

STANDARD TERMS AND CONDITIONS OF PURCHASE
VERSION PUR01-0615

1. Interpretation

1.1 Definitions: In these Conditions, the definitions set out in this clause and those contained in clause 13.9 apply:

Business Day: a day (other than a Saturday, Sunday or public holiday) when banks in London are open for business.

Conditions: the standard terms and conditions of purchase set out in this document as amended from time to time in accordance with clause 13.6.

Contract: the contract between Stauff and the Supplier for the sale and purchase of the Goods in accordance with these Conditions.

Goods: the goods (or any part of them) set out in the Order.

Order: Stauff's purchase order for the Goods.

Specification: any specification for the Goods, including any export or import requirement and related plans and drawings, that is agreed in writing by Stauff and the Supplier.

Stauff: Stauff UK Limited (registered in England and Wales with company number 02496544).

Supplier: the person or firm from whom Stauff purchases the Goods.

1.2 Construction. In these Conditions, unless the context requires otherwise, the following rules apply:

(a) A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

(b) A reference to a party includes its personal representatives, successors or permitted assigns.

(c) A reference to a statute or statutory provision is a reference to such statute or provision as amended or re-enacted. A reference to a statute or statutory provision includes any subordinate legislation made under that statute or statutory provision, as amended or re-enacted.

(d) Any phrase introduced by the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

(e) A reference to writing or written includes faxes and e-mails.

2. Basis of contract

2.1 These Conditions apply to the Contract to the exclusion of any other terms that the Supplier seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing.

2.2 The Order constitutes an offer by Stauff to purchase the Goods in accordance with these Conditions.

2.3 The Order shall be deemed to be accepted on the earlier of:

(a) the Supplier issuing a written acceptance of the Order; and

(b) the Supplier doing any act consistent with fulfilling the Order,

at which point the Contract shall come into existence.

3. The goods

3.1 The Supplier shall ensure that the Goods shall:

- (a) correspond with their description and any applicable Specification;
- (b) be of satisfactory quality (within the meaning of the Sale of Goods Act 1979, as amended) and fit for any purpose held out by the Supplier or made known to the Supplier by Stauff expressly or by implication, and in this respect Stauff relies on the Supplier's skill and judgement;
- (c) where they are manufactured products, be free from defects in design, material and workmanship and remain so for 12 months after Delivery;
- (d) comply with all applicable statutory and regulatory requirements relating to the manufacture, labelling, packaging, storage, handling and delivery of the Goods; and
- (e) be marked in accordance with Stauff's instructions and any applicable regulations or requirements of the carrier, and properly packed and secured so as to reach their destination in an undamaged condition in the ordinary course.

3.2 The Supplier shall ensure that at all times it has and maintains all the licences, permissions, authorisations, consents and permits that it needs to carry out its obligations under the Contract.

3.3 Stauff shall have the right to inspect and test the Goods at any time before delivery and the Supplier will provide Stauff or its agent or subcontractor with any facilities reasonably required by Stauff or its agent or subcontractor for inspection or testing.

3.4 If following such inspection or testing Stauff considers that the Goods do not conform or are unlikely to comply with the Supplier's undertakings at clause 3.1, Stauff shall inform the Supplier and the Supplier shall immediately take such remedial action as is necessary to ensure compliance.

3.5 Notwithstanding any such inspection or testing, the Supplier shall remain fully responsible for the Goods and any such inspection or testing shall not reduce or

otherwise affect the Supplier's obligations under the Contract, and Stauff shall have the right to conduct further inspections and tests after the Supplier has carried out its remedial actions.

4. Delivery

4.1 The Supplier shall ensure that:

(a) the Goods are properly packed and secured in such manner as to enable them to reach their destination in good condition;

(b) each delivery of the Goods is accompanied by a delivery note which shows the date of the Order, the Order number (if any), the type and quantity of the Goods (including the code number of the Goods, where applicable), special storage instructions (if any) and, if the Goods are being delivered by instalments, the outstanding balance of Goods remaining to be delivered; and

(c) if the Supplier requires Stauff to return any packaging material to the Supplier, that fact is clearly stated on the delivery note. Any such packaging material shall be returned to the Supplier at the cost of the Supplier.

