



PRE-FORMED COMPONENTS LIMITED ("PFC") STANDARD TERMS OF PURCHASE
(the "Conditions")

1. Order Process

1.1 When PFC wishes to place an order for Products (an "Order") it shall send a written order form to the Supplier, which shall contain a unique order reference number (the "Order Reference"). The parties shall use the Order Reference in all relevant correspondence.

1.2 Each Order constitutes an offer by PFC to purchase Products subject to these Conditions. The Supplier shall accept an Order on the earlier of:
(i) the Supplier issuing written confirmation of the Order; and (ii) the Supplier doing any act consistent with fulfilling the Order, at which point the Contract shall come into existence. Where a Contract is for more than one item of Product, it shall be regarded as a single Contract for all Products supplied pursuant to that Contract.

1.3 Notwithstanding clause 16.3, PFC may amend, vary or cancel any Order or Contract by notifying the Supplier in writing at any time before the relevant part of the Order is fulfilled, except where additional materials are required, when a new Order will be raised.

2. Specification of the Products

2.1 The Supplier shall ensure that the Products:

- (a) correspond with their description and any applicable Specification;
- (b) are of satisfactory quality (within the meaning of the Sale of Goods Act 1979) and fit for any purpose held out by the Supplier or made known to the Supplier by the customer expressly or by implication, and in this respect the customer relies on the Supplier's skill and judgement;
- (c) where they are manufactured products, are free from defects in design, material and workmanship and remain so for 12 months after delivery; and
- (d) comply with all Regulatory Requirements.

2.2 These Conditions shall apply equally to any repaired or replacement Products supplied by the Supplier.

2.3 The Supplier shall notify PFC immediately on becoming aware of any actual, suspected or threatened breach of this clause 2.

3. Inspection

3.1 At any time prior to delivery of the Products to PFC, PFC shall have the right to inspect and test the Products. If the results of such inspection or testing indicate that the Products do not conform or are unlikely to conform with the Supplier's undertaking at clause 2, the Supplier shall take such action as is necessary to ensure conformity prior to the due delivery date. PFC shall have the right to retest and inspect the Products prior to delivery.

3.2 Notwithstanding any such inspection or testing, the Supplier shall remain fully responsible for the Products until risk passes in accordance with these Conditions. PFC shall not be deemed to have accepted the Products, nor waived its rights of rejection, as a result of carrying out any inspection or testing pursuant to this clause 3.

4. Delivery of the Products

4.1 The Supplier shall arrange delivery (including packing, unloading and stacking) of the Products to the location specified in the relevant Contract (the "Delivery Point"). The Supplier shall arrange at its own cost and expense for suitable transport to the Delivery Point. Unless otherwise instructed by PFC, deliveries shall only be accepted by PFC during its normal business hours.

4.2 On delivery of the Products, the Supplier (or its appointed carrier) shall deliver to PFC (or its appointed carrier) such documentation as stated in the Order including a proof of delivery stating the relevant Order Reference and, in respect of Products supplied from outside of the EU, all relevant import documentation.

4.3 The date for delivery of the Products shall be specified in the Contract or, if not, delivery shall take place within 28 days of the date of the Order. The time for delivery is of the essence.

4.4 Where PFC is obliged to obtain any required import licences in respect of the Products, the Supplier shall provide PFC with all reasonable assistance to obtain such licences.

4.5 If Products are delivered to PFC in excess of the quantities ordered, PFC shall not be bound to pay for the excess and any excess shall be, and remain, at the Supplier's risk and shall be returned at the Supplier's cost. Unless expressly stated in the relevant Contract, PFC

shall be under no obligation to return any packaging material.

4.6 Where PFC agrees in writing to accept delivery of Products by instalments under a Contract, failure by the Supplier to deliver any one instalment shall entitle PFC to treat the whole Contract as repudiated.

5. Compliance

5.1 If a Product Recall is required by relevant Regulatory Requirements or is deemed necessary by PFC, the Supplier shall promptly provide PFC with all necessary assistance to enable the Product Recall to be conducted efficiently and with due urgency and, where the Product Recall results from any breach by the Supplier of its obligations under the relevant Contract, the Supplier shall indemnify PFC (and its Affiliates) against any loss, cost, claim, damage or expense which PFC (and/or any of its Affiliates) may suffer or incur arising out of or in connection with any such Product Recall.

6. Price and Payment

6.1 The price shall be stated in the relevant Contract and, unless otherwise stated in the Contract, shall be fixed, payable in Pounds Sterling (£), and shall be exclusive of value added tax ("VAT") but inclusive of all other charges. PFC shall be liable to pay VAT at the prevailing rate, subject to the receipt of a valid VAT invoice.

