

STANDARD CONDITIONS OF CONTRACT

1. PRELIMINARY

1.1 IN these Conditions:

The Company means IDEAL PC Solutions Ltd.

The Contract means the Contract between the Company and the Customer for the sale or supply of Equipment.

The Customer means the person firm or company with whom the Contract is made by the Company.

The Equipment means any equipment, parts, spares, software and any other goods sold or supplied by the Company.

The Warranty Period means:-

(I) in the case of hardware a period of twelve months from the date of delivery or the balance of any warranty period provided to the Company by the manufacturer if greater or

(II) in any other case a period of ninety days from the date of delivery.

1.2 THESE Conditions apply to all Contracts of the Company to sell or supply Equipment and shall prevail over any terms put forward by the Customer unless the Company expressly agrees to them in writing. No conduct by the Company shall be deemed to constitute acceptance of any terms put forward by the Customer and no concession made or latitude allowed by the Company to the Customer shall affect the strict rights of the Company under the Contract.

1.3 THESE Conditions may only be varied with the express written agreement of the Company.

2. PRICES

2.1 UNLESS otherwise specified prices payable for the Equipment are exclusive of carriage and are subject to the Company's right to require payment of delivery charges, insurance costs, special handling charges and/or packaging charges as appropriate.

2.2 THE Company shall have the right at any time to revise prices to take into account increases in costs including (without limitation) costs of agreed changes in any taxes, duties, levies or exchange rates or costs arising as a result of site conditions, delays, interruptions, lack of information and any other factor beyond the Company's control.

3. ORDERS AND DELIVERY

3.1 NO order shall be accepted by the Company unless first confirmed by the Customer in writing or by facsimile.

3.2 THE Customer shall state on placing an order if he requires the Company to arrange carriage and if so the delivery address. If the Customer so requests the Company shall be entitled to make any contract of carriage and/or insurance on behalf of the Customer as the Company considers necessary and will be under no obligation to notify the Customer thereof. The Customer will be responsible for complying with all conditions and requirements of the carriers. Unless otherwise agreed by the Company delivery of the Equipment will be ex-works.

3.3 ALL times or dates given for delivery of the Equipment are given in good faith and shall not be of the essence of any Contract.

3.4 THE Company shall give the Customer notice when the equipment is ready for delivery. If the Customer refuses or fails to arrange collection or take delivery (as the case may be) of Equipment ordered within seven days of service of that notice then (a) the Customer will bear the risk of any loss or damage to the Equipment after expiry of that time (b) the Company shall be entitled to immediate payment in full for the Equipment which is the subject of the order and (c) the Customer shall in addition to the invoice price pay all costs of storage and any additional costs incurred as a result of such refusal or failure. The Company shall not be liable to the Customer for any loss or damage to the Equipment caused by their storage.

3.5 THE Company may make and the Customer shall accept partial deliveries of Equipment ordered. Each delivery shall be considered to be the subject of a separate Contract and failure by the Company to make any one or more deliveries in accordance with the Contract or any claim by the Customer in respect of any one or more deliveries shall not entitle the Customer to treat the Contract as a whole repudiated.

4. ACCEPTANCE

4.1 THE Customer will accept the Equipment even if it is delivered late and late delivery will not entitle the Customer to terminate the Contract.

4.2 THE Customer shall inspect the Equipment as soon after delivery as is reasonably practicable and will notify the Company in writing of any shortage of supply deficiency or damage to the Equipment within five days of delivery. If the Customer fails to comply with this clause the Company shall be under no legal obligation in respect of any alleged shortage discrepancy or damage.

5. RISK

FROM the time the Equipment leaves the Company's premises whether this be by way of collection by the Customer or receipt by carriers (as the case may be) the risk in the Equipment shall pass to the Customer who shall be solely responsible for the custody and maintenance thereof.

6. PAYMENT

6.1 IF credit terms have been agreed in writing by the Company payment shall be made in full without any deduction or set-off within thirty days of the date of the invoice unless otherwise agreed in writing by the Company.

6.2 IF credit terms have not been agreed by the Company then payment shall be made in full without any deduction or set-off at the time of placing the order for the Equipment.

