

E.F.T. SYSTEMS LIMITED

TERMS & CONDITIONS OF SALE

1. Definitions

In these conditions:

The "Company" shall mean E.F.T. Systems Ltd.

The "Customer" shall mean the other contracting party.

The "Products" shall mean the order placed by the Customer with the Company for the Products.

The "Contract" shall mean the Contract made between the Customer and the Company for the Products.

2. General

These conditions form an integral part of every Contract for the supply of the Products., by the Company. The Order shall be deemed to be placed subject to these conditions and no variation of these conditions is applicable unless expressly accepted in writing by the Company. The Company's acknowledgement of the Order shall not constitute such acceptance.

3. Quotation

Any quotation is valid for a period of thirty (30) days from the date of the quotation unless otherwise stated or unless revoked by the Company. In any event, the Order is subject to written acceptance by the Company.

4. Prices

Unless otherwise stated all prices are strictly nett, and are for delivery to site in the mainland of the U.K. or F.O.B. the Company's premises.

5. Price Adjustment

The Company reserves the right at any time prior to delivery to vary the price quoted for the Products if following the date of the quotation there is any change in rates of exchange, any imposition or alteration of Government tax, increase in the cost of materials, labour or transport, or if the cost of supplying the Products is increased by any other factor beyond the control of the Company.

6. Taxes

(a) Products to be supplied within the U.K.

All prices are exclusive of Value Added Tax which will be charged at the rate current at the time of delivery.

(b) Products to be supplied outside the U.K.

All prices for delivery outside the U.K. are exclusive of all taxes, charges or levies of any kind payable on importation of the Products to destinations outside the U.K. and these are payable by the Customer.

7. Payment

(a) U.K. Customers

(i) Unless otherwise agreed, payment is to be made against the Company's invoice and payment shall be nett cash by the twenty fifth day of the month following the date of invoice.

(ii) Any sums not paid on the due date shall be subject to an interest charge at the rate of 4% per annum above the Base Lending Rate of Barclays Bank Limited from time to time compounded monthly on all amounts overdue until payment thereof such to run from day to day and to accrue after as well as before any judgement.

(b) Overseas Customers

Unless otherwise agreed, the Order must be accompanied by a remittance or advice that an irrevocable Sterling Pounds Letter of Credit has been established with and confirmed by a major U.K. Clearing Bank in Favour of the Company. This Letter of Credit shall have a validity equal to the full delivery period of the Products plus one month and shall provide for part shipment and transshipment with the release of one hundred per cent of the value for each shipment against presentation of commercial invoices, packing list and bill of lading or forwarding agents receipt or airway bill in evidence of despatch of the Products.

8. Delivery and Risk

(a) Subject to the following sub clauses of this clause all risks shall pass to the Customer upon delivery.

(b) Unless otherwise specified delivery shall be deemed to take place when the Products have been delivered to the Customer's premises or other specified delivery point in the U.K. to the Customer's care if to be collected or F.O.B. the Company's premises.

(c) All dates and times specified to the Customer for delivery and installation of the Products are estimates only and the Company shall not have any liability for delay or for any damages or losses sustained by the Customer as a result of such dates or times not being met. The Customer shall not be entitled to refuse acceptance of the products as a consequence of such delay.

(d) The Company may at its absolute discretion withhold delivery pending the payment of any sum due from the Customer to the Company.

(e) If the Customer does not accept delivery of a consignment of Products in accordance with the Contract then

(i) the Products refused shall be in all respects at the Customer's risk; and

(ii) the cost of storing and Products shall be borne by the Customer; and

(iii) if such failure to accept delivery continues for more than ten days the Company shall have the right to terminate the Contract pursuant to Clause 16 hereof.

(iv) the Company shall be entitled to claim damages for any and all costs and losses suffered by the Company because of such non acceptance in accordance with Clause 7 above for the Products refused.

9. Damage or Loss in Transit

The Company will at its discretion either refund the cost or replace or repair free of charge any Products proved to the Company's satisfaction to have been lost or damaged in transit up to the moment of delivery provided that within three days of receipt of the Products in the case of damage or within ten days or receipt of invoice in the case of loss the Customer notifies both the carrier and the Company in writing of the nature and extent of the damage or loss. The Company accepts no liability for delay in transit. Unless the Products are checked on receipt the carriers documentation should be endorsed unexamined.

