

LIPCO'S TERMS AND CONDITIONS FOR SUPPLIERS

1. DEFINITIONS AND INTERPRETATION

- 1.1. In these conditions, unless the context otherwise requires, the following words shall have the following meanings:
- 1.2. **Company** means Lipco Engineering Limited, a company incorporated in England with registered office at 81 Condor Cl, Woolsbridge Industrial Park, Wimborne, Dorset BH21 6SU
- 1.3. **Contract** means the contract for the purchase and sale of the goods.
- 1.4. **Conditions** means the conditions of purchase set out in this document and any special conditions set out in the order.
- 1.5. **Force Majeure** means any act, event, omission or accident beyond the Company's reasonable control including, without limitation; strikes, lockouts or other industrial disputes (whether involving the workforce of the Company or any other person) act of God, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood, storm or default of the Company's suppliers or subcontractors
- 1.6. **Goods** means the goods the quantity and description of which are set out in the order.
- 1.7. **Order** means the Company's purchase order.
- 1.8. **Seller** means the seller named in the order.
- 1.9. **Specification** means any drawings, specifications or data set out in or referred to in the order.
- 1.10. In these Conditions, unless the context otherwise requires.
- 1.11. Headings shall not affect the interpretation of these conditions.
- 1.12. Any reference to a statutory provision shall include references to that provision as from time to time modified or re – enacted (save to the extent that modifications or re-enactments made after the date of the contract impose any new or extended liability or restriction on the Company or Seller)
- 1.13. Any reference to a person includes any person, firm or company or other legal entity.
- 1.14. The singular includes the plural and vice versa and any gender includes any other gender.

2. PAYMENT

- 2.1. The Seller may invoice the Company on (but separately from) or at any time after delivery of the Goods and each invoice shall quote the number of the order, invoice date, quantity delivered, unit price, total price, VAT and other details as may be requested by the Company.
- 2.2. The Company shall pay the price of the goods within 60 (sixty) days of receipt of the Seller's invoice for the goods, but time for payment shall not be of the essence of the Contract.
- 2.3. Where the Company accepts delivery of goods in advance of the date specified in the order, payment shall be made under clause 2.2 within 60 (sixty) days of the date for delivery specified in the order or, if later, the date of receipt of the Seller's invoice for the goods.

- 2.4. Without prejudice to any other right or remedy, the Company may set off any amount owing at any time from the Seller to the Company against any amount payable by the Company to the Seller under the contract.

3. APPLICATION OF TERMS

- 3.1. These conditions are the only conditions upon which the Company is prepared to deal with the Seller and they shall govern the contract and all other terms or conditions are excluded.
- 3.2. The Seller waives any right which it otherwise might have to rely on any other terms and conditions.
- 3.3. Each order for goods by the Company from the Seller shall be deemed to be an offer by the Company to purchase goods subject to these conditions. No order shall be accepted until the Seller either expressly by giving notice of acceptance, or implied by fulfilling the order, in whole or in part accepts the offer.
- 3.4. No variation to these conditions or the specification shall be binding unless expressly agreed in writing by the Company.

4. CONFIDENTIALITY

- 4.1. The Seller shall keep in strict confidence all technical or commercial know – how, specifications, inventions, processes or initiatives which are of confidential nature and have been disclosed to the Seller by the Company or its employees or agents. Any other confidential information concerning the Company's business or its customers or products which the Seller may obtain and the Seller shall restrict disclosure of such confidential material to such of its employees, agents or sub – contractors. As need to know the same for the purpose of discharging the Seller's obligations to the Company and shall ensure that such employees, agents or sub – contractors are subject to like obligations of confidentiality as bind the Seller.

5. QUALITY AND DEFECTS

- 5.1. The goods shall be of the best available design, of the best quality, material and workmanship, be without fault and conform in all respects with the order and the specification.
- 5.2. The Company's rights under these conditions are in addition to the statutory conditions implied in favour of the Company by the Sale of Goods Act 1979.
- 5.3. The Seller shall comply with all applicable regulations or other legal requirements concerning the manufacture, packaging, packing and delivery of the goods.
- 5.4. The Seller shall not unreasonably refuse any request by the Company, Company's customer and/or regulatory body to inspect and test the goods during manufacture, processing or storage at the premises of the Seller or any third party prior to despatch, and the Seller shall provide the Company, Company's customer and/or regulatory body with all facilities reasonably required for inspection and testing.
- 5.5. If as a result of inspection or testing the Company is not satisfied that the goods will comply in all respects with the contract, and the Company so informs the Seller within 28 (twenty eight) days of inspection or testing, the Seller shall take such steps as are necessary to ensure compliance.

