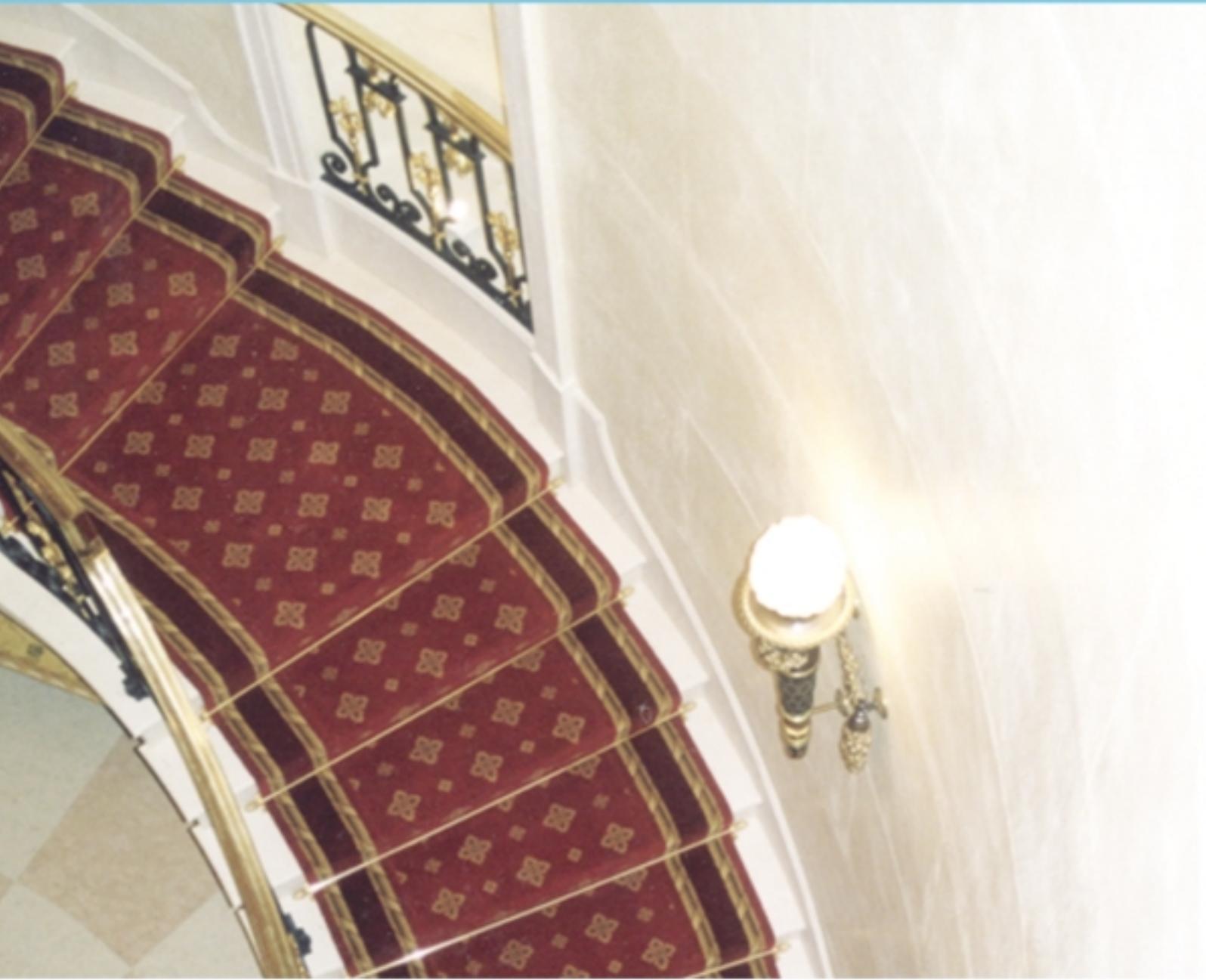


Terms & Conditions of Sale



BY APPOINTMENT
TO HER MAJESTY THE QUEEN
LINNEY COOPER LIMITED, NORTH WALES
CARPET SUPPLIER & INSTALLER



BY APPOINTMENT
TO HER HIGHNESS THE PRINCESS OF WALES
LINNEY COOPER LIMITED, NORTH WALES
CARPET SUPPLIER & INSTALLER

Directors: R.H.Hughes, S.Hughes, R.B.Jones, G.Hughes, A.Hughes
Registered Number: 801547 Linney Cooper is a trading name of Linney Cooper Limited V.A.T. Reg. No. 158 9702 26