6.3 IF the Customer shall make or offer to make any arrangement or composition with his creditors or commit any act of bankruptcy or if any bankruptcy petition be presented against him or (if the Customer is a limited company) if any resolution or petition to wind up such company shall be passed or presented or if a receiver or administrator of the whole or any part of such company's undertaking property or assets shall be appointed then if delivery of the Equipment has been effected the invoice shall immediately become due and payable by the Customer; if delivery has not been so effected then the Company may at its option cancel the contract or cancel or suspend delivery.

6.4 NOTWITHSTANDING any of the terms and conditions hereof the time of payment shall be of the essence of the Contract.

6.5 INTEREST shall be payable on overdue accounts at the rate of two percent per month or part thereof on the amount for the time being outstanding from the due date of payment thereof until receipt by the Company whether before or after judgement.

6.6 IF any cheque presented in payment of an invoice by the Customer shall be returned unpaid by the Customers bank or if any agreed standing order or direct debit arrangement shall fail to operate then the Customer shall in addition to all other sums payable under the Contract pay to the Company the sum of £20 for each such event or such greater sum as shall represent the cost incurred by the Company by reason of such dishonour or failure as aforesaid.

7. RETENTION OF TITLE

7.1 THE Equipment shall remain the property of the Company until payment is made in full of all sums due under all Contracts between the Company and the Customer.

7.2 UNTIL title passes to the Customer under this clause 7.1 the following shall apply:

7.2.1 the Customer shall hold the equipment as bailee for the Company, store the same in such a way that it can be identified as the Company's property and keep it separate from the Company's own property and the property of any other person.

7.2.2 if payment has become due or the provisions of clause 6.3 shall apply the Company shall be entitled to recover the Equipment from the Customer and for that purpose the Customer hereby grants to the Company, its agents and employees an irrevocable licence to enter any premises where the Equipment is stored in order to repossess the same.

7.2.3 if in the normal course of business the Customer shall sell the Equipment then he shall do so as agent for the Company and out of the proceeds of such sale shall retain the amount due to the Company in a separate identified bank account as trustee for the Company.

7.2.4 in the event that the exercise by the Company of the rights conferred by this clause result in the Company repossessing Equipment for which the Customer has paid, the Company may set-off against any sums which become due from them on that basis any sums due from the Customer in respect of other Contracts.

7.2.5 each of the foregoing sub-clauses of this clause constitutes an entirely independent provision and shall be interpreted separately from the remainder.

8. SPECIFICATION AND PERFORMANCE

8.1 ALL drawings specifications and technical documents issued by the Company at any time in relation to the Contract are issued solely for the Customers use in connection with the Equipment and shall not be copied reproduced or communicated to any third party without the Company's express written agreement.

8.2 THE Company reserves the right to alter or depart from any specification or design of any Equipment sold provided that such alteration or departure shall not to a material extent adversely affect the performance of the Equipment or the quality of the workmanship or the materials used.

8.3 UNLESS otherwise expressly agreed in writing any performance figures quoted or referred to in any specification or other document are estimates only based on assumed conditions in a well managed office with experienced adequate and efficient operatives and appropriate services and proper use of satisfactory materials.

9. WARRANTY

9.1 THE Company will make good by repair or exchange (at its option) such of the Equipment or part thereof which is shown to its reasonable satisfaction to have proved defective in materials or workmanship during the Warranty Period on the following terms:

9.1.1 any defect in or failure of the Equipment must be notified to the Company in writing as soon as practicable and in any event no later than five days after discovery.

9.1.2 the Equipment must be unmodified, have been properly used under normal working conditions and have been properly stored installed and maintained.

9.1.3 before returning the Equipment or any part thereof the Customer must obtain a return authorisation number from the Company and details of the Company's returns procedure which must be fully complied with.

9.1.4 the Equipment or part to be returned must be delivered to the Company's premises in its original packaging together with supporting documentation showing full description of the alleged fault and quoting the relevant returns number. In the event that the customer fails to comply with this requirement then the Company will be entitled to charge a 15% handling fee upon the authorised return of the Equipment.

9.1.5 all delivery charges for carriage to and from the Company's premises must be paid by the Customer.

9.1.6 where parts only are returned the Company shall not be responsible for installing any such part after repair or exchange.

9.1.7 the Company may elect to carry out any repairs at the premises of the Customer and if so electing then the Customer shall provide the Company's employees or agents with free access to the place of installation and free access to any services or facilities that may be required to repair the Equipment.

