

1. Definitions

- 1.1. In these conditions:
KL means Kemtron Limited. Its successors and assigns and (*unless the context otherwise requires*) its subsidiary and associated companies from time to time.
Supplier means the company, firm or person to which the Purchase Order is addressed.
Services means the services specified in the Purchase Order which the Supplier is to supply in accordance with the Contract and unless the context otherwise requires shall include each and every part of the Services.
Goods means the Goods specified in the Purchase Order (*including any prototypes or samples*) which the Supplier is to supply in accordance with the Contract and unless the context otherwise requires shall include each and every part of the Goods.
Related products means KL's products utilising the Services in their manufacture or design or in relation to which the Services are performed.
Purchase Order means the Purchase Order and any specifications drawings or conditions referred to in it.
Contract means the Contract for the purchase and sale of the Goods and/or Services as constituted by the Supplier's acceptance of the Purchase Order in accordance with these Conditions.
Deliver and its related expressions shall include the provision of Services (*if any*).
- 1.2. Where the Supplier comprises two or more persons their obligations shall be joint and several.
- 1.3. The headings in these conditions shall not affect their interpretation. The singular shall include the plural and vice versa.

2. Acceptance – Entire Agreement

- 2.1. The Purchase Order must be signed by an authorised signatory of KL and (*if not previously withdrawn*) is only open for acceptance (*unless KL agrees otherwise*) within ten working days of this date. The Supplier's acceptance of the Purchase Order must be unqualified, unconditional and (*unless KL otherwise directs*) in writing. KL only agrees to buy the Goods and/or Services subject to these conditions which shall govern the Contract to the exclusion of any other terms and conditions unless expressly agreed to in writing by KL. Upon acceptance the Purchase Order and these conditions shall constitute the entire Contract between the parties and no variation shall be binding unless in writing signed by an authorised representative of KL.
- 2.2. The Supplier acknowledges that KL has placed the Purchase Order relying on the skill and expertise of the Supplier and any statements and representations made by it.

3. Pricing

- 3.1. Unless stated on the Purchase Order to be an estimate the prices quoted on the Purchase order for the Goods and/or Services shall (*subject to Condition 11*) be fixed and shall include delivery to and unloading at the delivery address specified on the Purchase Order and the cost of packing and insurance. In the case of estimates the Supplier shall give written notice to KL of the proposed firm price as soon as possible and, in any event, at least one day before the first delivery date. If the firm price cannot be agreed prior to the delivery date KL shall be entitled to have the firm price determined in accordance with Condition 21.

4. Packing

- 4.1. All Goods must be suitably packaged to survive transit undamaged and to resist pilferage, distortion, corrosion or contamination. All Goods shall be clearly labelled and addressed.
- 4.2. All packaging of the Goods must meet KL's storage requirements and must be capable of preserving the Goods in first class condition for a period of storage at KL's premises of at least twelve months. Any defective or faulty packaging shall be replaced at the Supplier's expense.

5. Invoicing / Payment

- 5.1. The Supplier shall:
- 5.1.1 On despatch of the Goods or completion of any Services send detailed advice notes and invoices in which VAT will be shown as a strictly net item.
 - 5.1.2 Insert a copy of the relevant advice note in each package of the Goods.
 - 5.1.3 Send by the tenth day of each month a statement of each invoice rendered during the previous month.
 - 5.1.4 Mark KL's order numbers and any part numbers on all invoices advice notes statement correspondence packages and packing.
 - 5.1.5 Ensure that invoices and advice notes in respect of the Goods and/or the Services do not cover any other goods/services ordered from the Supplier and (*in the case of delivery by instalments*) that there shall be a separate invoice and advice note for each shipment of the Goods.
- 5.2. KL will pay the Supplier's invoices on the terms set out on the Purchase Order. Unless otherwise agreed in writing KL's standard payment terms are sixty days from receipt of valid invoice. Payment by KL shall not constitute any admission as to the performance by the Supplier of its obligations under the Contract.

