

SHREDMET TERMS OF BUSINESS

1. General

(1) These "Terms of Business" (herein also called "these Terms") dated 10th January 2012 incorporate any document headed The Particulars attached to the face or accompanying this document ("the Particulars"). In the event of a conflict between the Particulars and the Terms of Business, the Particulars shall prevail. The Seller means Shredmet Ltd as stated at the head of the letterhead and upon which letterhead the Particulars are printed. The 'Buyer means the person, partnership or company named in the Particulars who buys, offers, or agrees to buy Goods from the Seller: Goods' means the goods the subject of this Contract as described in the Particulars. This Contract' or 'the Contract' means the contract between Seller and Buyer for the sale of the Goods on the terms of the Particulars and these Terms of Business as incorporated. References to paragraphs in these Terms of Business are to paragraphs of these Terms of Business unless otherwise stated.

(2) The price of the Goods excludes value added tax.

(3) (i) If any provision of these Terms (or part of any provision) are found by any court or other authority of competent jurisdiction to be invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed not to form part of these Terms, and the validity and enforceability of the other provisions of these terms shall not be affected.

(ii) If any invalid, unenforceable or illegal provision in these Terms would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable.

2. (1) Following acceptance by the Buyer the Contract may only be modified by a variation expressed in writing (which shall include faxes and emails), by the Seller, and no other action on the part of the Seller (whether delivery of the Goods or otherwise) shall be construed as an acceptance of any other conditions or of any modification hereto and the Seller will be entitled to charge the Sellers additional administration and any additional costs to the Buyer in addition to the price for any variations and such costs will form part of and be payable as part of the price.

(2) It is the responsibility of the Buyer to promptly check and confirm all documents subsequently sent to the Buyer. Failure to confirm acceptance (or otherwise) to the Seller will be deemed as acceptance by the Buyer that the contents of such documents comply with the Contract and any subsequent alterations will be treated as a variation chargeable in accordance with 2(2) above

3. Entire Agreement

(i) These Terms (together with the Particulars) and any modification made in accordance with clause 2 above contains the whole agreement between the parties in respect of the Goods and supersedes any prior written or oral agreement between them relating to the Goods and the parties confirm that they have not entered into this Contract on the basis of any representations that are not expressly incorporated into it

(ii) Each party acknowledges that, in entering into this agreement, it has not relied on any statement, representation, assurance or warranty (whether made negligently or innocently) other than those expressly set out in these Terms or the documents referred to in it

(iii) Each party agrees that all liability for and remedies in respect of any representations are excluded except as expressly provided in this agreement.

(iv) Nothing in this clause shall limit or exclude any liability for fraud.

4. Any quotation in whatever form given to the Buyer is given subject to these Terms and does not constitute an offer to sell. All orders placed with the Seller require the Seller's acceptance before any contract arises.

5. Weights and Description

(1) Save as stated in the Particulars the Buyer is deemed to accept Seller's declared weights and the Seller shall have no liability for

any claim for short weight unless afforded reasonable opportunity or re-weighing by notification by fax or email of such short weight within twenty four hours of delivery of the Goods and a detailed written claim in respect of the short weights is made to the Seller within forty eight hours of delivery.

(2) All drawings, descriptions, illustrations, specifications, performance data, dimensions, weights and the like whether contained in any contract or made by way of representation will have been provided by the Seller on the basis they are as accurate as reasonably possible, but the Seller does not warrant and no warranty shall be implied that the same are accurate.

6. Price and Payment

- (1) The Buyer shall pay the price in the manner specified on the Particulars (or if no Particulars) then before delivery and prices quoted shall be ex-works unless stated to the contrary
- (2) Where the Seller quotes a price this shall not include costs of discharge, import or other duties, dues, taxes and any other costs chargeable in respect of the cargo at ports of discharge.
- (3) If any payment that is to be made hereunder by the Buyer to the Seller is overdue, without prejudice to any other rights in respect thereof, interest will be chargeable thereon as well as before judgement on a day to day basis at an annual rate of the Late Payment of Commercial Debts (Interest) Act 1998 (which is calculated at the rate of the reference rate plus 8%) as from time to time applicable, until the sum due is paid.
- (4) Where any sum owed by the Buyer to the Seller under this or any other contract (including but not limited to any interest) is overdue, or if at any time the credit standing of the Buyer has, in the opinion of the Seller, been impaired for any other reason, the Seller may withhold any deliveries of Goods due to be made under this contract until arrangements as to payment of credit have been established which are satisfactory to the Seller or may in its discretion cancel the contract so far as it remains unperformed, and without prejudice to any other rights the Seller may have in respect thereof at the date of such suspension or cancellation, as the case may be.
- (5) The Buyer may not withhold payment of any invoice or other amount due to the Seller by reason of any right of set off or counterclaim which the Buyer may have or allege to have for any reason whatever