10. Title

(a) The Customer shall acquire legal ownership of the Products only when the Company has received all sums due to it under the Contract (in accordance with Clause 7 hereof) under any contract until which time the Customer shall hold the Products on behalf of the Company subject to sub clause (c) and (d) hereof. The customer shall store the products in such a way as to enable them to be identified as being the property of the Company until legal ownership is acquired by the Customer in accordance with this clause 10 or sub sales or mixing have taken place in accordance with sub clauses (c) and (d) hereof.

(b) In the event of threatened or actual seizure of the Products appointment of receiver or liquidator of the Customer or other act of a third party affecting the Company's interest in the Products the Customer shall immediately notify the Company and the Company shall be entitled to enter the premises of the Customer to repossess the Products and to terminate the Contract pursuant to Clause 16 hereof.

(c) Subject to the Company's rights under Clause 16 hereof the Customer shall have the right to sell or otherwise dispose of the Products but not for less than the Company's recommended selling price of the purchase price of the Products. The Customer shall hold the proceeds of such disposal in trust for the Company to the extent of any indebtedness to the Company.

(d) In the event of the Products being mixed with other goods not supplied by the Company to form new goods before legal ownership of the Products passes to the Customer the Company shall acquire legal ownership in the new goods in proportion to the value of the Products to the other goods at the date of such mixing.

11. Specifications

(a) The Products will be supplied generally in accordance with the Company's proprietary specification therefore (the Specification). The Company's policy is one of continuous development and consequently the Specification may vary from time to time. The Company will not accept liability for the Products supplied except where variation from the Specification is significant.

(b) Subject to the Specification, descriptions and illustrations contained in the Company catalogues shall not form part of the Contract.

(c) All specifications, drawings and technical descriptions submitted with or in connection with any quotation or acknowledgement of the Company are in the Company's copyright. All such copyright material and all information and know-how whenever supplied shall at all times be treated by the Customer as confidential and shall not without the consent of the Company be used by the Customer except for the purpose of the contract and the operation of the Products supplied thereunder, nor shall they without the consent of the Company be communicated to third parties save insofar as may be necessary for the purpose stated above.

12. Warranty

(a) Any Products which are found to the Company's satisfaction to be defective as a result of faulty design, manufacturing or workmanship will at the sole discretion of the Company either be replaced free of charge or repaired free of charge provided that

(i) the Products (or samples thereof showing the alleged defects) are returned properly packed carriage paid to the Company's works in the U.K. at the Customer's risk within 24 months from the date of delivery as defined in Clause 8 hereof, and

(ii) the Products warranty seals have not been broken and the Products have not been misused, mishandled, overloaded, amended, modified, repaired in any way or the warranty seals broken by the Customer, its servants or agents or used for any purpose other than that for which they were designed, and

(iii) if the Products have been manufactured to the Customer's design the defect are not as a result of faulty design of the Customer.

(b) Repaired or replaced Products will be returned free of charge to destinations on the mainland of the U.K. or delivered F.O.B. U.K. Port for other destinations.

13. Liability

(a) The Warranty given in Clause 12 above is the only Warranty given by the Company and this Clause 13 specifies the entire liability of the Company.

(b) The Company does not exclude liability for death or personal injury attributable to the negligence of the Company.

(c) The Company does not exclude liability for any breach by the Company of any conditions or warranty implied by Section 12 of the Sale of Goods Act 1979.

(d) Subject to sub clauses (b) and (c) above, the Company shall not be under any liability for any other loss, damage or injury to the Customer howsoever arising and will not, save as provided in Clause 13 below, be under any liability in respect of any claim made against the Customer by any third party.

(e) Subject to sub clauses (b) and (c) above, the Company shall not be under any liability for any indirect contingent or consequential loss howsoever arising.

(f) Subject to sub clauses (b) and (c) above, the Company being found liable whether under the terms of the Contract or at Common Law or in any other way for any loss, damage or injury arising out of the Products its total liability shall not under any circumstances exceed for the aggregate of any breaches, the greater of the purchase price of the Products (which are the cause of such loss or damage of £10,000 and for any single claim the sum of £1,000).

(g) Except as specified in these Conditions, any warranties, terms or conditions, including those related to but not limited to quality and fitness for purpose of the Products, are hereby expressly excluded. Unless specifically agreed, the Company does not warrant that the Products are suitable for any particular application.

