

**STOKES GROUP LIMITED**  
**CONDITIONS OF PURCHASE (FOR GOODS AND SERVICES)**

**1. DEFINITIONS**

In these conditions of purchase (unless the context otherwise requires) the following words have the following meanings:

“**Conditions**” means the conditions set out below and overleaf;

“**Contract**” means any contract for the purchase of Goods or Services;

“**Goods**” means the goods to be purchased by the Company from the Supplier pursuant to the Order (including but not limited to any part or parts of them and any materials, articles and commodities supplied in connection with the Services);

“**Order**” means a purchase order issued by the Company to the Supplier on the Company's official order form;

“**Services**” means the work and/or services (or any of them) to be performed by the Supplier for the Company pursuant to the Order; and

“**Supplier**” means the company, firm, body or person to whom an Order is addressed.

**2. APPLICATION OF TERMS**

2.1 The Company and the Supplier acknowledge that these Conditions have been reviewed by the parties and are given the circumstances considered fair and reasonable by both parties.

2.2 Unless agreed in writing and signed by a director of each party these Conditions are the only conditions on which the Company is prepared to deal with the Supplier and they shall govern the Contract and all the Company's future purchases from the

Supplier to the exclusion of any terms or conditions endorsed upon, delivered with or referred to in any quotation or other similar document delivered or sent by the Supplier to the Company.

2.3 The Company will not be liable for any Order unless it is issued or confirmed on the Company's official order form.

**3. DELIVERY**

3.1 The date for the delivery of the Goods and Services shall be specified in the Order, or if no such date is specified then delivery shall take place within 30 days of the date of the Order. Unless otherwise agreed in writing the Company is not obliged to accept delivery earlier than the due date.

3.2 Unless otherwise agreed in writing delivery will take place carriage paid, at the Company's principal place of business.

3.3 Unless otherwise agreed in writing deliveries will only be made during the Company's normal business hours.

3.4 The Supplier will ensure that each delivery is accompanied by a delivery note which shows the Order number, date of order, number of packages, contents and the outstanding balance remaining to be delivered (in the case of part delivery). The packaging of the Goods must bear the description and quantity of the contents and the Company's Order number. If requested by the Company the information referred to in this clause must be supplied in the medium nominated by the Company (For Example, by bar codes). If the Supplier does not comply with the provisions of this clause 3.4 the Company may reject the Goods.

3.5 Unless otherwise agreed in writing time for the delivery of the Goods and Services will be of the essence of the Contract and the Supplier will promptly notify the Company of any anticipated delay in delivery.

3.6 All Goods must be properly packed so that they are delivered in perfect condition and all packaging materials and cases supplied with the Goods must enable the safe and efficient loading and off-loading of the Goods.

3.7 If, for any reason, the Company is unable to take delivery of the Goods and/or performance of the Services on the due date the Supplier will, store or arrange for the storage of the Goods for a reasonable time and/or for the re-performance of the Services and will safeguard the Goods and Services and take all reasonable steps to prevent their deterioration until actual delivery.

3.8 The Company will not be responsible for and reserves the right to return (at the Supplier's risk and expense) Goods provided in excess of the Order.

3.9 The Company will not be responsible for any failure to give notice to the carriers of loss, damage, delay, detention or non-delivery.

3.10 The Supplier agrees to supply to the Company (on request) any and all necessary declarations and documents relating to the origin of the Goods.

#### **4. BLANKET ORDERS**

Where the Company places and the Supplier accepts a blanket order, the Supplier binds itself to supply such of the Company's requirements of the Goods or Services as the Company may from time to time specify in delivery schedules and the Company agrees (subject to the Contract) to pay for such Goods or Services. Until the receipt of a delivery schedule the Supplier is not authorised to commence the manufacture, production or performance of the Goods or Services.

#### **5. RISK AND OWNERSHIP**

The Goods will remain at the risk of the Supplier until delivery in accordance with the Conditions to the Company (including off-loading and stacking if appropriate) is complete when ownership in the Goods will then pass to the Company (without prejudice to any right of rejection or other right which may accrue or have accrued to the Company).

