

Whiteland Engineering Ltd - Standard Conditions of Sale

- **Whiteland Engineering Limited** (the “Company”)
Unit 5, Alverdiscott Road Industrial Estate, East-the-Water, Bideford, Devon, EX39 4LQ
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1. DEFINITIONS

“Customer” means the person, firm or company purchasing Products.

“Products” means all goods, machining services, assemblies, tooling, and related services supplied by the Company.

“Contract” means any agreement formed under these Conditions.

2. BASIS OF CONTRACT

2.1 All quotations are valid for **30 days** unless otherwise stated.

2.2 A Contract is formed only upon written acceptance by the Company.

2.3 These Conditions **override any Customer terms**, unless expressly agreed in writing by a Director.

2.4 No variation to any Contract shall be binding unless agreed in writing.

3. PRICING & COMMERCIAL TERMS

3.1 Prices are based on:

- material costs at time of quotation
- defined batch sizes and efficiencies
- uninterrupted production

3.2 The Company reserves the right to **reprice** where:

- material costs increase
- Customer delays or changes scope
- quantities vary from quoted levels

3.3 All prices exclude VAT, carriage, packing, and third-party processing unless stated.

4. PAYMENT TERMS (CRITICAL CLAUSE)

4.1 Standard terms: **End of Month following invoice (EOM)**.

4.2 The Company reserves the right to require:

- **deposits (typically 30–50%)**
- **stage payments** for longer-running contracts

- **full payment in advance** for new Customers

4.3 The Customer shall make payment **without deduction, set-off, or counterclaim**.

4.4 The Company reserves the right to charge interest at **8% above Bank of England base rate**, in accordance with the Late Payment of Commercial Debts (Interest) Act 1998, plus compensation and recovery costs.

4.5 If payment is overdue, the Company may:

- suspend all work and deliveries
- withhold release of completed Products
- cancel any outstanding orders
- reallocate capacity to other Customers

4.6 All outstanding amounts become immediately due if the Customer:

- becomes insolvent
 - enters administration or liquidation
 - fails to meet agreed payment terms
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5. DELIVERY & LEAD TIMES

5.1 Delivery dates are **estimates only** and not contractually binding.

5.2 Time shall not be of the essence.

5.3 The Company shall not be liable for:

- delays
- loss of production
- penalties or liquidated damages

5.4 The Company may deliver in instalments and invoice accordingly.

6. RISK & TITLE

6.1 Risk passes upon delivery or collection.

6.2 Title remains with the Company until full payment is received.

6.3 Until title passes, the Company may:

- enter premises to recover goods
 - require segregation and identification of Products
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7. TOOLING & FIXTURES (VERY IMPORTANT FOR YOU)

7.1 All tooling, jigs, fixtures, and manufacturing aids remain the **property of the Company**, even if charged to the Customer, unless explicitly agreed otherwise in writing.

7.2 The Company reserves the right to retain possession of tooling until all sums are paid.

8. CUSTOMER MATERIALS & FREE ISSUE STOCK

8.1 All Customer-supplied materials are held at the Customer's risk.

8.2 The Company accepts no liability for:

- defects in supplied material
- shortages or inconsistencies

8.3 The Company reserves the right to charge for:

- inspection
 - handling
 - scrap resulting from material defects
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9. INSPECTION & ACCEPTANCE

9.1 The Customer must inspect Products within **3 working days**.

9.2 Any claim for:

- shortages
- damage
- defects

must be made in writing within that period.

9.3 Failure to notify constitutes **full acceptance**.

10. TOLERANCES & SPECIFICATIONS

10.1 Standard machining tolerances apply unless otherwise agreed.

10.2 The Company reserves the right to deliver reasonable **over/under quantities**.

10.3 Any Customer-requested changes shall be subject to:

- cost adjustment
 - lead time revision
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11. WARRANTY

11.1 The Company warrants Products for **6 months** against defects in workmanship only.

11.2 Liability is limited to:

- repair
- replacement
- or credit

at the Company's discretion.

11.3 Warranty excludes:

- wear and tear
- misuse or incorrect application
- design provided by Customer

12. LIMITATION OF LIABILITY (BANK-CRITICAL)

12.1 The Company's total liability shall not exceed the **value of the relevant Contract**.

12.2 The Company shall not be liable for:

- loss of profit
- loss of business
- production downtime
- indirect or consequential losses

12.3 Nothing excludes liability for:

- death or personal injury caused by negligence
- fraud

13. INTELLECTUAL PROPERTY

13.1 All manufacturing methods, programmes, and know-how remain the Company's property.

13.2 The Customer warrants that supplied drawings do not infringe third-party rights and shall indemnify the Company accordingly.

14. FORCE MAJEURE

14.1 The Company shall not be liable for failure or delay due to events beyond its control, including:

- supply chain failure
- labour shortages

- energy disruption
 - acts of God
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15. TERMINATION

15.1 The Company may terminate any Contract immediately if:

- payment terms are breached
- the Customer becomes insolvent

15.2 Upon termination:

- all outstanding sums become due immediately
 - the Company may recover goods and tooling
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16. GOVERNING LAW

16.1 These Conditions are governed by the laws of England and Wales.

16.2 Disputes shall be subject to the exclusive jurisdiction of the English courts.

17. GENERAL

17.1 No waiver shall be valid unless in writing.

17.2 If any clause is unenforceable, the remainder shall remain valid.

Why this version is “bank-grade” (and why it matters for you)

This isn't just legal polish—this directly supports your **cashflow survival + bank negotiations**:

● Protects Cashflow

- Deposits + stage payments built in
- No set-off (customers can't hold cash hostage)
- Suspension rights (you stop work immediately if unpaid)

● Protects Margin

- Repricing clause (critical with material volatility)
- Variation control (no silent scope creep)

● Protects Risk

- Liability capped cleanly
- Customer material risk pushed back to them

- Tooling ownership locked down (massive for machining)

● Bank / FD Confidence

If you show this to HSBC / lender / investor:

- You look **controlled, disciplined, and commercially aware**
 - It demonstrates **you are fixing historic margin leakage issues**
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Straight advice (based on your situation)

You should **start enforcing parts of this immediately**, not just issuing it:

1. New customers → **deposit upfront**
 2. Existing problem payers → **stage payments or stop supply**
 3. Large jobs (Supacat/Babcock scale) → **milestone billing**
 4. Any tooling-heavy job → **retain ownership clause enforced**
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If you want, next step I'd strongly recommend:

👉 I can build you a **“Commercial Playbook” to go with this**

- exactly how to roll this out to customers
- scripts for pushback
- how to introduce deposits without damaging relationships
- and how to use this in your **bank meeting tomorrow**

That's where this becomes powerful.