4.2 The Supplier shall deliver the Goods:

(a) on the date specified in the Order, or, if no such date is specified, within 28 days of the date of the Order (Delivery Date);

(b) to the premises as is set out in the Order or as instructed by Stauff prior to delivery (Delivery Location); and

(c) during Stauff's normal business hours, or as instructed by Stauff.

4.3 Delivery of the Goods shall be completed on the completion of unloading the Goods at the Delivery Location.

4.4 The time of delivery of the Goods is of the essence of the Contract.

4.5 Stauff shall not be deemed to have accepted the Goods until it has had 7

days to inspect them following delivery or collection as the case may be. Stauff shall also have the right to reject the Goods as though they had not been accepted for 30 days after any latent defect in the Goods has become apparent.

4.6 The Supplier shall not deliver the Goods in instalments without Stauff's prior written consent. Where it is agreed that the Goods are to be delivered by instalments, they may be invoiced and paid for separately. However, failure by the Supplier to deliver any one instalment on time or at all or any defect in an instalment shall entitle Stauff to the remedies set out in clause 5.

5. Remedies

5.1 If the Goods are not delivered on the Delivery Date, or do not comply with the undertakings set out in clause 3.1, then, without limiting any of its other rights or remedies, Stauff shall have the right to any one or more of the following remedies, whether or not it has accepted the Goods:

- (a) to terminate the Contract;
- (b) to reject the Goods (in whole or in part) and return them to the Supplier at the Supplier's own risk and expense;
- (c) to require the Supplier to repair or replace the rejected Goods, or to provide a full refund of the price of the rejected Goods (if paid);
- (d) to refuse to accept any subsequent delivery of the Goods which the Supplier attempts to make;
- (e) to recover from the Supplier any costs incurred by Stauff in obtaining substitute goods from a third party; and
- (f) to claim damages for any other costs, loss or expenses incurred by Stauff which are in any way attributable to the Supplier's failure to carry out its obligations under the Contract.

5.2 These Conditions shall apply to any repaired or replacement Goods supplied by the Supplier.

5.3 Stauff's rights and remedies under these Conditions are in addition to its rights and remedies implied by statute and common law.

6. Title and risk

6.1 Risk of damage to or loss of the Goods shall pass to Stauff on completion of delivery in accordance with the Contract.

6.2 The property in the Goods shall pass to Stauff upon delivery, unless specified in the Order.

7. Price and payment

7.1 The price of the Goods shall be the price set out in the Order, or, if no price is quoted, the price set out in the Supplier's published price list in force as at the date the Contract came into existence less any agreed discounts.

7.2 The price of the Goods is exclusive of amounts in respect of value added tax (VAT), but includes the costs of packaging, insurance and carriage of the Goods. No extra charges shall be effective unless agreed in writing and signed by Stauff.

7.3 Stauff shall, on receipt of a valid VAT invoice from the Supplier, pay to the Supplier such additional amounts in respect of VAT as are chargeable on the supply of the Goods.

7.4 No increase in the price of the Goods may be made (whether on account of increased material, labour or transport costs, fluctuation in rates of exchanges or otherwise) without prior written consent of Stauff.

7.5 The Supplier may invoice Stauff for the Goods on or at any time after the completion of delivery.

7.6 Stauff shall pay correctly rendered invoices within 90 days of receipt of the invoice. Payment shall be made to the bank account nominated in writing by the Supplier.[NOTE: Consider whether these payment terms are acceptable]

7.7 If a party fails to make any payment due to the other under the Contract by the due date for payment, then the defaulting party shall pay interest on the overdue amount at the rate of 4% per annum above Yorkshire Bank PLC's base rate from

time to time. Such interest shall accrue on a daily basis from the due date until actual payment of the overdue amount, whether before or after judgment. The defaulting party shall pay the interest together with the overdue amount. This clause shall not apply to payments the defaulting party disputes in good faith.

