

Spectral Line Systems Ltd.

Standard Terms and Conditions of Sale

1. Application

The Terms and Conditions of Sale contained hereunder shall constitute the entire understanding between Spectral Line Systems Ltd (hereinafter referred to as "SLS") and the purchaser and shall supersede any previous communication or agreement, whether written or verbal. Acceptance of delivered goods or services performed shall constitute acceptance by the purchaser of these Terms and Conditions.

2. Payment

Payment shall be made by the purchaser within thirty days (30) of the date of an undisputed invoice. An Invoice shall be deemed undisputed unless the purchaser intimates non acceptance in writing, within fifteen days (15) of the date of the invoice.

Should an invoice remain unpaid after the due date, SLS shall be entitled to the payment of interest by the purchaser, at a rate of three percent (3%) per annum above the Bank of Scotland Base Rate ruling from time to time, calculated from the due date. SLS shall also be entitled to recover from the purchaser any expenses incurred in collection.

3. Title

Title to the goods supplied or services performed shall not pass to the purchaser until full payment for the goods or services has been received by SLS.

4. Intellectual Property Rights

Unless specifically agreed in writing between SLS and the purchaser, the rights to any intellectual property residing in a product or generated during a design contract, shall remain the property of SLS. The purchaser shall not pass any intellectual property, or assign the rights, to any third party, without the written agreement of SLS. Documentation supplied by SLS shall not be copied to any third party without the written consent of SLS.

5. Liability

SLS shall not be liable to the purchaser or any third party for any delays or failure in performance due to unforeseen circumstances or causes beyond the control of SLS.

SLS shall not be liable to the purchaser or to any third party for any direct or indirect damages, however based.

6. Warranty

Unless specifically stated in writing under the heading “Warranty”, SLS makes no warranties of any kind for services performed or goods supplied.

7. Risk of Loss or Damage

Risk of Loss or Damage shall pass from SLS to the purchaser upon delivery of the goods to the purchaser. For deliveries to the purchaser within the U.K., SLS shall dispatch all goods by First Class Registered post, or by a carrier chosen by SLS. Insurance cover up to the value of the goods as invoiced shall be provided by SLS, for the period during which the goods are in transit. Alternatively, an employee or agent of SLS may deliver the good directly to the customer.

In the case of deliveries outside the U.K., delivery will be made by a carrier chosen by SLS, the cost of delivery being added to the invoice at cost. SLS shall arrange insurance cover up to the value of the goods, to cover the period during which the goods are in transit, and shall add the cost of such cover to the invoice at cost.

8. Cancellation by the purchaser

Should the purchaser cancel an order prior to completion, SLS shall be entitled to recover from the purchaser all expenses incurred in respect of the order, from the date of acceptance of the order up to the cancellation date. Expenses incurred shall include any cancellation charges made by suppliers to SLS, supplying goods or services related to the order. The purchaser's liability in the event of cancellation shall be limited to the full purchase price of the goods to be supplied or the services to be performed, as quoted by SLS and accepted by the purchaser at the time of placing the order.

9. Technical Changes

SLS shall have the right to make design changes at any time, provided that any such changes shall not adversely affect the performance of the overall design.

10. Applicable Law

These Standard Terms and Conditions of Sale shall be in all respects governed by and construed in accordance with the Law of Scotland, and any jurisdiction shall be carried out by the courts in Scotland.