



TERMS AND CONDITIONS OF SALE

1. INTERPRETATION

In these conditions: "Seller" means Ashid Ger LLC., a company registered in Mongolia under company registration number 6133959. "Buyer" means the person or entity who accepts a quotation of the Seller for the sale of goods or whose order is accepted by the Seller. "Goods" means the goods (including any instalment of the goods or any parts for them) which are supplied to the Buyer by the Seller in accordance with these Conditions. "Conditions" means the standard terms and conditions of sale set out in this document and (unless the context otherwise requires) includes any special terms and conditions agreed in writing between the Buyer and Seller. "Contract" means the sales contract or agreement by email between the Seller and Buyer for the purchase and sale of the Goods.

1. 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.
2. The headings in these Conditions are for convenience only and shall not affect their interpretation.

2. BASIS OF SALE

1. The Seller shall sell and the Buyer shall purchase the Goods in accordance with any written quotation of the Seller which is accepted by the Buyer or any order of the Buyer which is accepted by the Seller. By accepting the Seller's quotation by email or by placing an order for goods with payment of advance payments the Buyer shall be deemed to have accepted these Conditions, which shall govern the Contract to the exclusion of any other terms and conditions.
2. No variation to these Conditions shall be binding unless agreed in writing between the authorized representatives of the Buyer and Seller.
3. The Seller's employees or agents are not authorized to make any representations concerning the Goods unless confirmed by the Seller in writing. In entering into the Contract the Buyer acknowledges that it does not rely on and waives any claim for breach of any such representations which are not so confirmed.
4. Any advice or recommendation given by the Seller or its employees, or agents to the Buyer or its employees, or agents as to the storage, application or use of the Goods which is not confirmed by the Seller, is followed or acted upon entirely at the Buyer's own risk and accordingly the Seller shall not be liable for any such advice or recommendation which is not so confirmed.

3. ORDERS AND SPECIFICATIONS

1. No order submitted by the Buyer shall be deemed to be accepted by the Seller unless and until confirmed in writing by the Seller's authorized representative.
2. The Buyer shall be responsible to the Seller for ensuring the accuracy of the terms of any order (including any applicable specification) submitted by the Buyer and for giving the Seller any necessary information relating to the Goods within a sufficient time to enable the Seller to perform the Contract in accordance with its terms.
3. The quantity, quality and description of and any specification for the Goods shall be those set out in the Seller's quotation (if accepted by the Buyer) or the Buyer's order (if accepted by the Seller).
4. The Seller reserves the right to make any changes in the specification of the Goods which are required to conform with any applicable statutory or EC requirements or where the Goods are to be supplied to the Seller's specification, which do not materially affect their quality or performance.
5. No order which has been accepted by the Seller may be cancelled by the Buyer except with the agreement in writing of the Seller and on terms that the Buyer shall indemnify the Seller in full against all loss (including loss of profit), costs



(including the cost of all labor and materials used), damages, charges and expenses incurred by the Seller as a result of cancellation.

4. PRICE OF THE GOODS

1. The price of the Goods shall be the Seller's quoted price or, where no price has been quoted (or a quoted price is no longer valid), the price listed in the Seller's published price list current at the date of acceptance of the order. Where the Goods are supplied for export from Mongolia, the Seller's published export price list shall apply. All prices quoted are valid for 30 days only or until earlier acceptance by the Buyer, after which time they might be altered by the Seller without giving notice to the Buyer.
2. The Seller 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 the Seller which is due to any factor beyond the control of the Seller (including, without limitation, the coming into force or manufacture), 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 the Seller adequate information or instructions.
3. Except as otherwise stated under the terms of any quotation or in any price list of the Seller and unless otherwise agreed in writing between the Buyer and Seller, all prices are given by the Seller on an ex- works basis and where the Seller agrees to deliver the Goods otherwise than at the Seller's premises, the Buyer shall be liable to pay the Seller's charge for transport, packaging and insurance.
4. Unless confirmed otherwise by Seller in writing, the price is exclusive of any applicable value added tax, which the Buyer shall be additionally liable to pay the Seller.

5. PAYMENT

1. The Buyer shall pay in the currency specified the full price for the Goods, including (unless otherwise agreed in writing) any transport, packaging and insurance charges, within the period specified in the Contract. The time of payment of the price shall be of the essence of the Contract. Payment shall not be deemed to be made until funds have been cleared and credited to the Seller's account. The Buyer shall not be entitled to make any deduction from such payment or exercise any right of set-off or contribution howsoever arising.
2. If the Buyer fails to make any payment on the due date then, without prejudice to any other right or remedy available to the Seller, the Seller shall be entitled to charge the Buyer interest (both before and after any judgement) on the amount unpaid at an annual rate of 4% above the prevailing base rate of Bank of Mongolia, which interest shall accrue on a daily basis from the date payment becomes overdue until the Seller has received payment of the overdue amount together with all accrued interest.
3. Any and all costs incurred by the Seller in collecting any amounts outstanding, including legal and other professional costs, are for the Buyer's account.
4. The fact that a dispute (of whatever nature) has arisen between the Buyer and Seller shall not entitle the Buyer to defer payment.
5. Irrespective of the payment term specified in the Contract, the Seller is entitled at any time to withdraw any credit period granted to the Buyer without notice or to demand (cash against documents at sight), payment in advance or to request the provision of security in such form as the Seller deems fit in respect of the full purchase price.