7.8 Stauff may at any time, without limiting any of its other rights or remedies, set off any liability of the Supplier to Stauff against any liability of Stauff to the Supplier, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under the Contract.

8. Stauff materials

The Supplier acknowledges that all materials, equipment and tools, drawings, Specifications, and data supplied by Stauff to the Supplier (Stauff Materials) and all rights in Stauff material are and shall remain the exclusive property of Stauff. The Supplier shall keep Stauff Materials in safe custody at its own risk, maintain them in good condition until returned to Stauff, and not dispose or use the same other than in accordance with Stauff's written instructions or authorisation.

9. Indemnity

9.1 The Supplier shall keep Stauff 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 and expenses) suffered or incurred by Stauff as a result of or in connection with:

- (a) breach of any warranty given by the Supplier in relation to the Goods
- (b) any claim made against Stauff for actual or alleged infringement of a third party's intellectual property rights arising out of or in connection with the supply or use of the Goods, to the extent that the claim is attributable to the acts or omissions of the Supplier, its employees, agents or subcontractors;
- (c) any claim made against Stauff by a third party for death, personal injury or damage to property arising out of or in connection with defects in Goods, to the extent that the defects in the Goods are attributable to the acts or omissions of the Supplier, its employees, agents or subcontractors; and
- (d) any claim made against Stauff by a third party arising out of or in connection with the supply of the Goods, 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.

9.2 This clause 9 shall survive termination of the Contract.

10. Insurance

During the term of the Contract and for a period of 5 years thereafter, 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 Stauff's request, produce both the insurance certificate giving details of cover and the receipt for the current year's premium in respect of each insurance.

11. Confidentiality

11.1 A party (receiving party) shall keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to the receiving party by the other party (disclosing party), its employees, agents or subcontractors, and any other confidential information concerning the disclosing party's business, its products and services which the receiving party may obtain. The receiving party shall only disclose such confidential information to those of its employees, agents and subcontractors who need to know it for the purpose of discharging the receiving party's obligations under the Contract, and shall ensure that such employees, agents and subcontractors comply with the obligations set out in this clause as though they were a party to the Contract. The receiving party may also disclose such of the disclosing party's confidential information as is required to be disclosed by law, any governmental or regulatory authority or by a court of competent jurisdiction.

11.2 This clause 11 shall survive termination of the Contract.

12. Termination

12.1 Stauff may terminate the Contract in whole or in part at any time before delivery with immediate effect by giving the Supplier written notice, whereupon the Supplier shall discontinue all work on the Contract. Stauff shall pay the Supplier fair and reasonable compensation for any work in progress on the Goods at the time of termination, but such compensation shall not include loss of anticipated profits or any consequential loss.

12.2 Without limiting its other rights or remedies, Stauff may terminate the Contract with immediate effect by giving written notice to the Supplier if:

(a) the Supplier commits a material breach of any term of the Contract and (if such a breach is remediable) fails to remedy that breach within 21 days of that party being notified in writing to do so;

(b) the Supplier is subject to an Insolvency Event (as defined in clause 13.9);

(c) the Supplier is subject to a Significant Change in Organisation (as defined in clause 13.9); or

(d) is prevented by Legal Requirements (as defined in clause 13.9) from being a party to, exercising its rights in relation, or performing its obligations under this Contract.

12.3 Termination of the Contract, however arising, shall not affect any of the parties' rights and remedies that have accrued as at termination.

12.4 Clauses which expressly or by implication survive termination of the Contract shall continue in full force and effect.

13. General

13.1 Assignment and other dealings.

(a) Stauff 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.

(b) The Supplier may not assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any or all of its rights or obligations under the Contract without the prior written consent of Stauff.

13.2 Notices

(a) 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 in accordance

with this clause, and shall be delivered personally, or sent by pre-paid first class post or other next working day delivery service, commercial courier, fax or e-mail.

(b) A notice or other communication shall be deemed to have been received: if delivered personally, when left at the address referred to in clause 13.2(a); if sent by pre-paid first class post or other next working day delivery service, at 9.00 am on the second Business Day after posting; if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed; or, if sent by fax or e-mail, one Business Day after transmission.

