

## Terms and Conditions of Purchase

### General Conditions of Purchase of Goods or Services

#### 1 Definitions and Interpretations

1.1 In these Conditions unless the context otherwise requires:

"**Applicable Law**" means any applicable statute, statutory rule, order, directive, regulation or other instrument having force of law, all British and European standards for the time being in force relating, without limitation, to the manufacture (including raw materials or chemicals used in the production process), packaging, delivery, carriage, storage, installation and use of the Goods and/or the supply and receipt of the Services;

"**Buyer**" means the person, firm or company that is placing the Order (in these conditions it refers to Rical Limited);

"**Conditions**" shall mean the Conditions set out in this document;

"**Confidential Information**" means information from the Buyer in prior form, whether written or oral, of a business, financial or technical nature is to be treated as strictly confidential and not shared with another party without written permission being obtained;

"**Contract**" shall mean the contract between the Buyer and the Seller consisting of the Order, these Conditions and any other document or part thereof specified in the Order and shall incorporate all terms and conditions implied by law.

"**Force Majeure Event**" means any event outside the reasonable control of either party affecting its ability to perform any of its obligations under these Conditions and/or the Contract;

"**Goods**" means the goods which the Supplier is to provide to the Buyer in accordance with these Conditions;

"**Intellectual Property**" means all intellectual and industrial property rights including patents, know-how, registered trademarks, registered designs, utility models, applications for and rights to apply for any of the foregoing, unregistered design rights, unregistered trademarks, rights to prevent passing off for unfair competition, copyright, database rights, topography rights and any other rights in any invention, discovery or process, in each case in the United Kingdom and all other countries in the world and together with all renewals and extensions;

"**Order**" shall mean the Buyer's purchase order including, without limitation, any Buyer's purchase order placed by electronic, voice and paper means;

"**Services**" means the services which the Supplier is to provide to the Buyer in accordance with these Conditions;

"**Specification**" shall mean the specification developed and / or agreed with the Buyer, any specification provided by the seller, and any requirements of the Buyer's Supplier Conformance Agreement;

"**Supplier**" means the person, firm or company to whom the Order is addressed.

"**Writing**" shall include facsimile transmission, electronic mail or other non-printed means of recorded communication

#### 2. Basis of Contract

2.1 The Contract will be subject to these Conditions to the exclusion of all other terms and conditions (including any terms or conditions which the Supplier purports to apply under any quotation, Order acknowledgement or any other document issued by the Supplier).

2.2 The Order is an offer made by the Buyer to the Supplier and the Contract shall come into effect upon acceptance of the Order by the Supplier. Unless previously withdrawn by the Buyer, the Supplier shall be deemed to have accepted an order if not rejected by the Supplier by notice in writing to the Buyer within three (3) days of the date the offer was made by the Buyer.

2.3 These Conditions shall apply to every purchase made or order placed by the Buyer and no variation of the same shall be effective, whether contained in any document emanating from the Seller or made orally or in writing by any person purporting to act on behalf of the Seller unless evidenced in writing and signed by a statutory director of the Buyer.

2.4 The Supplier may not cancel the Contract. The Buyer is entitled to cancel the Contract in whole or in part by giving written notice to the Supplier at any time prior to delivery (in respect of Goods) or at any time (in respect of Services), in which event the Buyer's sole liability will be to pay to the Supplier fair and reasonable compensation for work-in-progress at the time of cancellation, but such compensation shall not include loss of profits or any indirect or consequential loss.

#### 3 .Delivery

3.1 The Supplier shall deliver the Goods strictly in accordance with the Buyer's delivery instructions unless agreed in writing otherwise, in accordance with Condition 3.2. The Supplier shall mark each delivery in accordance with the requirements of the Specification and/or the Purchase Order.

3.2 The Supplier shall deliver the Goods, where the address is within the United Kingdom, between the hours notified by the Buyer to the Supplier.

3.3 Time of delivery of Goods is of the essence. The Buyer shall be under no obligation to accept delivery of the Goods from the Supplier before the specified delivery time, but reserves the right to do so.

3.4 The Buyer shall have the right to change its delivery instructions at any time.

3.5 The supplier shall ensure that the Buyer's order number, stock number (if appropriate), description of goods / services and quantity must accompany each delivery. If an order is despatched in separate consignments a delivery note and invoice is required on each consignment. We reserve the right to reject deliveries where a delivery note is not included with the load;

3.6 The Buyer shall not be obliged to accept quantities of the Goods which vary from those specified in the Specification or the Order. Excess of the quantity specified in the Order, the Buyer may keep the goods at no cost to the Buyer. Less than the quantity specified on the Order, the buyer will only pay for the quantity delivered.