- 5.6. The Seller shall notify the company of any changes to product and/or process of manufacture or any identity name or code that it intends to apply to the goods and shall not proceed to apply such changes to the goods without the Company's prior written approval.
- 5.7. Any inspection or testing of the goods shall not diminish or otherwise affect the Seller's obligations under the contract.
- 5.8. The goods shall be marked in accordance with the Company'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.
- 5.9. The Seller shall provide the Company with the following documents upon delivery of each instalment of the goods and conform to the requirements below:
 - i. Mechanical test and chemical analysis results.
 - ii. Certificate of conformance, signed by an authorised employee of the Seller certifying that the goods have been manufactured and tested in accordance with and all materials and workmanship conform to the specification, the order and the Conditions.
 - iii. The Seller shall maintain and keep copies of all documents provided to the Company under these conditions for a period of 15 (fifteen) years after delivery of such documents and shall provide copies to the Company upon request.
 - iv. The Seller shall not supply to the Company any nonconforming product without prior written approval from the Company.
 - v. The Seller shall inform the Company of any nonconforming product which has been delivered to the Company without such approval

6. COMPANY PROPERTY

- 6.1. Materials, equipment, tools, dies, moulds, copyright, design rights or any other forms of intellectual property rights in the Specification supplied by the Company. The Seller has used in the manufacture of the goods shall as between the Company and the Seller at all times be and remain the exclusive property of the Company but shall be held by the Seller in safe custody. This is at its own risk and maintained. It shall be kept in good condition by the Seller until returned to the Company and shall not be disposed of other than in accordance with the Company's written instructions. Nor shall such items be used otherwise than as authorised by the Company in writing.

7. INDEMNITY

- 7.1. The Seller shall keep the Company indemnified in full against all direct, indirect and consequential liabilities (all three of which terms include, without limitation, loss of profit, loss of business, depletion of goodwill and like loss), loss, damages, injury, costs and expenses, including legal and other professional fees and expenses. Awarded against or incurred or paid by the Company as a result of or in connection with:
 - i. Defective workmanship, quality or materials.
 - ii. An infringement or alleged infringement of any intellectual property rights caused by the use, manufacture or supply of the goods.
 - iii. Any liability under the Consumer Protection Act 1987 in respect of the goods.
 - iv. Any act or omission of the Seller or its employees, agents or sub – contractors in supplying, and delivering the goods.

8. CANCELLATION

- 8.1. The Company may cancel an order at any time and for any reason by giving the Seller written notice. The Seller shall stop all work on the order and the Company's liability shall be limited to paying the Seller fair and reasonable compensation for work – in – progress at the time of cancellation but such compensation shall not include loss of anticipated profits or any consequential loss.

9. DELIVERY

- 9.1. The Goods shall be delivered, carriage paid, to the place specified in the order, during the Company's usual business hours. The Seller shall off – load and, if relevant, stack the goods as directed by the Company.
- 9.2. The Seller shall ensure that each delivery is accompanied by a delivery note which shows, the order number, date of order, number of packages and contents in line with the order, in the case of a part delivery, the outstanding balance remaining to be delivered.
- 9.3. The date for delivery shall be specified in the order, or if no such date is specified then delivery shall take place within 28 (twenty eight) days of the date of the order. Time for delivery is of the essence.
- 9.4. The Company may by written notice served on the Seller no later than 14 days prior to the date for delivery defer the date for delivery by up to six months.
- 9.5. The Company reserves the right not to accept deliveries which are in advance of delivery date specified in the order. If delivery is accepted by the Company, the date for payment of the price of the goods shall be as set out in clause 2.2
- 9.6. If the goods are to be delivered by instalments the contract will be treated as a single contract and not several.
- 9.7. If the goods are delivered to the Company in excess of the quantities ordered the Company shall not be bound to pay for the excess and any excess will be and will remain at the Seller's risk and will be returnable at the Seller's expense.
- 9.8. The Company may reject any goods delivered which are not in accordance with the Contract, and shall not be deemed to have accepted any goods until the Company has had a reasonable time to inspect them following delivery or, if later, within a reasonable time after any latent defect in the Goods has become apparent.
- 9.9. The Company shall not be obliged to return to the Seller any packaging or packing materials for the goods, whether or not any goods are accepted by the Company.
- 9.10. If the goods are not delivered on the due date then, without prejudice to any other rights which it may have, the Company reserves the right to.
- 9.11. Cancel the contract in whole or in part:
- i. Refuse to accept any subsequent delivery of the goods which the Seller attempts to make.
 - ii. Recover from the Seller any expenditure reasonably incurred by the Company in obtaining goods in substitution from another supplier.
 - iii. Claim damages for any additional costs, loss or expenses incurred by the Company which are in any way attributable to the Seller's failure to deliver the goods on the due date.