7. Reservation of Title

- (1) Until all sums due to the Seller on any account whatsoever have been paid to the Seller: -
 - (i) notwithstanding that risk in the Goods shall pass to the Buyer on delivery
 - (ii) And in spite of delivery having been made property in the Goods shall not pass from the Seller until:
 - (i) The Buyer has paid all sums owed to the Seller (including interest and tax any charges whatsoever) in respect of the Goods and
 - (ii) no other sums are due to the Seller from the Buyer
- (2) Until property in the Goods passes to the Buyer in accordance with clause 7(1) the Buyer shall hold the Goods on a fiduciary basis as bailee for the Seller. The Buyer shall store the Goods at no cost to the Seller separately from all other goods in its possession and identified as the Sellers property. Otherwise the Buyer shall be entitled to use the Goods in the manufacture of new product on behalf of the Seller.
- (3) Until such time as such time as property in the Goods passes to the Buyer the Buyer shall upon request deliver up to the Seller such Goods as shall not cease to be in existence or have been sold. If the Buyer fails to do so the Seller may enter any premises owned occupied or controlled by the Buyer and repossess the Goods
- (4) the Seller shall be entitled to repossess the Goods if at any time in the opinion of the Seller the credit-standing of the Buyer has been impaired, and notwithstanding the generality of the forgoing the Seller shall be entitled to repossess the Goods if :

- (i) 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
 - (ii) 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
 - (iii) The Buyer encumbers or in any way charges any of the Goods.
- (5) 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 property in the Goods has not passed, to recover them and dispose of them.
- (6) Any proceeds from any such disposal of the Goods shall be held on trust for the Seller absolutely.
- (7) The Seller shall be entitled to recover all the sums outstanding to it for the Goods notwithstanding that the property in any of the Goods has not passed from the Seller and;
- (i) Should the Goods have been converted into a new product, whether or not such conversion involves the admixture of any other goods or thing whatsoever, the conversion shall be deemed to have been effected on behalf of the Seller.
 - (ii) Any proceeds from any disposal of the Goods or of any such new product by the Buyer shall be held on trust for the Seller absolutely.
 - (iii) any proceeds from any such disposal shall not be mixed with any other money or paid into any overdrawn bank account and shall be at all material times identified as the Sellers money
- (8) The Buyer shall not pledge or charge or in any way offer by way of security for any indebtedness any of the Goods which are the property of the Seller. Without prejudice to the other rights of the Seller if the Buyer does so all sums owing by the Buyer shall forthwith become due and payable.
- (9) Where the Seller is unable to determine whether any goods of the kind sold by the Seller are the Goods in respect of which the property has passed to the Buyer, the Buyer shall be deemed to have sold all goods of the kind sold by the Seller to the Buyer in the order in which they were invoiced to the Buyer.
- (10) On termination of the Contract, howsoever caused, the Sellers (but not the Buyer's) rights contained in this clause 7 shall remain in effect.

8. Shipment and Storage

- (1) the date of despatch, (or if an ex-works contract, the date of availability for collection), is the best estimate of such date, but the Seller reserves the right to alter the same without notice.
- (2) The Goods may be shipped in one or more parcels, and each shipment shall be treated as a separate contract to which these Terms shall mutatis mutandis apply, provided that this condition shall be subject to, and in no way derogate from, the rights of the Seller under Clause 14 hereof to suspend or terminate the whole contract in the circumstances mentioned.

