



Dropsa USA Inc.
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United States of America

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CONDITIONS OF SALE

1. Definitions

In these conditions:

- 1.1. The Company+ means Dropsa USA, Inc. 6645 Burroughs Ave, Sterling Heights, MI 48314 USA
- 1.2. Goods+ means the lubrication equipment, systems, articles, equipment or goods to which this document relates.
- 1.3. The Buyer+ means the purchaser of the goods from the company.
- 1.4. Writing+ includes telex, cable facsimile transmission and comparable means of communication.
- 1.5. Contract+ means the contract for the purchase and sales of the Goods.

2. General

- 2.1. All orders are accepted and all contracts are made subject to the following terms and conditions provided that any special conditions in any quotation or contract shall prevail, to the extent that they are inconsistent with the following terms and conditions.
- 2.2. If the Company's terms and conditions shall be inconsistent with any printed conditions attached to the Buyer's order when the company's terms and conditions shall prevail.
- 2.3. All contracts shall be governed by US law and any dispute arising therefrom shall be determined by the US courts of law to those whose jurisdiction the Company and the buyer hereby submit.
- 2.4. The sub-headings of these conditions are not to be regarded as part thereof.
- 2.5. If at any time hereafter one or more of these conditions become in whole or in part invalid or unenforceable in any respect by law the validity and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.
- 2.6. These conditions supersede all previous conditions of sale of the company.
- 2.7. The Buyer is responsible to the Company for ensuring the accuracy of the terms of any order (including any applicable specification) submitted by the Buyer, and for giving the Company any necessary information relating to the goods within a sufficient time to enable the Company to perform the contract in accordance with its terms.
- 2.8. If the goods are to be manufactured or any process is then 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 claims and expenses made against or incurred by the Company in connection with any claim for infringement of any patent, copyright design, trade mark or other industrial or intellectual property rights of any other person which results from the company's use of the buyers specification.
- 2.9. The Company reserves the right to make changes in the specification of the goods which are required to conform with any applicable safety or other statutory requirements or, where the goods are to be supplied to the Company's specification, which does not materially affect their quality or performance.

3. Quotations and Price

- 3.1. Any quotation of the Company does not constitute an offer by the company to supply the goods and any acceptance of or order by the Buyer in response to any such quotation shall be deemed an offer by the Buyer to the Company and will not be binding on the Company until it has given written acknowledgement of its acceptance of such order.
- 3.2. The company reserves its right to alter quotation or order prices in respect of the goods by reference to the price ruling at the date of dispatch of the goods by any additional sum as may from time to time be necessary to cover increases in the costs of the goods by any factor affecting the cost of production of delivery which may occur between the date of any contract and the date of dispatch.
- 3.3. The price of the goods is exclusive of any applicable value added tax which the Buyer shall be additionally liable to pay the Company.

4. Carriage and Delivery

- 4.1. Unless specifically otherwise stated therein, all prices given in the Company's quotation or in the Company's acceptance of order do not include carriage of packing charges which shall be paid by the buyer.
- 4.2. Any date or period specified for the delivery of the goods or any part of them shall not be of the essence of the contract and if the Company is prevented from the delivering any goods at the time provided for delivery by reason of any cause outside its reasonable control (including but with limitation to the foregoing delay in supplies, plant and machinery breakdown, fire, explosion, labour strikes or lockouts or non-availability of transport of materials) then the date or period of delivery shall be extended by the duration of the occurrence. Provided always that if in any case the delay shall have occurred for eight weeks or more and shall be operating, the Buyer may give written notice to the Company to terminate the Contract only in respect of those goods which will still remain to be delivered there under.

5. Terms of Payment

- 5.1. All goods supplied shall be paid for within thirty days from date of delivery. If any discount is offered by the Company then the same shall be allowed only if the goods are paid for within the said period.
- 5.2. Non compliance with the Company's terms of payment shall constitute default without further notice. In the case of default the Company may charge interest at the rate of 2% per month that will be added to the unpaid invoices not received in 45 days.
- 5.3. If the buyer shall fail to fulfill the terms of payment in respect of any invoice the Company may at its discretion demand payment of all outstanding invoices whether due for payment or not and/or cancel all outstanding order and/or decline to make further deliveries to the Buyer except upon receipt of cash or satisfactory security. Save where the laws on insolvency Provide otherwise, the Buyer shall not be entitled to withhold or set off payment for goods delivered by virtue of any debt, claim or allegation, other than a valid claim made in respect of those goods made under these conditions.

