

TERMS & CONDITIONS OF PURCHASE - UK HADLEY INDUSTRIES PLC AND ASSOCIATED AND SUBSIDIARY COMPANIES

These terms & conditions (“**Conditions**”) govern the purchase of goods (“**Goods**”) and/or services (“**Services**”) by Hadley Industries PLC or any subsidiary or associated company (“the **Company**”) from the person or firm who sells such goods and/or services (“**Supplier**”) as stated on the Company’s order (“**Order**”). These Conditions apply to the exclusion of any other terms that the Supplier seeks to impose, or which are implied by trade, custom, practice or course of dealing.

1 BASIS OF CONTRACT

- 1.1 The Company may place an Order at any time. Each Order constitutes an offer by the Company to purchase Goods and/or Services from the Supplier in accordance with these Conditions.
- 1.2 The Order shall be deemed to be accepted on the earlier of the Supplier issuing written acceptance or any act by the Supplier consistent with fulfilling the Order at which point the contract shall come into existence (“**Contract**”).
- 1.3 The Company may at any time prior to despatch of Goods/performance of Services amend or cancel an Order by written notice to the Supplier.
- 1.4 Any forecasts provided by the Company shall be estimates only and shall not form any legally binding obligations on the Company.
- 1.5 The Supplier shall maintain all the licences, permissions, authorisations, consents and permits that it needs to carry out its obligations under the Contract including without limitation any export licences.
- 1.6 The Supplier warrants his expertise and confirms the accuracy of all statements and representations made in respect of the Goods, or Services prior to the Order.

2 SUPPLY OF GOODS

- 2.1 The Supplier warrants that the Goods shall (i) correspond with the Order, their description and any applicable specification (ii) be of satisfactory quality and fit for any purpose made known by the Company, expressly or by implication, and the Company relies on the Supplier’s skill and judgment (iii) be free from defects in design, materials and workmanship and remain so for 12 months from the later of delivery or first use by the Company (unless otherwise stated in the Order); and (iv) comply with all applicable statutory and regulatory requirements relating to the manufacture, labelling, packaging, storage, handling and delivery of the Goods including without limitation Health & Safety at Work Act 1974.
- 2.2 Unless the Goods are proprietary goods of the Supplier’s design intended for sale generally the Supplier shall not without the written consent of the Company mark the Goods with any trade name.
- 2.3 The Supplier warrants that it has full and unencumbered title to the Goods and it has full rights to sell the Goods to the Company.
- 2.4 The Supplier shall ensure that its manufacturing capacity is appropriate for the level of production anticipated in the Order.
- 2.5 The Company may inspect and test the Goods at any time before delivery. If following such inspection, the Company considers that the Goods do not conform or are unlikely to comply with the Supplier’s undertakings at clause 2.1, the Company shall inform the Supplier and the Supplier shall immediately take such remedial action as is necessary to ensure compliance.

- 2.6 If Goods are supplied without any necessary guards or safety devices this must be specified in the Order.

3 DELIVERY OF GOODS

- 3.1 The Supplier shall deliver the Goods (i) on the date and time specified in the Order and time shall be of the essence and (ii) to the location as set out in the Order or as instructed by the Company (“**Delivery Location**”).
- 3.2 The Supplier shall ensure that (i) the Goods are properly packed and secured to enable them to reach the Delivery Location in good condition (ii) each delivery is accompanied by all necessary certification and a delivery note which states the Order number, the type and quantity of the Goods and storage instructions. Failure to comply with this clause will allow the Company to refuse to accept the Order.
- 3.3 If the Supplier requires the Company to return any packaging material for the Goods to the Supplier, that fact is clearly stated on the delivery note. Any such packaging material shall only be returned to the Supplier at the cost of the Supplier.
- 3.4 Delivery of the Goods shall be completed on the completion of unloading of the Goods at the Delivery Location and acceptance by a representative of the Company.
- 3.5 The Supplier shall not deliver the Goods in instalments without the Company's prior written consent.
- 3.6 The Company shall not be responsible for payment of any charges for Goods supplied in excess of the Order unless authorised in writing by the Company by a further Order. If an Order is placed on a price by weight basis the quantity delivered shall be within 5% of the specified quantity. Unless the Order expressly permits a volume tolerance, the Supplier shall deliver the exact quantity of Goods stated on an Order.
- 3.7 Unless otherwise stated on the Order Goods will be delivered DDP Incoterms, 2010.

4 TITLE AND RISK

- 4.1 Title to the Goods shall pass to the Company upon the earlier of delivery or payment.
- 4.2 Risk in the Goods shall pass to the Company upon delivery in accordance with these Conditions.

5 SUPPLY OF SERVICES

- 5.1 The Supplier shall provide the Services and related deliverables (“**Deliverables**”) (if any) to the Company in accordance with the terms of the Order including without limitation any performance dates and time shall be of the essence.
- 5.2 In providing the Services, the Supplier shall (i) co-operate with the Company in all matters relating to the Services, and comply with all instructions of the Company; (ii) perform the Services with the best care, skill and diligence in accordance with best practice in the Supplier's industry (iii) use suitably skilled and experienced personnel, (iv) ensure that the Services and Deliverables conform with all descriptions and specifications and shall be fit for any purpose expressly or impliedly made known to the Supplier by the Company.