- (3) Without prejudice to any other rights the Seller may have, the Seller reserves the right to put the Goods or any portion thereof into storage at the Buyers risk and expense in the following cases: -
- (i) Where the Goods are about to be despatched and the Buyer notifies the Seller that the Buyer is or will be unable or unwilling to receive the Goods or for any other reason will be unable to accept delivery of the Goods when tendered.
 - (ii) Where the Seller is ready to despatch the Goods but needs delivery instructions and such instructions have not been provided by or on behalf of the Buyer or are inadequate.
 - (iii) In an ex-works contract where the Buyer fails to collect the Goods when they are ready for collection.
 - (iv) In an FOB. contract where the Buyer fails to nominate a ship to the Seller.
 - (v) Where the Seller suspends delivery of the Goods pursuant to Clause 2.
- (4) If the Seller is required to exercise the rights provided by clause 4(3) above then delivery shall have taken to be effected by the Seller and the Buyer shall indemnify the Seller against all costs claims and other expenses including without prejudice to the generality of the aforementioned wording) legal fees arising therefrom
- (4) The unit of shipment of the Contract being not less than one container then the Contract is made on the basis that every such container shall hold not less than 20 tonnes of material and if on loading this assumption shall not prove to be the fact then the Seller may elect to deal with the shipment of such of the Goods so loaded into containers as a part shipment in accordance with clause 8(2) above and the provisions of that clause shall thereafter apply PROVIDED THAT the Seller may treat the Contract to deliver the balance of the Goods as terminated

9. Insurance

Unless otherwise stated in the Particulars the Goods are shipped uninsured but may be insured by the Seller until actual arrival at discharge port (or loss of carrying vessel if earlier) or (in the case of shipment where final destination stated is within the UK), the UK delivery address, for such risks as the Buyer may reasonably request in writing and as are commercially available together with payment of the premium to the Seller in cleared funds. In the event of loss of, or damage to, Goods shipped after shipment under this Contract but prior to actual arrival at discharge port or (in the case of shipment where final destination stated is within the UK) the UK delivery address, and payment therefore the Buyer will make payment against the documents representing such Goods in accordance with the Clause 6 as if delivered and in the event of the carrying vessel being lost such payment shall be made immediately the loss of the carrying vessel is established.

10. Limitations and Exclusions

- (1) This clause sets out the entire financial liability of the parties (including any liability for the acts or omissions of their respective employees, agents and sub-contractors) to each other in respect of:
- (i) Any breach of these Terms;
 - (i) any use made or resale of the Goods by the Buyer, or of any product incorporating any of the Goods by the Buyer; and
 - (iii) any representation, statement or tortious act or omission (including negligence) arising under or in connection with these Terms.
- (2) Nothing in these Terms shall limit or exclude the liability of either party for:
- (i) Death or personal injury resulting from negligence; or
 - (ii) fraud or fraudulent misrepresentation; or

- (iii) Breach of the terms implied by section 12 of the Sale of Goods Act 1979
- (3) Without prejudice to clause 10(2) neither party shall be liable to the other, whether in contract, tort (including negligence) or restitution, or for breach of statutory duty or misrepresentation, or otherwise, for any:
 - (i) loss of profit; or
 - (ii) loss of goodwill; or
 - (iii) loss of business; or
 - (iv) loss of business opportunity; or
 - (v) loss of anticipated saving; or
 - (vi) special or indirect or consequential damage or loss
 - (vii) Failure to deliver on time or at all by the Sellers shipperSuffered by the other party that arises under or in connection with this agreement.

- (4) Without prejudice to clauses 10.2 or 10.3 the Seller's total liability arising under or in connection with these Terms whether arising in contract, tort (including negligence) or restitution, or for breach of statutory duty or misrepresentation, or otherwise, shall be limited to the amount already paid by the Buyer.

11. Health and Safety

The Goods are sold on condition that:

- (i) The Buyer carries out such tests and examination of the Goods as are reasonably practicable to ensure that when used the Goods are safe and without risk to health and comply with all local laws and regulations, and;
- (ii) The Buyer shall, if so requested by the Seller, enter into a written undertaking to take such steps as may be specified by the Seller relating to such tests and examination.

12. Import Licenses, etc.

The Buyer shall indemnify the Seller against any loss or expense to the Seller arising from failure by the Buyer to obtain in due time any import licence or permit or the like which may be required for the importation of the Goods at destination or from the subsequent revocation or non-renewal of such permit.