#### **6. QUALITY**

6.1 The Supplier warrants to the Company that the Goods and Services will:

6.1.1 conform in all respects as to quantity, quality, design and description with the Order and any specifications, stipulations or standards stated or referred to in the Order;

6.1.2 be of first-class materials and workmanship and be executed with reasonable care and skill by properly qualified and experienced persons;

6.1.3 be equal in all respects to any sample, pattern, demonstration or specification provided or given by either party (which has been accepted in writing by the Company);

6.1.4 be capable of any standard of performance specified in the Order;

6.1.5 be fit for any purpose indicated (either expressly or by implication) in the Order or as may be made known by the

Company to the Supplier prior to the Contract being entered into;

6.1.6 be so designed and manufactured as to be safe and without risk to health or property when properly used; and

6.1.7 comply with all relevant laws, regulations, orders, rules and codes of practice that may be in force.

6.2 The Supplier will provide all necessary information in connection with the design, testing and use of the Goods and Services (whether or not such information is requested by the Company).

6.3 The Supplier consents to the Company transferring any guarantee or similar rights given by the Supplier to the Company in relation to the Goods or Services supplied to any third party to whom the Company sells, hires or disposes of such Goods or Services with the intent that such guarantee or similar rights may be enforced against the Supplier not only by the Company but also by any third party claiming through the Company.

6.4 The Company's rights under these Conditions are in addition to the statutory conditions implied in favour of a purchaser by the Sale of Goods Act 1979 (as amended).

#### **7. PRICE AND PAYMENT**

7.1 The price of the Goods or Services will be stated in the Order and (unless otherwise agreed in writing) will be fixed for the duration of the Contract and will be exclusive of value added tax but inclusive of all other charges.

7.2 The Supplier may invoice the Company for the Goods and Services at any time after delivery. Invoices must show the Company's order number.

7.3 The Company shall use all reasonable endeavours to pay the price for the Goods and Services within 60 days of receipt of a valid invoice, but time for payment shall not be of the essence of the Contract. All payments are made without prejudice to the Company's rights should the Goods or Services prove unsatisfactory.

7.4 Any failure to comply with the instructions set out in the Contract may delay payment.

7.5 Without prejudice to any other right or remedy the Company reserves the right to set off any amount owing at any time from the Supplier to the Company against any amount payable by the Company to the Supplier under the Contract.

#### **8. CHANGES IN SPECIFICATION ETC**

The Company may at any time make written changes to the Contract including but not limited to changes in the drawings, specifications, method of shipment, quantities, packaging or time or place of delivery. If any such change results in an increase in the cost of, or the time required for, the performance of the Contract an equitable adjustment shall be made to the price, delivery schedule or both unless such changes are envisaged by the parties at the time of the Contract. Any claim or

adjustment by the Supplier shall be approved by the Company in writing before the Supplier proceeds with such a change. For the avoidance of doubt, nothing in this clause 8 will relieve the Supplier from the obligation of proceeding without delay in the performance of the Contract.

## **9. INSPECTION AND TESTING**

9.1 Prior to delivery, the Company (or any representative of the Company or the Company's customer) has the right to inspect and test the Goods and Services at any reasonable time and the Supplier will arrange for reasonable facilities at and access to the premises where such Goods or Services are located.

9.2 If the results of such inspection or testing cause the Company (or any representative of the Company or the Company's customer) to be of the reasonable opinion that the Goods or Services do not conform with the Order or to any specifications or patterns supplied or advised by the Company to the Supplier the Company shall inform the Supplier and the Supplier must immediately take such action as is necessary to ensure conformity.

9.3 If requested by the Company the Supplier will give adequate notice of works tests which the Company shall be entitled to attend and will provide the Company with such test certificates as the Company or its customer may reasonably require.