6. Counterfeit Goods Prevention

- 6.1. The Supplier agrees and shall ensure that Counterfeit Goods are not contained in Goods delivered to the buyer through the implementation of policies that include prevention, detection and risk mitigation methods to protect against the use of Counterfeit Parts.
- 6.2. Where possible, the Supplier shall purchase parts directly from the Original Equipment Manufacturer (*OEM*) or with traceability back to the OEM.
- 6.3. A certificate of conformance shall accompany each shipment of Goods delivered. When requested by the buyer, the Supplier shall provide Authorised Supplier documentation that authenticates traceability of the parts to the applicable Authorised Supplier.
- 6.4. In the event Supplier becomes aware or suspects that it has furnished Counterfeit Parts, it shall immediately notify the Buyer. In the event that Goods delivered under the purchase order are, or include, Counterfeit Parts, Supplier shall promptly investigate, analyse and report in writing to Buyer whether such Counterfeit Parts should be replaced with genuine parts conforming to the requirements of this Order, or whether an alternative solution is recommended to meet the Order requirements at Supplier's sole expense. The parties shall then agree upon the appropriate course of action.

7. Delivery

- 7.1. The Supplier shall in accordance with the delivery schedule stipulated in the Purchase Order or otherwise notified by KL (*time to be of the essence*):
- 7.1.1 Deliver the Goods to the delivery address stated on the Purchase Order and the Goods in accordance with KL's directions, and
 - 7.1.2 Complete the provision of the Services.
- 7.2. Subject to Condition 7 below delay in delivery or non-delivery for whatsoever reason shall entitle KL at its option by notice to the Supplier either to stipulate a revised delivery date or to terminate the Contract forthwith without liability. If KL agrees a revised delivery date it may stipulate the payment of liquidated damages in compensation by the Supplier at the rate stated in the Purchase Order or (*at KL's option*) payment of all consequential losses and claims incurred by KL.
- 7.3. Where Goods are to be delivered in instalments or Services are to be provided over a period of time failure to deliver (*or other breach*) in respect of any one or more instalments of Goods or any one or more items of the Services shall entitle KL to terminate the Contract forthwith without liability to the Supplier.
- 7.4. The Supplier shall be liable for all loss and damage to the Goods until they have been accepted by KL.
- 7.5. KL shall inspect the Goods and notify the Supplier of any damages, shortages or other discrepancies in delivery within six weeks of delivery.

8. Force Majeure

- 8.1. If delivery is or is likely to be delayed by some cause totally outside the Supplier's control ("*an event of force majeure*") it shall immediately give full written details to KL of the delay and, in any event, within 5 days of its occurrence. The Supplier shall not be entitled to rely on any event of force majeure if it fails to give such notice or if it fails to use every reasonable effort to overcome the effects of the event of force majeure and to complete delivery as soon as possible.
- 8.2. If the delay in delivery shall or is likely to continue due to the event of force majeure for more than two weeks after the date the Supplier has or ought to have given notice in accordance with Condition 7.1 then KL shall be entitled to terminate the Contract forthwith by notice to the Supplier, without liability.

9. Termination

- 9.1. The Supplier undertakes that on delivery the Goods and Services will:
- 9.1.1 Comply in all respects with the contract description on the Purchase Order and any specifications drawings or samples stipulated or given to the Supplier by KL.
- 9.1.2 Be of first class quality and free from defect (*whether patent or latent*) in materials design or workmanship.
- 9.1.3 Be in all respects be safe and fit for the purposes for which they are required by KL.
- 9.2. The Supplier undertakes that:
- 9.2.1 No item of the Goods supplied will have been manufactured more than two years prior to the date of despatch to KL.
- 9.2.2 It will have available for purchase by KL and users of the Goods (*or products incorporating the Goods*) spare parts and components for the Goods for a period of two years from the date of KL's receipt of the last instalment of the Goods.
- 9.2.3 The Goods will under conditions of normal use for which they were designed remain in the condition specified in 8.1 above (*excluding fair wear and tear*) for a period of at least twelve months.
- 9.3. If the Goods and / or Services do not conform to the Contract in every respect KL shall be entitled to exercise any one or more of the following rights:
- 9.3.1 Require the Supplier to replace or (*at KL's option*) repair the Goods and/or provide substitute Services so that they conform with the Contract.
- 9.3.2 Require the Supplier to pay on demand the cost of rectifying or replacing any related products.
- 9.3.3 Carry out or have carried out at the Supplier's expense such work as is necessary to ensure the Goods and / or Services conform to the Contract.
- 9.4. If KL terminates the Contract (*in the exercise of any of its rights to do so*) the Supplier shall immediately refund to KL all payments made and if KL rejects any Goods the Supplier shall refund all payments already made for the rejected Goods. If on termination KL elects to keep or take any Goods or make use of any Services it shall account to the Supplier for them at whichever is the less of their value to KL or an appropriate proportion of the total Contract price (*to be determined in default of agreement in accordance with Condition 21*) but otherwise no compensation shall be paid to the Supplier on termination or rejection and the Supplier shall pay on demand any extra expense incurred by KL in purchasing replacement Goods or Services for those Goods or Services rejected.