13. Notice of Claims

- (1) During visual inspection by the buyer of the material on arrival at Customs, if the buyer observes any deviation in the quality as per quality ordered, the seller should be informed in writing immediately.
- (2) Any claim against the Seller arising under these Terms by buyer will be considered only if notified to seller in writing within 48 hours from the date of receipt of goods by the buyer or within 48 hours from the arrival of the of goods at the buyers final destination whichever is earlier and only if supported by an independent, internationally reputed and recognized, surveyor's report together with photographic evidence of each and every container loaded against the contract. A minimum of 5 photographs of each container must be provided to the seller to include close up shots of materials with right door shut showing container number at the same time and shots of material being unloaded at several stages. The buyer must organise third party inspection and provide a copy of the report to the seller. The cost of such and any subsequent survey will be on the buyer's account, irrespective of failure to find any discrepancy and/or variation.
- (3) In case the quality problem is critical, the seller holds the right to be present during segregation of the material.

- (4) The Seller is not responsible for any claim, if the container is already unloaded/ de stuffed.
- (5) In the event of a justified claim, seller shall have the right to replace the material or to credit Buyer for the invoice value of the goods, which are the subject of the claim, against return of the claimed goods. All claims shall be settled amicably as far as possible. In any case the claim shall not exceed the invoice amount.
- (6) Unless written notice accompanied by proof certified by an authorized surveyor and photographs is sent by the Buyer during the above mentioned period, the Buyer is deemed to have accepted the goods. After the acceptance of goods the Buyer shall not be entitled to reject goods which are not in accordance to the contract. Where the Buyer accepts or has been deemed to have accepted any goods then the Seller shall have no liability whatsoever to the Buyer in respect of those goods.
- (7) In no event may the buyer assert a claim for any reason whatsoever after the goods are fully unloaded from the container, used, sold, cut, processed or otherwise altered
- (8) Whenever there are quality complaints, the matter may not be solved within hours or days. A minimum period of 7-21 working days must be given to the seller to settle the problem. This time duration may exceed depending upon the gravity of the matter and the proceeds of the claim.
- (9) In the event of non- delivery of the Goods only the Buyer shall notify the Seller of such non-delivery in writing by fax or email within twenty-four hours of the date such delivery should have taken place.
- (10) Notices are to be sent to the address and for the attention of the individual in clause 19.
- (11) In the event of weight claims the buyer must provide weight tickets of unopened sealed containers as follows
 - (i) Upon the arrival of container at customs and upon container release by customs
 - (ii) During transit from Customs to destination container must be weighed at 2-3 different computerized weigh scales.
 - (iii) Upon arrival of the container at the final destination
 - (V) In the case of shortage of more than 1% weight tolerance, the seller must be notified immediately and the container is to remain unopened with the seal intact until further instructions are agreed by the seller.
 - (VI) The seller holds the right to personally inspect the container and/ or to request the buyer to appoint a Third party inspection agency to check the weight at their cost.

14. Payment by way of Letter of Credit.

Buyer shall establish in favour of Seller a Usance/Irrevocable, confirmed, unrestricted and without recourse letter of credit covering full amount of this contract, negotiable on sight draft through a first class International Bank, agreed by both parties, which shall be received by Seller within 10 working days from date of this contract. The letter of credit shall be valid and effective for at least twenty-one (21) days unless otherwise specified after the last date of shipment for negotiation of the relative draft. If Buyer for any reason fails to furnish the letter of credit in the manner and form aforesaid or to fulfil the payment term under this contract, Seller may reserve the right to postpone the shipment or to cancel all or any part of this contract and/or may be entitled to dispose of the goods on Buyer's account and risk and/or claiming compensation to be made by Seller to Buyer to cover any Seller's loss resulting from the Buyer's failure. The letter of credit shall refer to this contract by its number, and shall authorise reimbursement to Seller for such sums, if any, as may be advanced by Seller for consular invoices, inspection fees and other expenditures made by Seller for account of Buyer.