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Page No.'s**Index to clauses**

1 •	Interpretation
1 •	Basis of the Sale
2 •	Orders and Specifications
2 •	Price of the Goods
3 •	Terms of Payment
3 •	Delivery
4 •	Risk and Property
4/5 •	Warranties and Liability
5/6 •	Indemnity
6 •	Insolvency of the Buyer
6/7 •	Export terms
7 •	General

1 Interpretation

1.1 In these Conditions:

'Linney Cooper' means Linney Cooper Limited the registered office of which is at Holborn House, 67 Abergele Road, Colwyn Bay, Conwy County Borough, LL29 7RU. (registered in England and Wales under number 801547)

'**BUYER**' means the person who accepts a quotation from Linney Cooper for the sale of the Goods (as next defined) or whose order for the Goods is accepted by Linney Cooper.

'**GOODS**' means carpets rugs underlay fixings floor coverings (including any installment of the Goods or any parts for them) which Linney Cooper is to supply in accordance with these Conditions.

'**CONDITIONS**' means the terms and conditions of sale of Linney Cooper set out in this document and includes any special terms and conditions agreed in writing between the Buyer and Linney Cooper.

'**CONTRACT**' means the contract for the purchase and sale of the Goods by the Buyer from Linney Cooper

'**WRITING**' includes telex, cable and facsimile transmission.

1.2 Any reference in these Conditions to any provision of a statute shall be construed as a reference to that provision as amended, re-enacted or extended at the relevant time.

1.3 The headings in the Conditions are for convenience only and shall not affect their interpretation.

2 Basis of the sale

2.1 Linney Cooper shall sell and the Buyer shall purchase the Goods in accordance with any written quotation of Linney Cooper which is accepted by the Buyer, or any written order of the buyer which is accepted by Linney Cooper, subject in either case to these Conditions, which shall govern the Contract to the exclusion of any other terms and conditions subject to which any such quotation is accepted or purported to be accepted, or any such order is made or purported to be made, by the Buyer.

2.2 No variation to these Conditions or any subsequent variation shall be binding unless evidenced in Writing by the authorised representative of the buyer and the authorised representative of Linney Cooper.

2.3 Unless confirmed by Linney Cooper in writing Linney Cooper's employees or agents are not authorised to make any representations or warranties concerning the Goods.

2.4 Any typographical, clerical or other error or omission in any sales literature, quotation, price list, acceptance of offer, invoice or other document or information issued by Linney Cooper shall be subject to correction without any liability on the part of Linney Cooper.

3 Orders and specifications

- 3.1 No order submitted by the Buyer shall be deemed to be accepted by Linney Cooper unless and until confirmed in Writing by Linney Cooper.
- 3.2 The Buyer shall be responsible to Linney Cooper for ensuring the accuracy of the terms of any order (including any applicable specification) submitted by the Buyer, and for giving Linney Cooper any necessary information relating to the Goods within a sufficient time to enable Linney Cooper to perform the Contract in accordance with its terms.
- 3.3 The quantity, quality and description of and any specification for the Goods shall be those set out in the Buyer's order (if accepted by Linney Cooper).
- 3.4 If the Goods are to be manufactured or any process is to be applied to the Goods by Linney Cooper in accordance with a specification submitted by the Buyer, the Buyer shall indemnify Linney Cooper against all loss, damages, costs and expenses awarded against or incurred by Linney Cooper in connection with or paid or agreed to be paid by Linney Cooper in settlement of 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 Linney Cooper's use of the Buyer's specification.
- 3.5 Linney Cooper reserves the right to make any 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 Linney Cooper's specification, which do not materially affect their quality or performance.