6 REMEDIES

- 6.1 If the Supplier fails to deliver the Goods and/or perform the Services by the applicable date, the Company shall, without limiting its other rights or remedies, have one or more of the following rights:

- 6.1.1 to terminate the Contract with immediate effect;
 - 6.1.2 to refuse to accept any subsequent delivery of the Goods or Services which the Supplier attempts to make;
 - 6.1.3 to recover from the Supplier any costs incurred by the Company;
 - 6.1.4 to claim damages for any additional costs, loss or expenses incurred by the Company which are in any way attributable to the Supplier's failure to meet such dates.
- 6.2 If the Goods are not delivered by the applicable date, the Company may, at its option, claim or deduct 10 per cent of the price of the Goods for each day's delay in delivery by way of liquidated damages, up to a maximum of 50 per cent of the total price of the Goods.
- 6.3 If the Supplier has delivered Goods that do not comply with the Contract then, without limiting its other rights or remedies, the Company may either (i) where the defect is apparent on a cursory visual inspection of the Goods as delivered without unpacking them, three months after delivery or (ii) in any other case three months after the Company has discovered the defect in question:
- 6.3.1 accept the Goods but the price of the Goods shall be adjusted by the Company, acting reasonably, to reflect the concession made by the Company;
 - 6.3.2 reject the Goods (in whole or in part) whether or not title has passed and to return them to the Supplier at the Supplier's own risk and expense for a full refund;
 - 6.3.3 terminate the Contract with immediate effect by giving written notice;
 - 6.3.4 require the Supplier to repair or replace the rejected Goods within 24 hours of notification;
 - 6.3.5 refuse to accept any subsequent delivery of the Goods;
 - 6.3.6 recover from the Supplier any expenditure incurred by the Company in obtaining substitute goods from a third party; and
 - 6.3.7 claim damages for any additional costs, loss or expenses incurred by the Company arising from the Supplier's failure to supply Goods including without limitation any charges incurred from the Company's customer.
- 6.4 The Company may reject all Goods delivered in a batch if 10% or more of the Goods in that batch are defective.
- 6.5 These Conditions shall extend to any substituted or remedial services and/or repaired or replacement goods supplied by the Supplier.
- 6.6 The Company's rights under this Contract are in addition to its rights and remedies implied by statute and common law.

7 CHARGES AND PAYMENT

- 7.1 The price for the Goods and Services shall be the price set out on the Order. Prices are fixed and are not subject to escalation. The price shall be inclusive of the costs of packaging, insurance and carriage of the Goods, unless otherwise agreed in writing by the Company.

- 7.2 The Supplier shall invoice the Company on or at any time after completion of the Order. Each invoice shall include such supporting information required by the Company to verify the accuracy of the invoice, including but not limited to the relevant purchase order number.
- 7.3 The Company shall pay a valid invoice within 60 days of the end of the month in which a correctly rendered invoice is received.
- 7.4 All amounts payable by the Company under the Contract are exclusive of valued added tax.
- 7.5 If a party fails to make any payment due to the other party under the Contract by the due date for payment, then the defaulting party shall pay interest on the overdue amount at the rate of 3% per annum above the Bank of England's base rate from time to time.
- 7.6 The Company may at any time, without limiting any of its other rights or remedies, set off any liability of the Supplier to the Company against any liability of the Company to the Supplier.

8 INTELLECTUAL PROPERTY RIGHTS

- 8.1 **“Intellectual Property Rights”** means any patent, copyright, trade mark, database right, design right, know how, confidential information or any other industrial or intellectual property right subsisting anywhere in the world including any application for the foregoing.
- 8.2 Unless otherwise agreed in writing, the Supplier assigns (and shall complete all actions to do so) to the Company, free of charge, with full title guarantee and free from all third-party rights, all Intellectual Property Rights in the Goods and the Deliverables including without limitation drawings, designs, specification, data, die drawings and designs, tooling specifications.
- 8.3 The Supplier shall obtain waivers of all moral rights in the Goods and Services, to which any individual is now or may be at any future time entitled under Chapter IV of Part I of the Copyright Designs and Patents Act 1988 or any similar provisions of law in any jurisdiction.
- 8.4 The Supplier shall be responsible for all discrepancies, errors or omissions in the drawings or information provided under the Contract whether or not such information has been approved by the Company. The Supplier warrants that the Goods and Services will not infringe the Intellectual Property Rights of any third party.
- 8.5 All materials or information provided by the Company (if any) shall be owned by the Company and the Supplier shall not obtain any right or interest in such materials or information. Such materials and information will be returned immediately upon the request of the Company.