3.7 The Supplier shall ensure that the Goods are properly packed and secured in such a manner as to reach their destination undamaged and in good condition.

3.8 The Supplier may not deliver the Goods by separate instalments and/or perform any Services in stages unless agreed in advance in writing by the Buyer. If the Buyer does so agree, the Buyer will have the right, but not be obliged, to:

(a) treat the Contract (for the total Order) as repudiated if the Supplier fails to deliver or perform any instalment or stage; and/or

(b) reject any or all of the instalments or stages for the total Order if the Buyer is entitled to reject any one instalment or stage.

3.9. The Seller shall be responsible for any expenses incurred in re-delivering any incorrectly delivered Goods to the correct delivery address;

#### 4. Acceptance

4.1 The Buyer shall not be deemed to have accepted:

(a) any Goods until it has had a reasonable time to inspect them following delivery or after any latent defect has become apparent; or

(b) any Services until it has had a reasonable time to test them following the Services being provided by the Supplier.

4.2 No inspection or testing by the Buyer, whether before or after delivery of the Goods or performance of the Services, nor the signing of any delivery note or other document acknowledging physical receipt of any Goods or Services, shall

be deemed to constitute or evidence acceptance or approval of the Goods for the purposes of the Sale of Goods Act 1979 (as amended) or otherwise, nor be deemed a waiver of the Buyer's rights either to cancel or return all or any part thereof where the Goods and/or Services are found to be defective or not in accordance with the Contract, Order or Specification.

4.3 The Supplier shall provide the Buyer with all facilities reasonably required by the Buyer for inspection and/or testing of the Goods and/or Services.

## **5. Title, Risk and Free Issue Materials**

5.1 The Goods shall be at the risk of the Supplier until they are delivered in accordance with the Contract when, without prejudice to any right of rejection which the Buyer may have under the Contract or by law, title to and risk in the Goods shall pass to the Buyer. However, if the Buyer pays for the Goods prior to delivery, title to the Goods shall pass to the Buyer when payment is made;

5.2 Free Issue Materials shall be, and shall remain, the property of the Buyer, its customers and/or subcontractors (as appropriate);

5.3 The Supplier shall use Free Issue Materials solely for the purpose of providing the Goods and/or Services pursuant to the Contract and any surpluses of Free Issue Materials shall be returned or disposed of only as directed by the Buyer. Any waste of Free Issue Materials arising from bad or faulty workmanship, or any loss of the same while in the custody of the Supplier, shall be made good at the Supplier's sole cost and expense.

## **6. Provision of Services**

6.1 The Supplier undertakes, represents and warrants to the Buyer that:

(a) the Supplier shall carry out the Services strictly in accordance with the Order and the Specification;

(b) the Services will conform strictly as to quantity, quality and description with any marketing materials or other documentation provided by the Supplier for services of that type; and

(c) the Services will be performed by appropriately qualified and trained personnel with due care and diligence and to such high standard of quality as it is reasonable for the Buyer to expect in all the circumstances.

6.2 The time of performance of the Services is of the essence.

## **7. Prices and Payment**

7.1 The price for the Goods and/or Services shall be stated in the Order. The price shall be inclusive of all packaging, packing, labelling, insurance, delivery, installation costs and all other costs incurred by the Supplier in relation to the Goods and/or Services and their delivery, and/or performance unless specified expressly to the contrary in the Order;

7.2 Unless otherwise so stated, the price shall be exclusive of any applicable value added tax (which shall be payable by the Buyer subject to receipt of a VAT invoice);

7.3 The Supplier may only invoice the Buyer on or after delivery of the Goods or completion of the performance of the Services and any invoices submitted early shall be deemed received on the date of delivery of the Goods or date of completion of the performance of the Services. The Supplier shall quote the Buyer's Order number clearly on each invoice and on all invoice correspondence and advice notes;

7.4 The Buyer shall pay the price of the Goods or Services within ninety (90) days after the end of the month of the later of:

(a) receipt by the Buyer of an invoice issued in accordance with Condition 7.3;

(b) acceptance of the Goods or Services by the Buyer in accordance with Condition 4.