10. Warranty

- 10.1. If the Goods or any of the related products shall prove defective within a period of twelve months from the date of delivery or (*if later*) from the date of resale by KL as a result of a breach of the Contract then KL may exercise any one or more of the rights set out in Condition 8.3:1, 8.3:2 and 8.3:3. All obligations of this Condition shall further apply to any such rectified or replacement Goods and / or Services.
- 10.2. This Warranty shall be for the benefit of KL and all its customers and all users of the Goods or products incorporating the Goods and / or Services and shall be in addition to any other rights or remedies otherwise available to them in relation to the Goods and / or Services.

11. Inspection and Right to Access

- 11.1. KL and its representatives shall be entitled to have access to the Supplier's premises at all reasonable times for the purpose of checking progress and carrying out or witnessing tests and / or procedures in connection with the manufacture of the Goods and / or the supply to the Services.
- 11.2. The Supplier shall give adequate notice to KL of all tests that it intends to carry out and shall furnish such test certificates as KL requires.

12. Design Changes

- 12.1. KL shall have the right to make changes in the design and / or specifications of the Goods and / or of the Services by notice to the Supplier. If such changes will affect the Purchase Price or delivery schedule the Supplier will notify KL immediately and negotiate an appropriate adjustment (*any dispute as to the adjustment being determined in accordance with Condition 21*). In the absence of such notification the price and delivery schedule will remain the same.

13. Ownership of Goods

- 13.1. Where the price is payable by instalments and the first instalment has been paid the legal and beneficial title to the Goods (*or the relevant material and work in progress*) shall vest in KL upon their being appropriated to the Contract. Where the price is not payable by instalments the legal and beneficial title shall pass to KL on whichever shall first occur of:
 - 13.1.1 Delivery of the Goods.
 - 13.1.2 Payment of the price for the Goods.
- 13.2. KL shall have the right at any time and from time to time to take possession of the Goods to which it has acquired title and of any items belonging to KL and for this purpose may enter any premises of the Supplier.
- 13.3. The Supplier warrants that it has title to the Goods and that on delivery they will be free of all liens, encumbrances and security interest.

14. KL's Information and Property

- 14.1. Any specifications, drawings, sketches, models, samples, technical information or data whether written or oral ("*information*") supplied by KL to the Supplier shall remain KL's property and shall be treated as confidential and shall not be published or disclosed to any third party or be used by the Supplier otherwise than for the purposes of the Contract. All copies of information in tangible form shall be returned carriage paid to KL upon request and in any event upon completion of the Contract.
- 14.2. All tools equipment and material of every description including but not limited to related products ("*Property*") supplied by KL or produced by the Supplier in connection with the Contract shall be the property of KL and shall if required by KL be returned to it after completion of the Contract in good condition (*reasonable wear and tear excepted other than in the case of related products*). All Property shall be at the risk of the Supplier and kept insured by the Supplier at its expense for their full replacement value (*KL being named as loss payee*) and shall not be subject to any lien in favour of the Supplier.

15. Intellectual Property Rights

- 15.1. The copyright and all other intellectual or industrial property rights and confidential information in Services and documentation relating thereto and / or the Goods (*and in any ideas concepts designs know-how or processes developed during the performance of the Contract*) shall automatically vest in KL.
- 15.2. Without limiting the generality of 14.1 where the provision of the Services includes the design and / or writing of computer programmes and associated documentation to the Supplier.
- 15.2.1 In consideration of KL agreeing to pay the price for the Goods hereby assigns to KL the copyright and all other intellectual property rights and confidential information in the relevant specification software and software documentation.
- 15.2.2 Shall supply to KL the relevant source code and object code together with one reproducible copy of all available information as KL shall determine is necessary to enable it to sell the Goods and if applicable to licence or sub-licence and support the software comprised in the Goods.
- 15.3. Where the Goods incorporate software belonging to a third party the Supplier shall grant a non-exclusive irrevocable and perpetual sub-licence (*or shall procure that the relevant owner grants a non-exclusive irrevocable and perpetual licence direct to KL*) of that third party software free of charge.