9 DIES AND TOOLING

- 9.1 If the Supplier manufactures, fabricates or otherwise obtains from any source dies, tools and patterns specifically for the purpose of manufacture of the Goods (**“Tooling”**) then title in such Tooling shall be vested in the Company absolutely and the price of the Goods includes the full price of such Tooling;
- 9.2 The Supplier shall at any time upon request deliver to the Company all Tooling. No lien, set-off, claim or counterclaim of the Supplier against the Company shall entitle the

Supplier to withhold delivery up of the Tooling. The Supplier licences the Company to enter the premises of the Supplier or a third party to recover the Tooling at any time.

9.2.1.1 The Supplier shall not use the Tooling otherwise than in the fulfilment of the Order.

9.2.2 The Supplier shall be responsible to ensure the safe-keeping and proper maintenance of all Tooling.

10 INDEMNITY

10.1 The Supplier shall keep the Company indemnified against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other reasonable professional costs) suffered or incurred by the Company as a result of or in connection with:

10.1.1 any claim made against the Company for actual or alleged infringement of a third party's intellectual property rights arising out of, or in connection with, the Good or Services to the extent that the claim is attributable to the acts or omissions of the Supplier, its employees, agents or subcontractors;

10.1.2 any claim made against the Company by a third party for death, personal injury or damage to property arising out of, or in connection with the Goods;

10.1.3 any claim made against the Company by a third party, including without limitation customers of the Company, arising out of or in connection with the supply of the Goods or the Services, to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of the Contract by the Supplier, its employees, agents or subcontractors; or

10.1.4 a breach of the Contract by the Supplier.

10.2 This clause 10 shall survive termination of the Contract.

11 INSURANCE

During the Contract the Supplier shall maintain in force, with a reputable insurance company, professional indemnity insurance, product liability insurance and public liability insurance to cover the liabilities that may arise under or in connection with the Contract, and shall, on the Company's request, produce the insurance certificate.

12 TERMINATION

12.1 The Company may terminate the Contract at any time without liability upon 30 days written notice.

12.2 Without limiting its other rights or remedies, the Company may terminate the Contract on notice if:

12.2.1 the Supplier commits a material breach of the terms of the Contract and fails to remedy that breach within 7 days of notice to do so;

12.2.2 the Supplier repeatedly breaches any of the terms of the Contract;

12.2.3 the Supplier is declared or becomes insolvent or bankrupt, has a moratorium declared in respect of any of its indebtedness, enters into administration, receivership, administrative receivership or liquidation or threatens to do any of these, or suffers any similar action in any jurisdiction or any step is taken

(including, without limitation, the making of an application or the giving of any notice) by it or by any other person in respect of any of these circumstance;

- 12.2.4 there is a change of control of the Supplier;
 - 12.2.5 the Supplier suspends or ceases, or threatens to suspend, or cease, to carry on all or a substantial part of its business; or
 - 12.2.6 the Company has any concern in relation to the financial stability of the Supplier.
- 12.3 Termination of the Contract, however arising, shall not affect any of the parties' rights and remedies that have accrued as at termination. Clauses which expressly or by implication survive termination of the Contract shall continue in full force and effect.

13 GENERAL

- 13.1 The Supplier shall (i) implement due diligence in its supply chain to eradicate slavery or human trafficking and comply with all requirements of the Modern Slavery Act and not engage in any activity that would constitute an offence under such act (ii) comply with the Bribery Act 2010; and (iii) comply with all policies of the Company notified to the Supplier from time to time. The Company may audit the Supplier at any time to ensure compliance with this clause.
- 13.2 The Supplier shall keep in strict confidence the terms and conditions of each Order/Contract, all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature & have been disclosed by the Company and any other confidential information concerning the Company's business or its products or its services which the Supplier may obtain. Without prejudice to its other rights and remedies the Company may seek injunctive relief for a breach of this provision. This clause shall survive termination.
- 13.3 Neither the Order nor the Company name shall be used by the Supplier for marketing purposes without the prior written consent of the Company.
- 13.4 The Company may at any time assign, transfer, mortgage, charge, subcontract or deal in any other manner with all or any of its rights or obligations under the Contract.
- 13.5 The Supplier may not assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with all or any of its rights or obligations under the Contract without the prior written consent of the Company. The Supplier shall be responsible for all acts of its subcontractors.
- 13.6 Any notice or other communication given to a party under or in connection with the Contract shall be in writing, addressed to that party at its registered office (if it is a company) or its principal place of business (in any other case) or such other address as that party may have specified to the other party in writing.
- 13.7 If any provision or part-provision of the Contract is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable.
- 13.8 A waiver of any right or remedy under the Contract or law is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default.
- 13.9 A person who is not a party to the Contract shall not have any rights to enforce its terms.
- 13.10 No variation of the Contract or the Conditions shall be effective unless it is agreed in writing by the Company.

- 13.11 The Contract, and any dispute or claim arising out of or in connection with it (including non-contractual disputes or claims), shall be governed by, and construed in accordance with the law of England and Wales and each party irrevocably agrees that the courts of England and Wales shall have non-exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the Contract (including non-contractual disputes or claims).