7.5 It will be the responsibility of the Supplier to ensure that accurate and up to date gross and net item prices are made available;

7.6 If any sums are due to the Buyer (and/or any company within the Buyer's group of companies) from the Supplier, then the Buyer shall be entitled to exercise the right to set-off such sums against any payments due to the Supplier;

7.7 Any money paid by the Buyer to the Supplier in respect of any Goods or Services rejected under these Conditions (together with any additional expenditure over and above the price specified in the Order reasonably incurred by the Buyer in obtaining other goods or services in replacement of any rejected Goods or Services) shall be paid by the Supplier to the Buyer within seven (7) days of the date of the Buyer's notice demanding the same or, at the Buyer's sole option, shall be deducted from the money still to be paid by the Buyer to the Supplier in relation to such Goods or Services;

7.8 Any price changes should be communicated in writing to the buyer no later than 5 working days before the effective change date and will only be deemed valid once confirmation has been acknowledged in writing.

## **8. Warranties**

8.1 The Supplier undertakes, represents and warrants to the Buyer that the Goods and their packaging and labelling shall:

(a) conform to the Specification and with any instructions of the Buyer, and shall otherwise meet the requirements of the Order and the Contract;

(b) be of satisfactory quality, free from defects in materials and workmanship and fit for their intended purpose (whether such purpose is implied or expressly stated in the Specification, Orders or Contract);

(c) conform strictly as to quality, quantity and description with any samples provided by the Supplier for the purpose of supply of goods of that type.

8.2 The Supplier shall use its best endeavours to transfer or assign to the Buyer or otherwise obtain for the benefit of the Buyer any guarantee, warranty or other confirmation of quality, title or fitness for purpose given by any manufacturer of the Goods in respect of the Goods (or part thereof) to the extent that the same is capable of such transfer or assignment to the Buyer or otherwise providing such benefit for the Buyer.

8.3 Where there is any breach of the Supplier's warranties in Condition 6.1 and/or Condition 8.1 above, the Buyer shall be entitled at its sole discretion without liability to the Supplier (arising out of such action) and without prejudice to any other right or remedy the Buyer may have to take one or more of the following actions to:

(a) cancel the Contract and treat the Contract as having never been entered into by the Supplier;

(b) reject the relevant Goods (in whole or in part);

(c) recover from the Supplier any costs reasonably incurred by the Buyer in obtaining substitute goods or services from another supplier;

(d) require the Supplier at its sole cost to replace, repair the Goods or carry out such work as is necessary within (7) days so that the Goods conform to the Contract, Order and Specification;

(e) delay payment of the invoice for the Goods and Services until the requirements of this Contract are entirely fulfilled;

8.4 If the Buyer claims that an Order has not been fulfilled or has been incorrectly fulfilled the Supplier shall be deemed to accept the validity of the claim unless it serves written notice on the Buyer disputing the said claim and stating the reasons for its dispute within seven (7) days of the date of the said claim.

8.5 The Seller will maintain detailed quality control and manufacturing records for the period of at least seven (7) years from the date of supply of Goods or performance of the Services.

8.6 When on the Buyer's premises, the Supplier, its employees, agents and subcontractors, shall comply at all times with all safety requirements, regulations and/or other policies of the Buyer that are displayed at the premises.

8.7 Title and risk in any replacement Goods shall be determined in accordance with Condition 5.1.

## **9 . Discovery of Defects**

9.1 The Supplier shall immediately notify the Buyer in writing providing all relevant details if it discovers that there is: (i) any defect in the Goods which have been delivered to the Buyer at any time; or (ii) any error or omission in the instructions for the use and/or assembly of the Goods, which causes or may cause any risk of death, injury or damage to property.

9.2 The Buyer may at its discretion:

- (a) recall any Goods or any other products into which the Goods have been incorporated already sold by the Buyer to its customers; and/or
- (b) issue any notification whether in writing or otherwise to its customers about the manner of use or operation of any Goods or any other products into which the Goods have been incorporated already sold by the Buyer to its customers.

## **10. Remedies**

10.1. Seller will indemnify the Buyer against its legal liability whether by way of claims made against the Buyer or by way of loss or expense incurred by the Buyer for damages and claimants costs and expenses arising as a result of (a) accidental bodily injury (including death, illness or disease) to any person and (b) accidental loss of or damage to material property which arises from or is alleged to have arisen from any defective, harmful or incorrect goods or services (or any part of either) which is manufactured, designed, sold, supplied, installed, repaired, altered, treated, despatched or delivered by or on behalf of the Seller in the normal course of the Seller's business.

10.2. The Seller shall at all times be adequately insured with a reputable Insurer against its liability under clause 10.1. in a sum of at least £5 million.

10.3. Without prejudice to the Buyers rights under any condition warranty or other term implied herein by statute or by Common Law or under any term of the Contract, the Seller will be liable to the Buyer for and indemnify and keep the Buyer indemnified against any liability claim costs (on a full indemnity basis) proceedings loss or damage (including the stopping or interference with the production of or manufacture or supply by the Buyer of any goods or services)

10.4. Caused by any defect in any Goods or Services supplied by the Seller or by their not complying with the appropriate specification and/or quality.

