



Jurang Wholesale Limited

The UK's Fair Trade Coffee Company

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Terms and Conditions of Sale

1. SCOPE

The Terms and Conditions (“Terms”) contained herein shall apply to all quotations and offers made by and purchase orders accepted by Jurang Wholesale Limited (“Jurang”). These Terms apply to all sales made by Jurang except to the extent the Terms conflict with an existing individual customer contract where special terms and conditions (signed by Jurang and Buyer) may take precedence over this document. These Terms apply in lieu of any course of dealing between the parties or usage of trade in the industry. These Terms may in some instances conflict with other terms and conditions referenced to. In such case, the Terms contained herein shall govern, and acceptance of Buyer’s order is conditioned upon Buyer’s acceptance of the terms and conditions herein, irrespective of whether the Buyer accepts these conditions by a written acknowledgement, by implication, or acceptance and payment of products ordered hereunder. Jurang’s failure to object to provisions contained in any communication from Buyer shall not be deemed a waiver of the provisions herein. Any changes in the Terms contained herein must specifically be agreed to in writing signed by an officer of Jurang before becoming binding on either party.

2. PRICE, TAXES AND QUOTATIONS

Prices are subject to change on thirty days notice to Buyer. Any order that can be cancelled and rescheduled pursuant to paragraph 6(a) is subject to a price change immediately. All prices are exclusive of any present or future sales, revenue or excise tax, value added tax, turnover tax, import duty (including brokerage fees) or other tax applicable to the manufacture or sale of any product. Such taxes, when applicable, shall be paid by Buyer unless Buyer provides a proper tax exemption certificate. Unless otherwise agreed to in writing by the parties, prices quoted by Jurang are those current at the date of quotation and shall be subject to variation by Jurang.

3. DELIVERY

Unless otherwise agreed in writing, sales are EXW Jurang’s facility (delivery is ex works). Jurang may deliver products in one or more consignment and invoice each consignment separately. Unless otherwise agreed in writing, delivery time is not of the essence. Except as specified in 6(b), Jurang does not accept liability for any loss arising from delay in delivery of products.

4. PAYMENT TERMS

Unless otherwise agreed in writing, Payment terms shall be net thirty (30) days from the date of invoice. Buyer agrees to pay interest on any unpaid balance at a rate of five percentage points above the official LIBOR rate on the day the balance becomes due. Unless otherwise agreed in writing, all payments are to be in Great British Pounds (GBP). Where payment is made by letter of credit, all costs of collection shall be for Buyer’s account. In the event that Jurang is required to bring legal action to collect delinquent accounts, Buyer agrees to pay reasonable attorneys fees and costs of suit.

5. NON-CONFORMING DELIVERY AND RISK OF LOSS

Buyer shall notify Jurang of any visible defects, quantity shortages or incorrect product shipments within seven (7) days of receipt of the shipment. Failure to notify Jurang in writing of any visible defects in the products or of quantity shortages or incorrect shipments within such period shall be deemed an unqualified waiver of any rights to return products on the basis of visible defects, shortages or incorrect shipments, subject to Buyer’s rights under Section 7. Seller shall retain a security interest in the products until Buyer’s final payment to Jurang for the products. Risk in the products shall pass to Buyer as soon as the products have been placed with a transport agent.

6. ORDER CANCELLATION

(a) Buyers Cancellation for Convenience: Buyer may cancel any order for convenience on the following terms: (i) For standard products, Buyer may cancel or reschedule a product without penalty if the cancellation is more than thirty (30) days from the Confirmed Shipping Date (as specified in Jurang’s Order Acknowledgement or other

document); cancellations within 30 days of a Confirmed Shipping Date must be approved in writing by a Jurang sales manager and may be subject to special charges (ii) For nonstandard parts, custom products, or standard parts with minimum usage Buyer may cancel or reschedule more than ninety (90) days from the Confirmed Shipping Date, except that Buyer shall accept delivery of all such products which are completed at the time of cancellation or rescheduling. Those nonstandard products which are in the work-in-process inventory at the time of cancellation or rescheduling, shall be paid for by Buyer at a price equal to the completed percentage of the product multiplied by the price of the finished product. Buyer also shall pay promptly to Jurang the costs of settling and paying claims arising out of the termination of work under Jurang's subcontracts or vendors and any accounting, legal, and clerical costs arising out of the cancellation.

(b) Buyers Cancellation for Default: Upon written notice to Jurang, any order may be canceled in whole or in part in accordance with the terms hereof, because of Jurang's failure to deliver products by the Confirmed Shipping Date (this failure hereinafter called "Default"). Cancellation by Buyer for Jurang's Default, which may entitle Buyer to procurement costs, shall be effective only upon Jurang's failure to correct such Default within a reasonable period of time, but not less than thirty (30) days for standard products or ninety (90) days for non standard products, after receipt by Jurang of written notice of such Default. Upon cancellation, Buyer, as its sole remedy, may recover from Jurang as damages the difference between cost of procurement from another source (cover) and the contract price, less expenses saved as a consequence of Jurang's breach. In no event shall these damages exceed ten percent (10%) of Jurang's product price multiplied by the number of products unconditionally (not subject to cancellation under 6(a)) ordered by Buyer which remain unshipped at the time of cancellation.