4 Price of the goods

- 4.1 The price of the goods shall be Linney Cooper's quoted price. All prices quoted are valid for 30 days only or until earlier acceptance by the Buyer, after which time they may be altered by Linney Cooper without giving notice to the Buyer.
- 4.2 Linney Cooper reserves the right, by giving notice to the Buyer at any time before delivery, to increase the price of the Goods to reflect any increase in the cost to Linney Cooper which is due to any factor beyond the control of Linney Cooper, any change in delivery dates, quantities or specifications for the Goods which is requested by the Buyer, or any delay caused by any instructions of the Buyer or failure of the Buyer to give Linney Cooper adequate information or instructions.
- 4.3 All prices are given by Linney Cooper to the Buyer on an ex works basis.
- 4.4 The price is exclusive of any applicable Value Added Tax, which the Buyer shall be additionally liable to pay to Linney Cooper.
- 4.5 The cost of any pallets or returnable containers or ancillaries will be charged to the Buyer in addition to the price of the goods, if they are required to ensure safe delivery of the Goods but full credit will be given to the Buyer provided they are returned undamaged to Linney Cooper before the due payment date.

5 Terms of payment

5.1 Linney Cooper shall be entitled to invoice the Buyer for the price of the Goods at any time after a Contract is entered into for the Goods.

5.2 The Buyer shall pay the price of the Goods within 30 days of the end of the month of the date of Linney Cooper's invoice, even if delivery or installation has not taken place and the property in the Goods has not passed to the Buyer.
The time of payment of the price shall be of the essence of the Contract.

5.3 If the Buyer fails to make any payment on the due date then, Linney Cooper shall be entitled to :

5.3.1 Cancel the contract or suspend any further deliveries to the Buyer.

5.3.2 Appropriate any payment made by the Buyer to such of the Goods (or Goods supplied under any contract between the Buyer and Linney Cooper) as Linney Cooper may think fit (notwithstanding any purported appropriation by the Buyer); and

5.3.3 charge the Buyer interest (both before and after any judgment) on the amount unpaid, at the rate of 5 per cent per annum above Midland Bank Plc base rate from time to time, until payment in full is made (a part of a month being treated as a full month for the purpose of calculating interest).

6 Delivery

6.1 Delivery of the Goods shall be made by Linney Cooper at the Buyer's discretion.

6.2 Time for delivery shall not be of the essence unless previously agreed by Linney Cooper in writing. The Goods may be delivered by Linney Cooper in advance of the quoted delivery date upon giving reasonable notice to the Buyer.

6.3 Where the Goods are to be delivered in installments, failure by Linney Cooper to deliver any one or more of the installments shall not entitle the Buyer to treat the Contract as a whole as repudiated.

6.4 If Linney Cooper fails to deliver the Goods for any reason other than any cause beyond Linney Cooper's reasonable control or the Buyer's fault, and Linney Cooper is accordingly liable to the Buyer, Linney Cooper's liability shall be limited to the excess (if any) of the cost to the Buyer (in the cheapest alternative market) of goods of similar specification to the Goods to replace those not delivered over the price of the Goods.

6.5 If the Buyer fails to take delivery of the Goods or fails to give Linney Cooper adequate delivery instructions at the time stated for delivery then, Linney Cooper may:

6.5.1 store the Goods until actual delivery and charge the Buyer for the reasonable costs (including insurance) of storage; or

6.5.2 sell the Goods at the best price readily obtainable and (after deducting all reasonable storage and selling expenses) charge the Buyer for any shortfall below the price under the Contract.