6. DELIVERY

1. Delivery of the Goods shall be made by the Buyer collecting the Goods at the Seller's premises at any time after the Seller has notified the Buyer that the Goods



- are ready for collection or, if some other place for delivery is agreed by the Seller, by the Seller delivering the Goods to that place.
2. Any dates quoted for delivery of the Goods are approximate only and the Seller shall not be liable for any delay in delivery of the Goods howsoever caused. Time for delivery shall not be of the essence unless previously agreed by the Seller in writing. The Goods may be delivered by the Seller in advance of the quoted delivery date upon giving reasonable notice to the Buyer.
 3. Where the Goods are to be delivered in instalments, each delivery shall constitute a separate contract and failure by the Seller to deliver any one or more of the instalments in accordance with these Conditions or any claim by the Buyer in respect of any one or more instalments shall not entitle the Buyer to treat the Contract as a whole as repudiated.
 4. If the Seller fails to deliver the Goods for any reason other than any cause beyond the Seller's reasonable control or the Buyer's fault, and the Seller is accordingly liable to the Buyer, the Seller's liability shall be limited to the excess (if any) of the cost to the Buyer of similar goods (in the cheapest available market) to replace those not delivered over the price of the Goods.
 5. If the Buyer fails to take delivery of the Goods or fails to give the Seller adequate delivery instructions at the time stated for delivery (otherwise than by reason of any cause beyond the Buyer's reasonable control or by reason of the Seller's fault) then, without prejudice to any other right or remedy available to the Seller, the Seller may:
 1. Store the Goods until actual delivery and charge the Buyer for the reasonable costs (including insurance) of storage; or,
 2. Sell the Goods at the best price readily obtainable and (after deducting all reasonable storage and selling expenses) account to the Buyer for the excess over the price under the Contract, or charge the Buyer for any shortfall below the price under the Contract.
 6. The Seller shall not be liable to the Buyer for non-delivery if the Buyer is in default of any of its obligations under the Contract.
 7. In the event of normal water and/or road and/or air and/or rail traffic being impossible or hindered the Seller may, without prejudice to Clause 9, dispatch the Goods by appropriate alternative means, all expenses and/or extra expenses resulting therefrom being for the Buyer's account. The Seller shall not be liable for any delay in delivery due to such circumstances.

7. RISK AND PROPERTY

1. Risk of damage to, or loss of, the Goods shall pass to the Buyer:
 1. In the case of Goods to be delivered at the Seller's premises, at the time when the Seller notifies the Buyer that the Goods are available for collection; or,
 2. In the case of Goods to be delivered otherwise than at the Seller's premises at the time of delivery or, if the Buyer wrongfully fails to take delivery of the Goods, the time when the Seller has tendered delivery of the Goods.
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 the Seller 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 Seller to the Buyer for which payment is then due.
3. Until such time as the property in the Goods passes to the Buyer, the Buyer shall hold the Goods as the Seller'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 the Seller's property. Until that time the Buyer shall be entitled to resell or use the Goods in the ordinary course of its business but shall account to the Seller for the proceeds of sales or otherwise of the Goods, whether tangible or intangible, including insurance proceeds and shall keep all such proceeds separate from any monies or property of the Buyer and third parties and, in the case of tangible proceeds, properly stored, protected and insured.



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), the Seller shall be entitled at any time to require the Buyer to deliver up the Goods to the Seller and, if the Buyer fails to do so forthwith, to enter upon any premises of the Buyer or any third party where the Goods are stored and repossess the Goods.
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 the Seller, but if the Buyer does so, all monies owing by the Buyer to the Seller shall (without prejudice to any other right or remedy of the Seller) forthwith become due and payable.

8. WARRANTIES AND LIABILITY

1. The goods are sold 'as is' and the Seller expressly disclaims all warranties, whether express or implied, including but not limited to, any implied warranty of merchantability or fitness for particular purpose
2. The Seller shall not be liable for any economic loss suffered by the Buyer as a result of the failure of any goods to conform to the contract specification or drawing or design supplied by the Buyer, including loss of profits, business, goodwill or other consequential loss;
3. The Seller shall be under no liability in respect of any fault arising from fair wear and tear, wilful damage, negligence, abnormal working conditions, failure to follow the Seller's instructions (whether oral or in writing), misuse, or alteration or repair of the Goods without the Seller's approval;
4. The Seller shall be under no liability if the total price for the Goods has not been paid by the due date for payment;
5. All sales are final when the Good are picked up by the Buyer, or the Goods are delivered by the Seller to the point agreed in writing.
6. The Buyer's failure to give notice of any claim within 15 days from the date of delivery will constitute an unqualified acceptance of the Goods and a waiver by the Buyer of all claims with respect to the Goods.
7. If delivery is refused, the Seller is entitled to retain payments made for the Goods and claim transportation, insurance, labor and other charges associated with the delivery.
8. The Seller shall be under no liability to the Buyer for any loss (including loss of profits, damage or injury direct or indirect resulting from defective material, faulty workmanship or otherwise) howsoever arising and whether or not caused by the negligence of the Seller, its employees or agents save that the Seller accepts liability for death or personal injury caused by the negligence of the Seller.