16. Indemnity

- 16.1. The Supplier shall indemnify KL, its customers and users of KL's products on demand against all loss, damage, claims, liabilities, costs and expenses suffered by any one or more of them for or in connection with:
- 16.1.1 Infringement of patent/registered designs/trademarks / copyright or any other intellectual or industrial property rights throughout the World in respect of the manufacture use or supply of the Goods and/or Services and (*insofar as is attributable to the Goods and/or Services*) the manufacture use or supply of the related product.
- 16.1.2 Any negligence or breach of statutory or other duty on the part of the Supplier its agents or in any way arising out of or in connection with the Supplier's performance of the Contract or the use or resale of the Goods and/or Services or (*insofar as is attributable to the Goods and / or Services*) the manufacture use or supply of the related products.

17. Bankruptcy / Insolvency

- 17.1. KL may terminate the Contract forthwith by notice to the Supplier without liability or at KL's option may permit the receiver / liquidator of the Supplier to complete the Contract subject to his providing a guarantee for its due and faithful performance if:
- 17.1.1 The Supplier makes any voluntary arrangements with its creditors or becomes subject to an administration order or (*being an individual or firm*) becomes bankrupt or (*being a company*) goes into liquidation (*other than for the purposes of amalgamation or reconstruction*).
 - 17.1.2 An encumbrancer takes possession or a receiver or administrative receiver is appointed over any of the property or assets of the Supplier.
 - 17.1.3 The Supplier ceases or threatens to cease to carry on business.
 - 17.1.4 The Supplier is unable to pay its debts (*within the meaning of the Insolvency Act 1986*),
 - 17.1.5 The Supplier is in breach of any terms of the Contract.

18. Cancellation

- 18.1. KL reserves the right to cancel the Contract (*in whole or in part*) at any time by giving written notice to the Supplier. Should KL exercise this right it shall be bound to pay a reasonable price for any work already completed (*to be determined in default of agreement in accordance with Condition 21*) but shall otherwise be free from liability.

19. Waiver

- 19.1. No Waiver by KL of any breach of the Contract by the Supplier shall be considered as a Waiver of any subsequent breach of the same or any other provision. All KL's rights and remedies shall be cumulative and no exercise by KL of any right or remedy shall restrict or prejudice any other right or remedy otherwise available in it. Any inspection or acceptance of or payment for Goods and / or services by KL or the passing of property in Goods to KL shall not restrict or prejudice any right or remedy available to KL.

20. Legislation

- 20.1. The Contract shall be governed by the Laws of England and the English Courts shall have sole jurisdiction in respect of any disputes relating thereto.

21. Assignment

- 21.1. The Supplier shall not assign the whole or any part of the Contract.
- 21.2. The Supplier shall not sub-contract the whole or any part of the Contract without the written consent of KL and it shall be a condition of any such consent that the Supplier shall:
- 21.2.1 Ensure and be responsible for compliance by any sub-contractor with the terms of the Contract.
 - 21.2.2 Include in the sub-contract provisions consistent with the Contract for the benefit of and enforceable by KL.
 - 21.2.3 Furnish KL with copies of the sub-contract upon KL's request at any time.

22. Valuation

- 22.1. Any dispute as to the price of Goods and/or Services shall be determined by an independent valuer nominated by KL and the costs of the valuation shall be borne as the valuer directs.

23. Ethical Business Principles

- 23.1. Product Safety: The Seller is expected to develop, implement and maintain effective policies and training programs to ensure their employees are aware of their relevant contribution to the quality, safety and conformity of their products and / or services.
- 23.2. Ethical Behaviour: The Seller is expected to ensure that all their employees are aware of the importance of ethical behaviour and legal requirements when accomplishing their job responsibilities, such ethical behaviour shall include but is not limited to; being considerate, respectful and shall not allow harassment or discrimination in any form.
- 23.3. Conflict Materials: KL supports the ending of violence and human rights violations in the mining of minerals from the area known as the "Conflict Region" or surrounding countries and will not purchase products that contain conflict minerals particularly tin, tantalum, tungsten or gold that directly or indirectly finance or benefit armed groups in the DRC or adjoining countries. The Company expects all its suppliers to only source minerals from responsible sources.
- 23.4. Flow Down Requirements: The seller is expected to flow down all these Ethical Business Principles to all sub-tier suppliers and subcontractors.

24. Notices

- 24.1. Any Notices to be given under the Contract shall be in writing and may be served by hand or sent by first class pre-paid post, telex, facsimile transmission or a pre-paid comparable means of communication to the receiving party at its business address as last notified in writing to the other party. Any Notice sent by post shall be deemed to have been received on the second business day after posting and any Notice sent by telex, facsimile transmission or comparable means of communication shall be deemed to have been duly sent on the date of transmission that a confirming copy is sent by first class pre-paid post to the other party on that date.