7 Risk and property

- 7.1 Risk of damage to or loss of the Goods shall pass to the Buyer at the time of delivery or, if the Buyer wrongfully fails to take delivery of the goods, the time when Linney Cooper has tendered delivery of the Goods.
- 7.2 Notwithstanding delivery and the passing of risk in the Goods, or any other provision of these Conditions, the property in the Goods shall not pass to the Buyer until Linney Cooper 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 Linney Cooper to the Buyer for which payment is then due.
- 7.3 Until such time as the property in the Goods passes to the Buyer, the Buyer shall hold the Goods as Linney Cooper's fiduciary agent and bailee, and shall keep the Goods separate from those of the buyer and third parties and properly stored, protected and insured and identified as Linney Cooper's property. The Buyer shall still be entitled to sell or use the Goods in the ordinary course of its business but shall immediately account to Linney Cooper for the proceeds of sale of the Goods, including any insurance proceeds.
- 7.4 Until such time as the property in the Goods passes to the Buyer (and provided the Goods are still in existence and have not been resold), Linney Cooper shall be entitled at any time to require the Buyer to deliver up the Goods to Linney Cooper and, to enter upon any premises of the Buyer or any third party where the Goods are stored and repossess the Goods.
- 7.5 The Buyer shall not be entitled to pledge or in any way charge by way of security for any indebtedness any of the Goods which remain the property of Linney Cooper.

8 Warranties and liability

- 8.1 Subject to the Conditions set out below Linney Cooper warrants that at the time of delivery the Goods will correspond with their specification and will be free from defects in material and workmanship.
- 8.2 The above warranty is given by Linney Cooper subject to the following conditions:
- 8.2.1 Linney Cooper shall be under no liability in respect of any defect in the Goods arising from any drawing, design or specification supplied by the Buyer;
- 8.2.2 Linney Cooper shall be under no liability in respect of any defect arising from fair wear and tear, willful damage, third party damage, negligence, abnormal working conditions, defective premises adverse site conditions at the delivery address failure to follow Linney Cooper's instructions (whether oral or in writing), misuse or alteration or repair of the Goods without Linney Cooper's approval;
- 8.2.3 Linney Cooper shall be under no liability under the above warranty (or any other warranty, condition or guarantee) if the total price for the Goods has not been paid by the due date for payment;

- 8.2.4 The above warranty does not extend to parts, materials or equipment not manufactured by Linney Cooper in respect of which the Buyer shall only be entitled to the benefit of any such warranty or guarantee as is given by the manufacturer to Linney Cooper.
- 8.3 Subject as expressly provided in these Conditions, all warranties, conditions or other terms implied by statute or common law are excluded to the fullest extent permitted by law.
- 8.4 Any claim by the Buyer which is based on any defect in the quality or condition of the Goods or their failure to correspond with specification shall be notified to Linney Cooper within a reasonable time after discovery of the defect or failure. If delivery is not refused, and the Buyer does not notify Linney Cooper accordingly, the Buyer shall not be entitled to reject the Goods and Linney Cooper shall have no liability for such defect or failure, and the Buyer shall be bound to pay the price as if the Goods had been delivered in accordance with the Contract.
- 8.5 Where any valid claim in respect of any of the Goods which is based on any defect in the quality or condition of the Goods or their failure to meet specification is notified to Linney Cooper in accordance with these Conditions, Linney Cooper shall be entitled to replace the Goods (or the part in question) or at Linney Cooper's sole discretion, refund to the Buyer the price of the Goods (or a proportionate part of the price), but Linney Cooper shall have no further liability to the Buyer.
- 8.6 Except in respect of death or personal injury caused by Linney Cooper's negligence, Linney Cooper shall not be liable to the Buyer for any consequential loss or damage which arise out of or in connection with the supply of the Goods or their use or sale by the Buyer, except as expressly provided in these Conditions.
- 8.7 Linney Cooper shall not be liable to the Buyer or be deemed to be in breach of the Contract by reason of any delay in performing, or any failure to perform, any of Linney Cooper's obligations in relation to the Goods, if the delay or failure was due to any cause beyond the Seller's reasonable control.