9.4 Any inspection or testing by the Company (or any representative of the Company or the Company's customer) does not relieve the Supplier of any obligations or liability under the Contract and does not imply any acceptance of the Goods or Services by the Company.

## **10. THE COMPANY'S PROPERTY**

10.1 All materials, equipment, tools, dies, moulds, copyright, design rights or any other form of intellectual property rights in all patterns, data, drawings and specifications and any other items supplied by the Company to the Supplier or used by the Supplier specifically in the provision of the Goods and Services ("Company's Property") will at all times be and remain the exclusive property of the Company.

10.2 The Company's Property will be held by the Supplier in safe custody (at the Supplier's own risk and expense) and maintained and kept in good condition by the Supplier until returned to the Company. The Company may request the return of the Company's Property at any time and in any event the Supplier shall promptly return the Company's Property once the Order has been fulfilled or cancelled.

10.3 The Company's Property will not be disposed of other than in accordance with the Company's written instructions and will not be used otherwise than as authorised by the Company in writing.

Unless and until incorporated into any Goods or

Services the Supplier will keep the Company's property separate and apart from all other property and clearly marked as the property of the Company.

10.4 The Company may take possession of the Company's Property at any time.

10.5 The Supplier grants to the Company irrevocable authority to enter the premises where the Company's Property is located to take possession of the Company's Property and (if necessary) to dismantle using reasonable care the Company's Property from anything to which it is attached.

10.6 The Supplier agrees to waive any and all lien that it might otherwise have (at the date of the Order or subsequently) on any of the Company's Property although this will not be construed as a waiver of any other right of recovery of any charges which may be due to the Supplier under the Contract.

## **11. INVENTIONS AND IMPROVEMENTS**

When the Order includes manufacture to the Company's designs the Supplier agrees to inform the Company of any invention or improvement in design or method of manufacture arising out of the performance of the Order by or on behalf of the

Supplier and any such invention or improvement and any related patent, registered design rights and copyright in any drawings, documents or specifications will be the property of the Company. The Supplier will give the Company at the Company's expense all necessary assistance to enable the Company to obtain patent, registered design and similar rights throughout the world.

## **12. LICENCES**

If the performance of the Order requires the Company to have any permit or licence from any government or other authority at home or overseas, the Order will be conditional on such permit or licence being available at the required time.

### **13. CONFIDENTIALITY**

13.1 The Supplier will keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and which have been disclosed to the Supplier by the Company or its agents and any other confidential information concerning the Company's business or its products which the Supplier may obtain.

The Supplier will restrict disclosure of such confidential information to such of its employees, agents or subcontractors as need to know the same for the purpose of discharging the Supplier's obligations to the Company under the Contract and will ensure that such employees, agents or subcontractors are subject to equivalent obligations of confidentiality as bind the Supplier.

13.2 The Supplier will not (except to the extent necessary to fulfil its obligations under the Contract) without the prior written consent of the Company advertise or publish the fact that the Supplier has contracted to supply the Goods or Services to the Company.

### **14. INDEMNITY AND INSURANCE**

14.1 The Supplier will keep the Company indemnified in full against any and all direct, indirect or consequential liability, loss, damage, injury, claim, action, demand, expense or proceeding awarded against or incurred or paid by the Company as a result of or in connection with:

14.1.1 any breach by the Supplier of any term of the Contract;

14.1.2 defective workmanship, quality or materials;

14.1.3 (except in respect of any designs provided by the Company) any infringement or alleged infringement of any intellectual property rights caused by the use, manufacture or supply of the Goods or Services;

14.1.4 any contract entered into by the Company the performance of which has been delayed or rendered impossible by the Supplier's breach of its obligations under the Contract;

14.1.5 (in the event of delays, defaults or non-deliveries arising other than as a result of the Company's negligence) any increase in the cost of labour or materials required to obtain the Goods or Services elsewhere and the cost of any other item which would not have been incurred but for such delay, default or non-delivery;

14.1.6 any claim made against the Company by any customer or third party to the extent that such was caused by, relates to or arises from the Goods or Services;

14.1.7 any product recall costs incurred by the Company to the extent that such was caused by, relates to or arises from the Works; and/or

14.1.8 any loss of or damage to the Company's Property whilst it is in the possession, control or custody of the Supplier.