9.1.8 if it so elects the Company may require the Customer to return the Equipment or part direct to the manufacturer for repair or exchange in which case such repair or exchange on the part of the manufacturer shall satisfy the Company's obligations under this clause 9.

9.1.9 the foregoing warranty shall only apply to any replacement Equipment or parts thereof supplied by the Company under this warranty for the balance of the warranty period applicable to the Equipment sold.

9.2 THE Company gives no undertaking that the Equipment is fit for any particular purpose and the Customer, having greater knowledge of his own requirements, relies entirely on his own skill and judgement in evaluating the suitability of the Equipment for his purpose.

9.3 SUBJECT to the foregoing all conditions, terms and representations, express or implied by statute, common law, custom or usage in relation to the Equipment are hereby excluded and the Company shall be under no liability to the Customer for any loss, damage or injury direct or indirect resulting from defective material faulty workmanship or otherwise howsoever arising and whether or not caused by the negligence of the Company, its employees or agents.

9.4 IN no event shall the Company be under any liability whatsoever and howsoever arising for any loss of or loss of profits, interruption of business or any other indirect special or consequential loss of any type arising or alleged to have arisen out of any negligent act or default of the Company in respect of the Company's obligations under such Contract.

9.5 IF the Customer deals as a consumer as defined in S.12 of the Unfair Contracts Terms Act 1977 the above provisions shall not apply and the Customers statutory rights under the Sale of Goods Act will be unaffected.

9.6 THE Company does not exclude liability for death or personal injury to the extent that it is caused by the negligence of the Company its employees or agents nor for breach of any of the undertakings as to title implied into the Contract by S.12 of the Sale of Goods Act 1979.

10. REPRESENTATIONS

THE Company shall incur no liability to the Customer for misrepresentation by virtue of any statement made by or on behalf of the Company prior to the Contract whether orally or in any letter document or sales literature and the Customer shall not be entitled to rescind the Contract on the grounds of any such misrepresentation.

11. RETURNS

THE Company shall be under no obligation to accept return of any Equipment other than as provided in Clause 9. If notwithstanding the Company shall in any particular case agree to accept return of Equipment which is not defective then it shall only do so on terms that (a) the Customer shall pay a sum in respect of the costs so incurred by the Company equal to twenty per cent of the full invoice price subject to a minimum charge of £20 (b) the Customer shall obtain a returns authorisation number from the Company and comply with the Company's returns procedure and (c) that the Equipment must be delivered to the Company's premises in its original packaging.

12. TELECOMMUNICATIONS EQUIPMENT

12.1 WHEN the Equipment supplied by the Company is to be used in conjunction with British Telecom lines or apparatus then the following additional conditions shall apply:

12.1.1 British Telecom shall have the right to require modifications to be carried out to Equipment which is already installed and in use. Any modifications required will be carried out at the Customers expense.

12.1.2 in no event shall the Company be liable for damages, loss or injury to British Telecom equipment or personnel in connection with or arising out of the Customers neglect.

13. FORCE MAJEURE

THE Company shall not be liable for any delay or failure in performance of its obligations under the Contract which is due to or results from any circumstances beyond its reasonable control including but not limited to delays or defaults of suppliers, or the defaults of any subcontractor, war, strike, lock-out, trade dispute, flood, accident to plant or machinery, shortage of materials or labour. In any such event the Company shall be entitled to delay or cancel delivery of the Equipment. If due to any such event the Company has insufficient stocks to meet all its commitments the Company may apportion available stocks between its customers at its sole discretion.

14. CANCELLATION

NO Contract or order may be cancelled without the Company's written consent. In the event that cancellation is agreed for whatever reason the Customer shall indemnify the Company against all costs, claims, loss and expenses occasioned thereby including any consequential loss and loss of profits.

15. GENERAL

15.1 IF at any time one or more of the above Conditions becomes in whole or in part void, invalid or unenforceable then the remainder of these Conditions shall nevertheless remain valid and enforceable.

15.2 ALL notices hereunder shall be in writing and shall be given by hand or sent by prepaid first class post or facsimile to the party concerned at its last known address. Notices sent by first class post shall be deemed (in the absence of an earlier receipt) to have been delivered forty-eight hours after despatch and notices sent by facsimile shall be deemed to have been delivered on the first working day following the date of their despatch.

15.3 THE construction, performance and validity of the Contract and of these Conditions shall in all respects be governed by the laws of England.