9 Indemnity

- 9.1 If any claim is made against the Buyer that the Goods infringe or that their use or sale infringes the patent, copyright, design, trade mark or other industrial or intellectual property rights of any other person, Linney Cooper shall indemnify the Buyer against all loss, damage, costs and expenses awarded against or incurred by the Buyer in connection with the claim, or paid or agreed to be paid by the Buyer in settlement of the claim, provided that:
- 9.1.1 Linney Cooper is given full control of any proceedings or negotiations in connection with any such claim;
- 9.1.2 The Buyer shall give Linney Cooper all reasonable assistance for the purposes of any such proceedings or negotiations and shall comply with Linney Cooper's requirements and instructions and;

- 9.1.3 Linney Cooper shall be entitled to the benefit of, and the Buyer shall accordingly account to Linney Cooper for, all damages and costs (if any) awarded in favour of the Buyer.

10 Insolvency of Buyer

- 10.1 This clause applies if :

10.1.1 The Buyer makes any voluntary arrangement with its creditors or becomes subject to an administration order or (being an individual or firm) becomes bankrupt or (being a company) goes into liquidation (otherwise than for the purposes of amalgamation or reconstruction); or

10.1.2 An encumbrance takes possession, or a receiver is appointed, of any of the property or assets of the Buyer; or

10.1.3 The Buyer ceases, or threatens to cease, to carry on business; or

10.1.4 The Linney Cooper reasonably apprehends that any of the events mentioned above is about to occur in relation to the Buyer and notifies the Buyer accordingly.

10.2 If this clause applies then Linney Cooper shall be entitled to cancel the Contract or suspend any further deliveries under the Contract without any liability to the Buyer, and if the Goods have been delivered but not paid for the price shall become immediately due and payable notwithstanding any previous agreement or arrangement to the contrary.

11 Export terms

11.1 In these Conditions 'Incoterms' means the International Rules for the Interpretation of Trade Terms of The International Chamber of Commerce as in force at the date when the Contract is made. Unless the context otherwise requires, any term or expression which is defined in or given a particular meaning by the provisions of Incoterms shall have the same meaning in these Conditions, but if there is any conflict between the provisions of Incoterms and these Conditions, the latter shall prevail.

11.2 Where the goods are supplied for export from the United Kingdom, the provisions of this clause 11 shall (subject to any special terms agreed in writing between the Buyer and Linney Cooper) apply notwithstanding any other provision of these Conditions.

11.3 The Buyer shall be responsible for complying with any legislation or regulations governing the importation of the Goods into the country of destination and the exportation from the country of manufacture and for the payment of any duties thereon.

11.4 The Buyer shall be entitled to attend to inspect the Goods at Linney Cooper's premises before transportation. Linney Cooper shall have no liability for any claim in respect of any defect in the Goods which would be apparent on inspection and which is made after shipment, or in respect of any damage during transit.

11.5 Payment of all amounts due to Linney Cooper shall be made by irrevocable letter of credit opened by the Buyer in favour of Linney Cooper and confirmed by a bank in the United Kingdom acceptable to Linney Cooper.

12 General

12.1 Any notice required to be given to the Buyer under these Conditions shall be in Writing addressed to the Buyer at its registered office or principal place of business.

12.2 Any notice required to be given to Linney Cooper shall be in writing addressed to Linney Cooper Limited Holborn House 67 Abergele Road Colwyn Bay Conwy LL29 7RU OR ANY OTHER ADDRESS NOTIFIED IN WRITING BY Linney Cooper to the Buyer.

12.3 No waiver by Linney Cooper of any breach of the Contract by the Buyer shall be considered as a waiver of any subsequent breach of the same or any other provision.

12.4 If any provision of these Conditions is held by any competent authority to be invalid or enforceable in whole or in part the validity of the other provisions of these Conditions and the remainder of the provision in question shall not be affected thereby.

12.5 Any dispute arising under or in connection with these Conditions or the sale of the Goods shall be referred to arbitration by a single arbitrator appointed by agreement or (in default) nominated on the application of either party by the President for the time being of The Chartered Institute of Arbitrators in accordance with the rules of that Institute.

12.6 The Contract shall be governed by the laws of England and Wales.