14. Patent Indemnity

If the Customer is threatened with any action alleging the Products in the form sold infringe any patent, copyright registered design or other intellectual property rights then provided that the Customer promptly informs and fully co-operates with the Company and in cases where the Company so requests allows the Company to defend any action on the Customer's behalf and have the sole control of any and all negotiations for settlement then the Company will indemnify the Customer against any award of damages and costs against the Customer arising from such action. Further, if such event occurs the Customer agrees that the Company shall have the option at its own expense either

(a) to modify the Products so that they do not infringe or

(b) to replace the Products within non-infringing goods or

(c) to procure for the Customer the right for the Customer to continue its use of the Products or

(d) to repurchase the Products from the Customer at the price paid by the Customer less depreciation.

The Company shall have no liability in respect of claims for infringement or alleged infringement of third parties patent or other proprietary rights arising from the execution of the Order in accordance with the Customer's designs plans and specifications and the Customer shall indemnify the Company against all losses, damages, expenses, costs or other liability in executing the Order for the Products, the subject of such claims and those arising from such claims.

15. Consents

Where applicable, the Company shall endeavour to obtain an export licence and all other necessary consents to enable the Products to be exported from the U.K. In the event that the Company is unable to obtain an export licence the Company shall not be held liable for its failure to perform the Contract. The Customer shall be responsible for obtaining all consents necessary for the import of the Products to the country of its destination.

16. Termination

Without prejudice to any claim or right it might otherwise make or exercise the Company shall have the right forthwith to determine the Contract by summary notice and to claim for any losses, costs or expenses thereby incurred if the Customer commits any serious breach of any of the terms of these conditions or if the Customer make or offers to make any arrangement or composition with creditors or commits any act of bankruptcy, or if any petition or receiving order in bankruptcy is presented or made against the Customer, or if any resolution or petition to wind up the Customer is passed or presented otherwise than for reconstruction or amalgamation or if a receiver of the Customer's undertaking property or assets or any part thereof is appointed or if a third party seizes or threatens to seize the Products before legal ownership has passed to the Customer in accordance with clause 10 above.

17. Force Majeure

(a) The Company shall be under no liability to the Customer for any breach of any provision hereof or failure on its part to perform any obligation as a result of acts of God, war (whether declared or not), sabotage, riot, explosion, Government control, restrictions or prohibitions or any other Government act or omission whether local or national, fire, accident, earthquake, storm, flood, epidemic, drought, or other natural catastrophes, inability to obtain equipment, suitable raw materials, components, fuel, power or transportation, disputes with workmen, strikes or lockouts, shortage of labour or any other cause beyond the control of the Company and the Company will notify the Customer if affected by any of the causes referred to in this sub clause.

(b) In the event that the Company is unable to perform its obligations under the Contract by reason of any of the causes referred to in sub clause (a) above for a period of six months or more then either party may at any time after the expiration of such six month period terminate the Contract by written notice.

18. Forwarding Instructions

Forwarding instructions, where required, shall be provided by the Customer not later than seven days after being advised that the Products are ready for despatch. If no forwarding instructions are received within this period the Company shall have the right thereafter to deliver the Products and to charge the Customer in accordance with clause 8 above.

19. Installation and Commissioning

Where installation and/or commissioning is to be performed by the Company, the Company's installation conditions shall apply to such work.

20. Amendments or Cancellations

Once accepted by the Company no Order can be amended or cancelled except with the Company's written approval and upon terms which indemnify the Company against any losses including loss of profit or additional costs resulting therefrom.

21. Severability

Any contract entered into by the Company shall be regarded as severable in the event of Products being of different kinds or the Contract providing for delivery by installments. Each and every delivery of separate items under the Contract shall be regarded as being made under a separate Contract and damages arising from any alleged breach of Contract shall be limited accordingly.

22. Representations

These conditions supersede all previous conditions, understandings, commitments, agreements or representations whatsoever whether oral or written and shall be deemed to have been properly served at the time when in the ordinary course of transmission it would reach its destination.

23. Notices

Any notice required to be given hereunder shall be sufficiently given if sent by registered post, cable or telex to the recipient at its registered office or last known address and shall be deemed to have been properly served at the time when in the ordinary course of transmission it would reach its destination.

24. Governing Law

These Conditions and Contract shall be governed construed and shall take effect in accordance with the laws of England, and shall be subject to the jurisdiction of the English Courts.

25. Headings

(a) The headings in these conditions shall not be deemed to be part hereof or be taken into consideration in the interpretation or construction hereof or of the Contract.

(b) If any of the words or provisions of these Conditions shall be deemed to be invalid for any reason then the Conditions shall be read as if the invalid provisions had to that extent been deleted therefrom and the validity of the remaining provisions of the Conditions shall not be affected thereby.