6.2 PFC shall pay all correctly addressed and undisputed invoices within 60 days from the end of the month in which the relevant invoice was received.

6.3 If any sum under the Contract is not paid when due then, without prejudice to the parties' other rights under the Contract, that sum shall bear interest from the due date until payment is made in full, both before and after any judgment, at the rate of 2% per annum above the base rate of Lloyds TSB Bank plc from time to time.

7. Risk and Ownership

7.1 The Products shall remain at the risk and responsibility of the Supplier until delivery to PFC at the Delivery Point is complete (including off-loading and stacking) at which point, subject to clause 4.5, ownership of the Products shall also pass to PFC. PFC shall not however be deemed to have accepted the Products until it has had a reasonable period of time (being not less than 60 days) to



inspect such Products following delivery or in the case of a latent defect in the Products, until a reasonable time after the latent defect has become apparent.

8. Property

- 8.1 PFC may supply materials and products to the Supplier to be used in connection with the manufacture of the Products. All Intellectual Property Rights in such materials and products shall at all times: (i) be and remain the exclusive property of PFC; (ii) be held by the Supplier in safe custody at its own risk; (iii) be maintained and kept in good condition by the Supplier until returned and/or supplied as part of a Product to PFC; (iv) not be used (including to manufacture the Products for any other person) or disposed of other than in accordance with PFC's written instructions; and (v) be returned to PFC immediately upon request.

9. Liability

- 9.1 During the term of the Contract, the Supplier shall maintain in force, with a reputable insurance company, insurance (including 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 PFC'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.
- 9.2 The Supplier shall indemnify and keep PFC indemnified against all liabilities, costs, expenses, damages and losses (including 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 professional costs and expenses) suffered or incurred by PFC as a result of or in connection with: (i) any defect in the design, quality or workmanship of the Products; (ii) any claim that the Products provided by the Supplier, or the use or resale of the same by or on behalf of any Affiliate, infringes a third party's Intellectual Property Rights; (iii) any wilful abandonment or fraudulent or dishonest act or omission by the Supplier in respect of its obligations under any Contract; or (iv) any claim made against PFC in respect of any liability, loss, damage, injury, cost or expense sustained by PFC's employees or agents or by any customer or third party to the extent that such liability, loss, damage, injury, cost or expense was caused by, relates to or arises from the Products as a consequence

of the Supplier's negligence or a direct or indirect breach by the Supplier of the terms of any Contract.

- 9.3 Nothing in these Conditions shall limit or exclude either party's liability for: (i) death or personal injury resulting from negligence; (ii) fraud or fraudulent misrepresentation; or (iii) any other liability that cannot be limited or excluded at law.

10. Stock Cleanse

- 10.1 PFC may periodically notify the Supplier in writing of the level of Products that it requires the Supplier to maintain ("Agreed Stock Levels"). From time to time PFC, or a third party nominated by PFC, shall undertake an inventory of stock held by the Supplier and shall provide the Supplier with a copy of such inventory indicating where stock levels are in excess of Agreed Stock Levels ("Excess Stock"). The Supplier shall at its own cost and risk arrange to remove such Excess Stock on a first in first out basis from such locations as PFC or a third party nominated by PFC shall advise, and credit PFC within 30 days with the net historic cost of such stock.

- 10.2 If the Supplier intends to cease manufacture or supply of a Product which forms part of its current range ("Old Product") or intends to manufacture or supply a Product that will replace or supersede any part of its current range, the Supplier shall give notice in writing to PFC ("Notification Date") specifying the date on which the Old Product will cease to be manufactured, supplied or be part of the Supplier's current range or be superseded by any replacement Product ("Cessation Date"). The Notification Date shall not be less than 12 weeks before the Cessation Date.

- 10.3 At any time between the Notification Date and the Cessation Date the Supplier will confirm availability levels as requested by PFC. Two weeks prior to the Cessation Date PFC will withdraw all stock in excess of projected requirements of the Old Products from branches. On the Cessation Date the Old Product will be withdrawn from sale by PFC and remaining stocks confirmed to the Supplier. The Supplier will provide a full credit note for any Old Products still in stock or the same stock will be returned to the Supplier, at the Supplier's expense, with a full refund supplied to PFC.

11. Audit Rights and Inspections

- 11.1 The Supplier shall maintain full, true and accurate copies of all records (whether in a physical or

electronic form) documenting the Supplier's performance of its obligations under any Contract until the later of 2 years following the expiry or termination of the Contract or until such time as required by Regulatory Requirements.