10. REMEDIES

- 10.1. Without prejudice to any other right or remedy which the Company may have, if any goods are not supplied in accordance with, or the Seller fails to comply with, any of the terms of the contract the Company shall be entitled to exercise any one or more of the following remedies at its discretion, whether or not any part of the goods have been accepted by the Company:
- i. To rescind the order.
 - ii. To reject the goods (in whole or in part) and return them to the Seller at the risk and cost of the Seller on the basis that a full refund for the goods so returned shall be paid forthwith by the Seller.
 - iii. At the Company's option to give the Seller the opportunity at the Seller's expense either to remedy any defect in the goods or to supply replacement goods and carry out any other necessary work to ensure that the terms of the contract are fulfilled (such replacement goods to be accompanied by the documents specified in clause 5.11)
 - iv. To refuse to accept any further deliveries of the goods but without any liability to the Seller.
 - v. To carry out at the Seller's expense any work necessary to make the goods comply with the contract.
 - vi. To claim such damages as may have been sustained in consequence of the Seller's breach or breaches of the contract.

11. RISK AND PROPERTY

- 11.1. The goods shall remain at the risk of the Seller until delivery to the company is complete (including off – loading and stacking). The property in the goods shall pass to the Company on delivery (unless payment for the goods is made prior to delivery, when it shall pass to the Company once payment has been made and the goods have been appropriated to the contract).

12. FORCE MAJEURE

- 12.1. The Company reserves the right to defer the date of delivery or payment or to cancel the contract or reduce the volume of the goods ordered if it is prevented from or delayed in the carrying on of its business due to an event of Force Majeure.

13. PRICE

- 13.1. The price of the goods shall be as stated in the order and unless otherwise agreed in writing by the Company shall be exclusive of value added tax but inclusive of all other charges.
- 13.2. No increase in the price may be made for any reason without the prior written consent of the Company.
- 13.3. The Company shall be entitled to any discount for prompt payment, bulk purchase or volume of purchase customarily granted by the Seller, whether or not shown on its own terms of sale.

14. ASSIGNMENT AND SUB-CONTRACTING

- 14.1. The Seller shall not be entitled to assign or sub – contract the contract or any part of it without the prior written consent of the Company.
- 14.2. The Supplier shall remain responsible to the Company for compliance with the contract and be responsible for the acts and omissions of its subcontractors even where such subcontractors have been approved or nominated by the Company.
- 14.3. The Supplier is responsible to ensure that the terms of the Contract with its subcontractor contain (flow down) all relevant provisions and requirements of the Contract and the specification.
- 14.4. The Company may assign or sub – contract the contract or any part of it to any person, firm or company.

15. GENERAL

- 15.1. If any provision of the Contract shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of the Contract which shall remain in full force and effect.
- 15.2. For the purposes of the contracts (Rights of Third Parties) Act 1999 the parties do not intend any person other than a party to the contract to be able to enforce any term of the contract (save where may be expressly stated otherwise in the contract).
- 15.3. All notices under the contract shall be: in writing and addressed to the recipient at the address set out in the order.
- 15.4. Deemed to have been duly given when delivered, if delivered by messenger during normal business hours of the recipient; or on the second business day following mailing, if sent by first class prepaid recorded delivery post
- 15.5. English law governs the contract and the parties irrevocably submit to the exclusive jurisdiction of the English Courts.

16. Responsible Sourcing Policy

- 16.1. Lipco expects its business dealings with Suppliers to be based on fairness, honesty, lawfulness, safety, environmental stewardship, social consciousness and respect for human rights and ethical behaviours.