9. FORCE MAJEURE

1. The Seller shall be entitled, without being in default, to defer delivery of the Goods if, as a direct or indirect result of one or more of the circumstances mentioned in Clause 9.3, the Goods cannot reasonably be delivered in time, irrespective of whether such circumstances could have been foreseen at the date of the Contract and the Seller shall not be liable to the Buyer for any loss or damage which may be suffered by the Buyer as a result of such delay.
2. If the costs of manufacture, delivery or transport of the Goods or of the raw materials therein should rise excessively (as to which the Seller's sole opinion shall be conclusive) owing to one or more of the circumstances mentioned in Clause 9.3, the Buyer shall at the Seller's request, choose between:
 1. Delivery of the Goods at a price increased to reflect such rise in costs; or,
 2. Deferment of delivery of the Goods.
3. The circumstances mentioned in Clauses 9.1 and 9.2 are circumstances or events beyond the Seller's control including (but not limited to) Act of God, war, riot, strike, lock-out, trade dispute or labor disturbance, accident, breakdown of plant or machinery, explosion, fire, flood, storm, acts, restrictions, regulations, bye-laws, prohibitions or measures of any kind on the part of any governmental,



parliamentary or local authority, difficulty or increased expense in obtaining workmen, materials or transport or other circumstances affecting the supply of the Goods or of raw materials therein by the Seller's normal source of supply or the manufacture of the Goods by the Seller's normal means or the delivery of the Goods by the Seller's normal route or means of delivery.

4. If the circumstances or events mentioned in Clause 9.3 continue for longer than 6 months, either party shall be entitled to cancel the Contract unilaterally in respect of the unexecuted part thereof by written notice to the other party, without either of the parties being entitled to any form of compensation.

10. INDEMNITY (AND INSURANCE)

1. The Buyer shall indemnify the Seller against all liabilities, costs, expenses, damages or losses (including any direct or indirect consequential losses, loss of profit, loss of reputation and all interest, penalties and legal and other professional costs and expenses) suffered or incurred by the Seller arising out of or in connection with any product liability claim relating to products manufactured by the Buyer which incorporate the Goods, save to the extent that such claim is caused by a defect in the Goods or the negligence of the Seller.
2. The Buyer shall, at its expense, carry product liability and comprehensive general liability insurance coverage of an amount adequate to support its liabilities under Clause 10.1.

11. INSOLVENCY

1. This clause applies if:
 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 passes a resolution for its voluntary winding up or has a petition for its compulsory winding up presented against it;
 2. An encumbrance takes possession of, or a receiver or administrative receiver is appointed to, any of the property or assets of the Buyer, or
 3. The Buyer ceases, or threatens to cease to carry on business; or
 4. The Seller reasonably apprehends that any of the events mentioned above is about to occur in relation to the Buyer or any other matter which in the opinion of the Seller may prejudice its rights against the Buyer.
2. If this clause applies then, without prejudice to any other right or remedy available to the Seller, the Seller 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 immediately become due and payable notwithstanding any previous agreement or arrangement to the contrary.

12. EXPORT SALES

1. Where the Goods are supplied for export from Mongolia, the Buyer shall be responsible for complying with any legislation or regulations governing the importation of the Goods into the country of destination and, unless otherwise stated in writing, for the payment of any duties thereon.

13. GENERAL

1. Where the Seller provides information in the form of technical marketing and professional support free of charge, the information is provided to the best of the supplier's knowledge, but the supplier takes no responsibility for the way the Buyer



applies it to the Buyer's products and manufacturing methods. If the Buyer wishes to use this information in relation to the Buyer's products the Buyer is responsible for ensuring that it is safe and appropriate to do so.

2. Failure by the Seller to exercise or enforce any rights hereunder shall not be deemed to be a waiver of any such rights nor operate so as to bar the exercise or enforcement thereof at any time or times thereafter.
3. If a provision or part of a provision of these Conditions shall be, or be found by any court of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions or parts of such provisions of these Conditions, all of which shall remain in full force and effect.
4. Any notice thereunder shall be deemed to have been duly given if sent by prepaid first class post or email to the party concerned at its registered office or principal place of business or such other address as may have been notified pursuant to this provision to the party giving the notice. Notices sent by first class post shall be deemed to have been given seven days after dispatch and notices sent by fax shall be deemed to have been given on the date of dispatch.
5. The Contract shall be governed by and construed in accordance with English law.
6. Any dispute arising out of or in connection with these Conditions 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 Mongolian Chamber of Commerce and Industry.