10.5. In the event of delays, defaults or non-deliveries arising other than as a result of negligence on the part of the Buyer, against any increase in:

10.5.1. The cost of labour or material required to produce the Goods

10.5.2. The cost of transportation

10.5.3. Costs which would not have been incurred but for such delay, default or non-delivery, incurred by the Buyer under contracts entered into by the Buyer for the supply of Goods due to breach by the Seller of any of its obligations under the contract arising directly or indirectly out of any breach by the Seller of the Contract.

10.5.4. Any sums expended by the Buyer so caused or arising (including liquidated damages clauses from customers) shall be reimbursed to the Buyer by the Seller on demand.

## **11. Insurance**

11.1 The Supplier shall at its own cost effect and keep in place with reputable insurers such insurance policies as are appropriate and adequate having regard to its obligations and liabilities under the Contract. This includes insuring against damage of customer tooling when on suppliers site for repairs or servicing. The Supplier shall on the written request of the Buyer from time to time provide the Buyer with reasonable details of the insurance maintained in force in accordance with this Condition. The Supplier shall do nothing to invalidate any of the policies maintained in force in accordance with this Condition 11.

## **12. Confidentiality**

12.1 The supplier shall keep secret and shall not disclose to any third party any information relating to the business, operations, and its suppliers or customers.

12.2 The supplier may disclose Confidential Information disclosed to it by the

Discloser:

12.2.1. to those of the Recipient's directors, officers, employees, agents, contractors and professional advisors who reasonably require knowledge of the relevant information in order to properly carry out their functions provided that, in each case, the relevant person shall be bound by obligations of confidentiality in relation to such information which are reasonably equivalent to those contained in this Agreement;

12.2.2. where required to do so by any court of competent jurisdiction or other legal authority with power to order the relevant disclosure.

12.3. The provisions of clause 12.1 shall not apply to Confidential Information which:

12.3.1. is in the public domain other than as a result of a breach by the Recipient of its obligations to the Discloser;

12.3.2. was known to the Recipient prior to disclosure by the Discloser and the Recipient can evidence this prior knowledge; and

12.3.3. was independently developed by the Recipient without reference to the Discloser's Confidential Information and the Recipient can evidence this independent development.

12.4. This clause 14 shall survive termination or expiry of this Agreement.

## **13. Intellectual Property**

13.1 Any and all Intellectual Property created or acquired in the course of or as a result of any work carried out by the Supplier under or in pursuance of the Contract, shall, from the date of their creation or acquisition by the Supplier and otherwise promptly upon request by the Buyer, be assigned to the Buyer.

13.2 Any specifications, instructions, plans, drawings, tools, models, patterns, samples, designs or other materials (including copies), gauges, dies, jigs, moulds and any other equipment or articles either supplied by the Buyer to the Supplier in connection with a Contract, and/or paid for by the Buyer under a Contract ("Materials"), and all Intellectual Property in the same, shall remain the property of, and vest in, the Buyer.

13.3 The Supplier hereby agrees and undertakes promptly at the request of the Buyer, but at its own cost, to do all such acts or deeds and execute all such documents as may be required by the Buyer to give effect to the provisions and intentions of this Condition 13.

## **14. Termination**

14.1 Subject to Condition 2.4, the Buyer may immediately terminate the Contract, return or reject (at the Supplier's risk and expense) any Goods already delivered, and to recover any monies paid by the Buyer in respect of any Goods and/or Services (and any additional expenditure incurred by the Buyer), by giving notice in writing to the Supplier if any one or more of the following events happens:

(a) the Supplier commits a breach of any of its obligations under these Conditions which is incapable of remedy;

(b) the Supplier fails to remedy, where it is capable of remedy, or persists in any breach of any of its obligations under these Conditions after having been required in writing to remedy or desist from such breach within a period of thirty (30) days;

- (c) the Supplier proposes a voluntary arrangement within the meaning of Section 1 or Section 253 of the Insolvency Act 1986, or an interim order is made in relation to the Supplier under Section 252 of the Insolvency Act 1986, or any other steps are taken or negotiations commenced by the Supplier or any of its creditors with a view to proposing any kind of composition, compromise or arrangement involving the other party and any of its creditors; or
- (d) any of the following occur:
  - (i) the Supplier is deemed to be unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986;
  - (ii) the Supplier calls a meeting for the purpose of passing a resolution to wind it up, or such a resolution is passed;
  - (iii) the Supplier presents, or has presented, a petition for a winding up order;
  - (iv) an application to appoint an administrator is made in respect of the Supplier or a notice of intention to appoint an administrator is filed in respect of the Supplier;
  - (v) any other steps are taken by the Supplier or any other person to appoint an administrator over the Supplier;
  - (vi) the Supplier has an administrator, administrative receiver, or receiver appointed over all or any part of its business, undertaking, property or assets; or
  - (vii) the Supplier takes any steps in connection with proposing a company voluntary arrangement or a company voluntary arrangement is passed in relation to it.