12. Confidentiality

- 12.1 Each party shall treat all Confidential Information disclosed to it by the other party in connection with any Contract as strictly confidential and shall use it solely for the purpose contemplated by the relevant Contract and shall not without the prior consent of the other party, publish or otherwise disclose to any third party any such Confidential Information except for the purposes contemplated by the relevant Contract.

- 12.2 To the extent necessary to implement the provisions of any Contract, each party may disclose Confidential Information to its employees, agents, sub-contractors and professional advisers, in each case under the same conditions of confidentiality as set out in clause 12.1.

- 12.3 The obligations of confidentiality set out in this clause 12 shall not apply to any information or matter which: (i) is in the public domain other than as a result of a breach of these Conditions; (ii) was in the possession of the receiving party prior to the date of receipt from the disclosing party or was rightfully acquired by the receiving party from sources other than the disclosing party; (iii) is required to be disclosed by law, or by a competent court, tribunal, securities exchange or regulatory or governmental body having jurisdiction over it wherever situated; or (iv) was independently developed by the receiving party without use of or reference to the Confidential Information.

13. Termination

- 13.1 Either party may terminate any Contract at any time with immediate effect by giving written notice to the other party if: (i) the other party commits a material breach of any term of the Contract and (if such breach is remediable) fails to remedy that breach within a period of 15 days after being notified in writing to do so; (ii) the other party ceases to trade or is unable to pay its debts and/or an Insolvency Event arises; or (iii) in the case of PFC only, the Supplier suffers a change of Control.

- 13.2 Termination of any Contract shall be without prejudice to any other rights which any party may have under that Contract and without prejudice to any rights and



liabilities which PFC may have accrued prior to the date on which termination takes effect.

- 13.3 Clauses that expressly or by implication survive termination of the Contract shall survive termination of any Contract.

14. Remedies

- 14.1 If any Products are not supplied in accordance with, or the Supplier fails to comply with, any of these Conditions (including the Supplier's undertaking at clauses 2 and 4), PFC shall be entitled to any one or more of the following remedies at its discretion, whether or not any part of the Products have been accepted by PFC: (i) to rescind the relevant Contract; (ii) to reject the Products (in whole or in part) and either notify the Supplier that they are available for collection or, if requested by the Supplier, return them to the Supplier (at the risk and cost of the Supplier); (iii) at PFC's option to require the Supplier to give a full refund of the price of the rejected Products or give the Supplier the opportunity at the Supplier's expense either to remedy any defect in the Products or to supply replacement Products and carry out any other necessary work to ensure that the terms of the relevant Contract are fulfilled; (iv) to refuse to accept any further deliveries of the Products but without any liability to the Supplier; and (v) to carry out at the Supplier's expense any work necessary to make the Products comply with the relevant Contract.

- 14.2 PFC's rights and remedies under these Conditions are in addition to the rights and remedies implied by statute and common law.

15. Force Majeure

- 15.1 If either party is prevented from or delayed in the performance of any of its obligations under any Contract by reason of a Force Majeure Event, it shall (i) give notice in writing to the other party specifying the nature and extent of the circumstances giving rise to the Force Majeure Event; and (ii) use its best endeavours to mitigate the consequences of, and bring to a close, the Force Majeure Event as soon as possible and keep the other party informed as to the steps which it is taking. If either party is prevented by a Force Majeure Event from the performance of its obligations under a Contract for a continuous period in excess of 20 Business Days, the other party may terminate the Contract by giving written notice to the other.

16. General

- 16.1 The Contract constitutes the entire agreement between the parties and

supersedes and terminates all prior agreements, undertakings and arrangements (both written and oral) between them.

- 16.2 These Conditions apply to the Contract to the exclusion of all other terms and conditions. Inconsistent terms or conditions contained, or referred to, in any quotation, order confirmation, specification, delivery note, invoice or similar document or implied by law, trade custom, practice or course of dealing shall not form part of any Contract.

- 16.3 Without prejudice to clause 1.3, no variation of the Contract or these Conditions shall bind the parties unless made in writing and signed by authorised representatives of each party.

- 16.4 Failure to exercise (or to fully exercise), or any delay in exercising, any right or remedy provided under these Conditions or by law shall not constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict any further exercise of that or any other right or remedy. Each right or remedy of a party under these Conditions is without prejudice to any other right or remedy of that party under these Conditions or at law.