15. Force Majeure

- (I) Neither the Seller nor the Buyer shall be liable for any loss or damage caused by delay in the performance or non-performance of any of their respective obligations hereunder where the same is occasioned by any cause whatsoever that is beyond their respective control including, but not limited to Acts of God, war, riots, civil disturbance, requisitioning; fire, explosion, sabotage, storm, flood, earthquake, fog, subsidence, adverse climatic conditions, pestilence, or epidemics; governmental or parliamentary restrictions or regulations; non-availability or interruption or deviation in shipping or other transport; strikes, shortage of labour, lock-outs or trade disputes (whether involving their own employees or those of any person): collapse of structures, cessation or interruption of operation of any plant or process, failure of supply of raw material or components or other operating requirement; breakdown of machinery. Should any such event occur the Seller or the Buyer may suspend this contract without incurring any liability for any loss or damage thereby occasioned and the duration of such period of suspension shall be added to any delivery date or period herein specified, but the party affected by such cause shall give immediate notice to the other of such cause in writing.
The Seller shall be regarded as affected by such cause if such cause affects the producer of the Goods and this occasions delay in the performance of the Seller's obligations hereunder.

- (2) Upon the Buyer giving or receiving notice as in (1) above, pricing of unshipped Goods not affected by the cause shall cease and shall not be resumed until the cause of such notice ceases to affect the performance of this Contract. Nothing contained in this paragraph shall release the Buyer from its obligations to price and pay for any Goods already shipped or for which freight has been engaged for shipment prior to receipt of such notice by the Seller.
- (3) To the extent that any such cause affects the production or shipment of material to be supplied hereunder, the quantity to be supplied hereunder may be reduced rateably to the proportionate loss in production or shipments.
- (4) After termination of any such cause there shall be no obligation upon the Seller to make good to the Buyer any quantities of Goods which the Seller has been unable to supply or which the Buyer has been unable to accept as a result of such cause provided that no reduction shall be made in quantities of Goods previously priced.
- (5) In the event of the cause of suspension lasting more than three months the Seller shall upon written notice given to the Buyer, be entitled to treat the contract as terminated without liability to the Buyer at the date of such notice. Termination shall be without prejudice to the rights and obligations of the parties up to and including the date of such notice and shall not affect the Buyer's obligation to accept, in due course, Goods already priced.

16. Enforceability

- (1) When a Buyer comprises more than one party the liability and obligations of the parties are joint and several
- (2) The Buyer shall not transfer the rights or obligations of this Contract
- (3) The parties agree that the Contract has been drafted jointly by the parties and accordingly it should not be construed strictly against either party

17. Rights of third parties

No term of this agreement shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this agreement, but this does not affect any right or remedy of a third party which exists or is available apart from under that Act.

18. Jurisdiction

- (1) This Contract is governed by and construed in accordance with English law of England and the parties irrevocably agree that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Contract.
- (2) The Buyer waives objection to the English courts on grounds of forum non-conveniens or otherwise regarding proceedings under his Contract and agrees that a judgement or order of an English Court in connection with this Contract shall be conclusive and binding on it and may be enforced in the courts of any other jurisdiction
- (3) This Contract is made only in the English language. If there is a conflict in the meaning between this English language version of this agreement and any version or translation of this agreement in any other language the English language version shall prevail

19. Notices

- (1) A notice served on the Seller (otherwise than in the case of non-delivery of the Goods where service may be as provided in clause 13):
 - (a) shall only be in writing in the English language;
 - (b) shall be signed by or on behalf of the party giving it;
 - (c) shall be sent for the attention of the person, and to the address or fax number, given in this clause (or such other address, fax number or person as the relevant party may notify to the other parties in accordance with the provisions of this clause and

(d) shall be:

- (i) delivered personally; or
- (ii) Sent by fax; or
- (iii) Sent by commercial courier; or
- (iv) Sent by pre-paid first-class post or recorded delivery; or
- (v) (If the notice is to be served by post outside the country from which it is sent) sent by airmail requiring signature on delivery.

(2) The address for service of notice is:

Address: Shredmet Limited, Trevor Street, Nechells, Aston, Birmingham, B7 5RG For the attention of: Mr W Hawkeswood Fax

number: 0121 326 6666 email Wayne@shredmet.com Copies of all correspondence/emails to be sent to Tracey@shredmet.com