(c) Jurang's Cancellation: Jurang shall have the right to cancel any unfilled order without notice to Buyer in the event that Buyer becomes insolvent, adjudicated bankrupt, petitions for or consents to any relief under any bankruptcy reorganization statute, or becomes unable to meet its financial obligations in the normal course of business. Any order that can be cancelled or rescheduled by Buyer pursuant to paragraph 6(a) may be cancelled or rescheduled by Jurang if notice is given to Buyer.

7. CONTINGENCIES

(a) Jurang shall not be in breach of its obligations and shall not be liable in any way for any loss, damage or expense arising directly or indirectly from any non-performance or delay in performance if such non-performance or delay is due to a force majeure event or other circumstances beyond Jurang's reasonable control, including but not limited to, shortages of labour, energy, fuel, machinery or materials, technical or yield failures, war, civil unrest, any government act, law or regulation, including any judicial order or decree, any communication or power failure, labour dispute, natural disaster, fire, flood, earthquake, explosion or terrorist act.

(b) In the event of a shortage of products, Jurang may allocate at its sole discretion product deliveries.

8. LIMITED WARRANTY

Products sold hereunder are sold with a limited warranty if the Product Manufacturer offers such a warranty. Jurang does not underwrite such a warranty and cannot be held responsible if the manufacturer refuses to honour its warranty. Jurang will provide the necessary support to allow the Buyer to benefit from any warranty offered by the manufacturer. Jurang reserves the right to refuse to offer such support if the Buyer is in breach of its contractual obligations. Buyer shall pass these warranty conditions to any third-party purchaser of products supplied by Jurang.

9. LIMITED LIABILITY

Neither Jurang nor Buyer shall be liable for incidental or consequential damages, including but not limited to, the cost of labour, re-qualifications, rework charges, delay, lost profits, or loss of goodwill arising out of the sale, installation or use of any Jurang product. If Jurang has any liability for breach of contract, breach of any implied condition, warranty or representation, the aggregate liability of Jurang to Buyer shall be limited in respect of any occurrence or series of occurrences to the contractual value of the products or services that are the subject of the contract

10. COOPERATION

In the context of the proper performance of a cooperation contract that may be established between the Buyer and Jurang, unless otherwise specified in the contract, the Buyer shall, at its own risk and expense and in a timely fashion, provide Jurang with any cooperation which Jurang may reasonably require, particularly for the purpose of Jurang's testing procedures, quality insurance procedures, product release procedures and procedures for quality audit (PQA). This shall include, among other things, furnishing the requisite information, documentation, reporting defects and faults properly, and making available agreed upon other facilities. The Buyer shall guarantee the accuracy and completeness of the information supplied and guarantees that it is

entitled and authorised to provide the cooperation. The Buyer shall hold Jurang harmless from any and all third-party claims in this respect and from any and all costs and damages which might result for Jurang from such claims. Furthermore Buyer shall hold Jurang harmless from any and all damages and (additional) costs relating to aforementioned complete and accurate provision. If any information which is required for the performance of the contract is not made available, not made available on time, or not made available in accordance with the contract, or if the Buyer fails to fulfil its obligations in some other way, Jurang shall be entitled to postpone fulfilment of its obligations under the contract.

11. CONFIDENTIAL INFORMATION

Except as required by law, neither party shall use (except for purposes connected with the performance of its obligations hereunder), divulge or communicate to any third party any information of the other it reasonably knows to be confidential.

12. FORCE MAJEURE

Jurang shall not be liable for any damage or penalty for delay in delivery or for failure to give notice of delay when such delay is due to the elements, acts of god, acts of the Buyer, act of civil or military authority, war, riots, concerted labour action, shortages of materials, or any other causes beyond the reasonable control of Jurang. The anticipated delivery date shall be deemed extended for a period of time equal to the time lost due to any delay excusable under this provision.

13. EXPORT REGULATIONS

Buyer agrees to comply fully with all laws and regulations concerning the purchase and sale of products. In particular, Buyer agrees to comply with the Export Administration Regulations of the United States and the European Union in so far as they apply to the sale of products. The products are licensed by the United States and the European Union for delivery to the ultimate destination as shown on the shipment/invoice address and any contrary diversion is prohibited.

14. ASSIGNMENT AND SUBCONTRACTING

Jurang shall be entitled at all times to assign its rights under the contract (in whole or in part) or to subcontract any part of the work or services to be provided under the contract as it deems necessary or desirable.

15. NOTICES

Any notice hereunder shall be deemed to have been given if sent by prepaid first class mail to the party concerned at its registered office address.

16. WAIVER

Failure by Jurang to exercise or enforce any rights hereunder shall not be deemed to be a waiver of any such right nor operate so as to bar the exercise or enforcement thereof at any time or times thereafter.

17. APPLICABLE LAW

Unless otherwise agreed in writing, the terms and conditions contained herein shall be governed by and construed under the laws of England. Any dispute arising from or in connection with these Terms and Conditions will be brought before the competent court in the United Kingdom.