6. Warranties and Claims

- 6.1. The Buyer should satisfy himself by inspection, testing samples or otherwise of the fitness for his purpose of goods ordered and will be deemed and conclusively presumed to have done so. If the goods delivered differ substantially from their description of from samples supplied or are by reason of faulty material, workmanship or carriage, not of merchantable quality, then the company undertakes to replace such goods or (at the sole option of the Company) to refund the purchase price or a fair proportion thereof. This undertaking is subject to and conditional upon the following:
 - (I) All claims must be made in writing and shall be made as soon as the fault is reasonably discernible and in any event within three months of the delivery by the Company.
 - (II) The buyer must afford to the Company the opportunity to examine any goods which are the subject of a claim before the goods have been further used or otherwise dealt with.
 - (III) The Company will not be liable for any damage to or deterioration of goods which may occur after delivery Whether the same may occur due to unsuitable storage conditions or to abuse or to any other cause whatsoever.
- 6.2. Whilst the Company warrants that any advise of representation given on the part of the Company from anything said or written in negotiation of discussions between the Company and the Buyer prior to the making of the Contract is given in good faith the Company shall be under no legal liability whether in Contract, tort or howsoever in respect thereof to the Buyer or any other person, except to the extent to which there is a breach of this warranty.
- 6.3. No claim for short delivery of goods or damage to goods in



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transit can be entertained unless either a receipt is given to the carrier detailing the shortage or damage at the time of delivery or alternatively notification of the shortage or damage in writing is made within 48 hours from the delivery of goods. No claim for non-delivery of goods can be entertained unless the Company is notified within 48 hours from the date of its invoice.

7. Passing the Risk

The risk in the goods shall pass to the Buyer when the Company delivers the goods in accordance with the terms hereof to the Buyer or other person to whom the company has been authorised by the Buyer to deliver the goods whether expressly or by implication and the Company shall not be liable for the safety of the goods thereafter.

8. Retention of the Title

- 8.1. The goods shall remain the sole and absolute property of the Company as legal and equitable owner until such time as the Company has received in cash or cleared funds payment in full of the price of the goods and all other goods agreed to be sold by the Company to the Buyer for which payment is then due.
- 8.2. The Buyer shall be in possession of the goods as the Company's fiduciary agent and bailee until such time as the property in the goods passes to the Buyer.
- 8.3. Until such time as the Buyer becomes the owner of the goods he will store them on his premises separately from his own goods or those of any other person and in a manner which makes them readily identifiable as the goods of the Company.
- 8.4. The Buyer's right to possession of the goods shall cease if he not being a Company he commits an available act of bankruptcy or if he being a Company does anything or fails to do anything which would entitle a receiver to take possession of any assets or which would entitle any person to present a petition for winding up. The Company may for the purpose of recovery of its goods enter upon any premises where they are stored or where they are reasonably thought to be stored and may repossess the same.
- 8.5. The Buyer is licensed by the Company to process the goods in such fashion as he may wish in the usual course of his business and/or incorporate them in or with any other product or products subject to the express condition that the new product or products or any other chattel whatsoever containing any part of the goods shall be separately stored and marked so as to be identifiable as being made from or with the goods the property of the Company.
- 8.6. The Buyer shall be at liberty to agree to sell on any product produced from or with the Company's goods on the express condition that such an agreement to sell shall take place as agents and bailee for the Company whether the Buyer sells on his own account or not and that the entire proceeds thereof are held in trust for the Company and are not mingled with any other monies and shall at all times be identifiable as the Company's money. If the Buyer has not received the proceeds of any such sale he will if called upon so to do by the Company within seven days thereof assign to the Company all rights against the person or persons to whom he has supplied any product or chattel made from or with the company's goods.

9. Breach

If the Buyer

- 9.1. makes default in or commits any breach of any of its obligations to the Company hereunder or
- 9.2. is involved in any legal proceedings in which solvency is in question or
- 9.3. is a company and any meeting is convened or resolution is passed or petition is presented to wind up or a receiver is appointed or.
- 9.4. ceases or threatens to cease to trade then in any such case the Company shall immediately become entitled (without prejudice to other rights under the contract) to suspend further performance of the contract for so long as it thinks fit or to treat the contract as wrongfully repudiated by the Buyer and forthwith

terminate the contract.

10. Limitation of Liability

- 10.1. Subject to paragraph (b) below, it is expressly stipulated that any claim on any ground being made by the Buyer against the Company in respect of the goods or any matter arising from or in relation to the contract relating thereto, the liability of the Company shall be limited (in respect of each claim or series of claims) to the invoice value of the goods and under no circumstances shall the Company be under any further liability to the Buyer whether for loss of profit or for any other direct or consequential loss howsoever arising.
- 10.2. Nothing in these conditions shall operate or be construed as operating to exclude or restrict any liability of the Company for death or personal injury resulting from the negligence of the Company.

11. Alteration of Orders

No variation of a term of the contract (unless specifically authorized by these conditions) shall bind either party unless such variation is made in writing signed by the party to be bound. No person in the employment or acting otherwise as agent of the Company or purporting so to do has authority to accept orders supply goods on any other conditions or to vary these terms in any way whatsoever. Previous dealings between the Company and the Buyer shall not vary or replace these conditions or to be deemed in any circumstances whatsoever so to do. Acceptance of goods from the Company shall be conclusive evidence before any Court or arbitrator that these conditions apply.