14.2 The Supplier will at all times during the continuance of the Order and thereafter carry adequate insurances to cover any liability for defective or dangerous Goods and Services and will make its policies of insurance available for inspection if requested.

### **15. TERMINATION**

15.1 The Company may terminate the Contract immediately if:

15.1.1 the Supplier fails to provide the Goods or Services on the due date;

15.1.2 the Goods or Services supplied do not conform in every way with the Contract;

15.1.3 the Supplier is in breach of any term of the Contract and has failed to remedy such breach within 28 days of receipt of written notice specifying the breach and requiring it to be remedied;

15.1.4 there is a material change in the ownership or control of the Supplier; or

15.1.5 the Supplier is wound up or becomes insolvent or has a receiver or administrative receiver appointed or suffers the appointment or the presentation of a petition for the appointment of an administrator or any equivalent or analogous event occurs in any other jurisdiction.

15.2 The termination of the Contract (howsoever arising) will be without prejudice to any rights and remedies which may have accrued to either party.

15.3 Any Conditions which impliedly have effect after termination will continue to be enforceable notwithstanding termination.

### **16. ASSIGNMENT AND SUBCONTRACTING**

16.1 The Supplier will not without the prior written consent of the Company assign or transfer the Contract or any part of it to any other person.

16.2 The Supplier will not without the prior written consent of the Company subcontract the Order or any part of it. Any such consent by the Company will not relieve the Supplier of any of its obligations under the Contract.

## **17. CONFORMITY WITH REGULATIONS**

All products and/or services supplied shall meet the applicable requirements regarding regulations, documentation and safety. The Supplier shall put in place processes to guarantee compliance with government restrictions and safety regarding substances with restricted or prohibited use. This shall include products purchased by the Supplier or those products relative to the production process.

In order to comply with the terms of this contract, the Supplier shall fulfil any legal obligations and requirements applicable at any given time, specifically including EC Regulation 1907/2006 of the European Parliament and of the Council concerning the registration, evaluation, authorisation and restriction of chemicals (REACH) and any modifications that may be made to said regulation in the future, as well as any other regulation applicable to this field.

## **18. CORPORATE AND SOCIAL RESPONSIBILITY**

The CUSTOMER takes ownership of the ten universally accepted principles in the United Nations Global Compact strategic policy in the areas of human rights, labour and environment, and integrates them into the company's strategy and activities. These ten universally accepted principles in the UNG Compact strategic policy are considered an integral part of the company's strategy and operations and expects that the Supplier shall equally demonstrate compliance with them. Non-compliance with any of these said principles would enable the immediate termination of the contractual relationship.

## **19. GENERAL**

17.1 Any notice or other document to be served under the Contract must be in writing addressed to a director of the receiving party and may be delivered or sent by prepaid first class letter post, or facsimile transmission or e-mail.

17.2 Any notice or document shall be deemed served, if delivered, at the time of delivery, if posted, 48 hours after posting and if sent by facsimile transmission or e-mail, at the time of successful transmission.

17.3 If any provision of the Contract is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid, void, unenforceable or unreasonable it will, to the extent of such illegality, invalidity, voidness, unenforceability or unreasonableness, be deemed severable and the remaining provisions of the Contract and the remainder of such provision shall continue in full force and effect.

17.4 Failure or delay by either party in enforcing or partially enforcing any provision of the Contract will not be construed as a waiver of any of its rights under the Contract.

17.5 Any waiver by either party of any breach of, or any default under, any provision of the Contract by the other party will not be deemed a waiver of any subsequent breach or default and will in no way affect the other terms of the Contract.

17.6 A person who is not party to the Contract will have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Contract. This clause 17.6 does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

17.7 The Contract will be governed by English law and the parties submit to the non-exclusive jurisdiction of the English courts.