14.2 The termination of the Contract shall be without prejudice to the rights and remedies of either party which may have accrued up to the date of termination.

14.3 Upon termination of the Contract for any reason whatsoever:

- (a) (subject to Condition 14.2 above) the relationship of the parties shall cease save as and to the extent expressly provided for in this Condition 14.3;
- (b) any provision which expressly or by implication is intended to come into or remain in force on or after termination shall continue in full force and effect; and
- (c) the Supplier shall immediately return to the Buyer (or if the Buyer so requests by notice in writing, destroy) all of the Buyer's property (including the Materials) in its possession at the date of termination including all Confidential Information, together with all copies of such Confidential Information and shall certify that it has done so, and shall make no further use of such Confidential Information.

## 15. Force Majeure

15.1 Reasonable efforts will be made by the Buyer to carry out the terms of the Order but the Buyer shall not be responsible for any delay due to or any loss or damage occasioned by any cause arising from or attributable to acts, events, omissions or accidents beyond the reasonable control of the Buyer including, but not limited to, acts of God, strikes, any labour disputes, shortage of supplies or materials, malicious damage.

15.2. In any such case the Order shall be suspended during such event and shall again become operative upon the termination of such cause.

## 16. Assignment, Sub-Contracting and The Contract and Third Party Rights

16.1 The Contract is personal to the Supplier. The Supplier shall not assign, delegate, sub-contract, transfer, charge or otherwise dispose of all or any of its rights and responsibilities under the Contract without the prior written consent of the Buyer.

## 17. Drawings and Design

17.1 All property and copyright in all drawings, designs, patterns, specifications, materials, tools, and other data and appliances provided by the Company or by the Supplier at the request of the Company in connection with this Order shall vest in and remain at all times the property of the Company and shall be used by the Supplier solely for the purpose of this Order and shall be sent if requested to the Company, carriage paid on completion of the Order.

17.2 The Supplier confirms that all designs and specifications prepared by it are such that the goods supplied to such designs and specifications will be safe and without risks when properly used.

## 18. TUPE

18.1 The parties acknowledge and agree that it is not the intention of the parties that the contracts of employment of the Supplier, employees, agents or contractors of the Supplier ("**Supplier Personnel**") shall during the term or on the expiry or termination of the Contract or at any time thereafter be transferred under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended) (the "**Regulations**") to the Buyer or to any new supplier engaged directly or indirectly by the Buyer to provide the Services (or similar services) on such termination (a "**New Supplier**"). If on expiry or termination of the Contract, or at any time thereafter, any contract of employment of any of the Supplier Personnel transfers to the Buyer or a New Supplier, it is agreed that, on discovering such a finding or allegation, the Buyer or the New Supplier will be entitled to terminate immediately the employment of the person concerned and the Supplier shall indemnify and keep indemnified the Buyer against all awards, losses, damages, costs, demands, liabilities, interest and expenses (including all legal fees) which the Buyer may incur.

18.2 Nothing in these Conditions shall create, or be deemed to create, a partnership or joint venture or relationship of employer and employee or principal and agent between the parties and no employee of the Supplier shall be deemed to be or have become an employee of the Buyer.

## 19. Gifts and Bribery

19.1 The Supplier undertakes to the Buyer that, during the term of the Contract it will not engage in behaviour that would constitute an offence under the Bribery Act 2010.

## 20. General

20.1 The Supplier shall not exercise any right of lien, general or otherwise and howsoever arising, over any Goods or any other property of the Buyer in the Supplier's possession, in respect of any sums owed by the Buyer to the Supplier under the Contract or otherwise.

20.2 No purported alteration or variation of these Conditions shall be effective unless it is in writing, refers specifically to the Contract and is signed by a duly authorised representative of each of the parties.

20.3 Any notice given under this Agreement shall be in writing and delivered by fax or registered post or e-mail to the address of the party specified in the Order, or such other address as is notified to the other party from time to time.

## 21. Law and Jurisdiction

21.1 These Conditions, the Contract and any dispute or claim arising out of or in connection with them shall be governed by the exclusive jurisdiction of the English Courts to which the parties irrevocably submit.