(c) The provisions of this clause shall not apply to the service of any proceedings or other documents in any legal action.

13.3 Severance

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. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of the Contract.

13.4 Waiver

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. No failure or delay by a party to exercise any right or remedy provided under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

13.5 Third party rights

A person who is not a party to the Contract shall not have any rights to enforce its terms pursuant to the Contracts (Rights of Third Parties) Act 1999

13.6 Variation

Except as set out in these Conditions, no variation of the Contract, including the introduction of any additional terms and conditions, shall be effective unless it is agreed in writing and signed by Stauff.

13.7 Governing law

The Contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with the law of England,

13.8 Jurisdiction

Each party irrevocably agrees that the courts of England, shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims).

13.9 Definitions

Insolvency Event means the following:

- (a) in relation to a party which is a company:
 - (i) it ceases to do business in the normal course;
 - (ii) it is unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 (as amended), but disregarding the references therein to proving it to the court's satisfaction;
 - (iii) a notice of appointment of administrator, a notice of intention to appoint an administrator, or an application to appoint an administrator to it is filed at court or served on any person, or it enters administration;
 - (iv) it requests or suffers the appointment of a Law of Property Act 1925, court appointed or other receiver or similar officer over or in relation to the whole of its undertaking, property, revenue or assets or any part thereof;
 - (v) it has a winding up petition issued against it, a liquidator or provisional liquidator appointed to it, or it enters into liquidation;
 - (vi) it or its directors resolve to enter into, or it enters into, or it or its directors commence negotiations, or make any requisite application to court in respect of, or if

they convene meetings for the approval of, any composition, compromise, scheme, moratorium or other similar arrangement with its creditors or any of them;

(vii) it is dissolved, or is removed from the Register of Companies, or ceases to exist (whether or not capable of reinstatement or reconstitution) or its directors apply for it to be struck-off the Register of Companies; or

(viii) any event similar, equivalent or analogous to those above occurs in relation to it or its property or any part thereof in any jurisdiction other than England and Wales;

(b) in relation to a party which is an individual:

(i) he ceases to do business in the normal course;

(ii) he is unable to pay his debts or has no reasonable prospect of being able to pay his debts or appears unable to pay or to have no reasonable prospect of being able to pay his debts within the meaning of sections 267 and 268 of the Insolvency Act 1986 (as amended);

(iii) he is the subject of a bankruptcy petition or an interim receiver is appointed of his property or a bankruptcy order is made against him;

(iv) he is the subject of an application for an interim order under part VIII of the Insolvency Act 1986 (as amended);

(v) he enters into, or commences negotiations in respect of, or convenes meetings or applies to court for the approval of, any composition, compromise, scheme, moratorium or other similar arrangement with his creditors or any of them;

(vi) he requests or suffers the appointment of a Law of Property Act 1925, court appointed or other receiver or similar officer over or in relation to the whole of his undertaking, property, revenue or assets or any part thereof; or

(vii) any event similar, equivalent or analogous to those above occurs in relation to him or his property or any part thereof in any jurisdiction other than England and Wales;

Significant Change in Organisation means, in relation to a party, that party:

(c) ceasing or threatening to cease to exist or to carry on its business; or

(d) disposing of the whole or a substantial part of its business or assets; or

(e) making or permitting to be made any material change in the nature of its business; or

(f) entering into any business unrelated to its business at the date of this agreement;

or

(g) changing the country in which its centre of main interest is located;

Legal Requirement(s) means any law, proclamation, decision, rule, regulation, order, resolution, notice, rule of court, bye-law, directive, statute, statutory instrument, standards, codes of conduct or other instrument or requirement having the force of law by whomsoever made, issued, declared, passed or otherwise enacted, created or given effect by, without limitation, HM Parliament, the Council, Commission or Parliament of the European Union, any court or other judicial forum, any coroner or commission of inquiry, any local authority or any statutory undertaker or other Competent Authority or any other person having such power related to or affecting the Products or Product IPR.