- 16.5 Nothing in these Conditions shall be construed to create a partnership, joint venture or employment relationship of any kind between the parties or authorise either party to act as agent for, or otherwise bind, the other.

- 16.6 PFC shall be entitled to withhold payment of any sums after they become due by reason of any right of set-off or counterclaim which PFC or any Affiliate may have from time to time.

- 16.7 If any term or provision of any Contract is held to be illegal or unenforceable, in whole or in part, under any enactment, court order or rule of law, that term or provision shall to that extent be deemed not to form part of such Contract but the enforceability of the remainder of such term or provision and of that Contract shall not be affected.

- 16.8 The proper recovery/recycling of waste resulting from electrical and/or electronic Products purchased under any Contract arising in the EU will be managed by the Supplier at no additional cost to PFC (other than the reasonable costs of delivery to the Supplier's designated collection point).

- 16.9 No one other than a party to the Contract shall have any right to enforce any of its terms, except for Affiliates of PFC who shall have the

benefit of any Contract and be entitled to enforce it.

17. Assignment

- 17.1 The Supplier shall not, without the prior written consent of PFC, assign, transfer, charge, underlet, create any trust over or deal in any other manner in respect of the benefit or burden of any provision of any Contract nor subcontract the whole or any part of its obligations under any Contract. PFC may assign the benefit of any Contract (in whole or part) to any person.

18. Law and Jurisdiction

- 18.1 These Conditions shall be governed by, and construed in accordance with, English law and the English courts shall have exclusive jurisdiction.

19. Notices

- 19.1 Any notice required to be given under these Conditions shall only be deemed to have been duly received:

- (a) if delivered personally, when left at the registered address of the relevant party or otherwise the address notified by the recipient to the other party in writing; or
- (b) if sent by pre-paid first class post or recorded delivery, at 9.00am on the second day (excluding weekends and public holidays) after posting; or
- (c) if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed.

20. Definitions

- 20.1 In these Conditions, the following definitions apply:

Affiliate: means in relation to any entity, that entity and any entity Controlling, Controlled by, or under common Control with, the relevant entity.

Business Day: means any day (other than Saturday or Sunday) on which banks are open for business in London.

Contract: means the contract between PFC and the Supplier for the sale and purchase of Products in accordance with these Conditions.

Confidential Information: means all information disclosed (whether in writing, verbally or otherwise and whether directly or indirectly) by one party to another party including any information relating to products, operations, processes, plans or intentions, client information, product information,



market opportunities and business affairs or those of clients or other contacts that is designated as confidential or that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure.

Control: means direct or indirect ownership or control of more than 50% of the voting interests of the subject entity,

and "Controlled" and "Controlling" shall be construed accordingly.

Force Majeure Event: means an event or circumstances preventing or delaying either party from performing all or any of its obligations under any Contract, which arises from or is attributable to acts, events, omissions or accidents beyond the reasonable control of that party, being an act of God, war, riot, civil commotion, terrorist act, explosion, malicious damage, fire, flood or storm.

Insolvency Event: means a party:

- (a) enters liquidation;
- (b) has a receiver, liquidator, administrator, trustee or an individual with a similar role appointed over any of its assets;
- (c) proposes to make arrangements with its creditors or goes into liquidation; or
- (d) suffers an event which, under the law of any jurisdiction, is equivalent to any of the acts or events specified above.

Intellectual Property Rights: means all copyright, database rights, topography rights, design rights, registered designs, trade marks, patents, domain names and any other intellectual property rights of a similar nature (whether or not registered) subsisting anywhere in the world.

Order: has the meaning set out in clause 1.1.

Order Reference: has the meaning set out in clause 1.1.

Products: the products (or any part of them) detailed in an Order.

Product Recall: means a product withdrawal, recall, stock recovery or warning required by Regulatory Requirements or due to one or more Products being misbranded, adulterated and/or defective or for any other reason.

Regulatory Requirements: means in relation to any jurisdiction where the Products are intended to be marketed and/or sold, any and all applicable laws, enactments,

orders, regulations and other instruments relating to the design, manufacture, packaging, labelling, storage, handling, marketing, sale, import, export and/or delivery of the Products together with all relevant regulations, codes of practice and guidance imposed by any governmental, regulatory or trade body from time to time.

Specification: means any specification for the Products that is agreed by PFC and the Supplier.

Supplier: means the person or firm from whom PFC purchases the Products.

20.2 A reference to a statute or statutory provision is a reference to such statute or statutory provision as amended or re-enacted and any subordinate legislation made under it from time to time.

20.3 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.