returnable.
- 14.2 The Company accepts no liability whatsoever for damage in transit on the grounds of alleged unsuitability of packaging.

15. GUARANTEE

- 15.1 Subject to Clause 15.3 the Company undertakes during a period of twelve months from the date of delivery and provided the goods have been subject to proper use and storage to replace or at its option repair at a location of its choice goods which prove to be defective due to faulty materials or workmanship. The guarantee is given in lieu of any liability or guarantee implied by law in respect of the liability of the Company.
- 15.2 Defective items or parts thereof must be promptly returned to a location chosen by the Company. If the defect is found to have arisen under conditions covered by this guarantee then the Company will repair or replace the defective part and send the repaired or replacement part free of charge. If, however, the goods are found either to be serviceable or to be defective for reasons outside the guarantee then, the entire costs of the test repair or replacement and carriage shall be borne by the Purchaser. The Company decision as to whether or not a deflection is covered by this guarantee or not shall be final and binding on both parties.
- 15.3 In respect of parts of components with a finite life not manufactured by the Company the Purchaser shall receive only such guarantee as shall be given by the manufacturer or supplier thereof to the Company.
- 15.4 The benefits of sub-clause 15.1 and 15.2 shall apply to any goods repaired or replaced in accordance with the terms hereof.
- 15.5 The Company shall have no responsibility for goods or parts thereof altered by the Purchaser without the Company's express written agreement or exhibiting wear or suffering damage before the expiration of the Company's guarantee period due wholly or partially to improper or careless treatment or operation, excessive stressing, sandy or polluted water, deposit of or intrusion of extraneous bodies, or defective shipbuilding or machinery installation work, or for defects caused by or causing or contributing to vibration characteristics of a ship or engine.
- 15.6 In the event of the Company providing a member of its engineering staff to attend at the installation of a propeller manufactured or repaired by it, it is to be understood that except as otherwise agreed in writing with the Company any advice and/or assistance will be given in good faith but without any acceptance of responsibility.

16. TESTS

- 16.1 Goods if manufactured by the Company and requiring tests or inspection shall be tested at a place nominated by the Company. If the Purchaser or his representative does not attend, the Company will have the test or inspection carried out in accordance with the specification and the Purchaser shall be deemed to have accepted such test or inspection. If any additional or special tests by more than one Classification Society or Inspection Authority are required, the extra costs shall be borne by the Purchaser.

17. TERMS OF PAYMENT

- 17.1 The time for payment by the Purchaser shall be of the essence and shall be as specified in the Company's quotation including as appropriate, a down payment with the balance due within the month following notification by the Company that the goods have been tested under Clause 16 or are ready for despatch.
- 17.2 The Company accepts at its sole discretion payment by the following means; cash, direct payment, cheque, credit card or bank transfer.
- 17.3 The Company reserves the right to charge the Purchaser interest on any late payments due under a Contract at the rate of 4% above the base rate from time to time of Barclays Bank Plc.

18. LIMITATION ON LIABILITY

- 18.1 The Company does not accept, and the Client indemnifies the Company against, any consequential loss and liability whatsoever, howsoever arising, directly or indirectly, from the provision of work, goods or services under the Contract.
- 18.2 The Company shall be liable for general damages to the Customer's arising, directly or indirectly, from the provision of work, goods or services under the Contract. The Company's liability in respect of such damage shall in every respect, unless otherwise agreed in writing by the Company, be limited to 25% of the value of the work, goods or services provided under the terms of the Contract.

19. HEALTH AND SAFETY INDEMNITY

- 19.1 The Purchaser shall indemnify the Company in respect of any liability, monetary penalty or fine in respect of, or in connection with the Products incurred by the Company under the Health and Safety at Work Act 1974 or any statutory modification or re-enactment thereof or any regulations, orders or direction made thereunder.

20. JURISDICTION

- 20.1 All Contracts shall be construed in accordance with English Law and all disputes which may arise under or in connection with the Contract shall be submitted to arbitration in accordance with the Arbitration Act 19