



CU Phosco General Conditions of Purchase

1. Applicability

(i) These General Conditions of Purchase, together with the relevant Purchase Order issued by CU Phosco, set forth the terms under which CU Phosco offers to purchase Goods and/or Services from the Seller. When the Seller accepts CU Phosco's offer, either by acknowledgement, delivery of any Goods and/or commencement of performance of any Services, a binding contract shall be formed. CU Phosco does not agree to any proposed amendment, alteration, or addition by the Seller. The Agreement can be varied only in writing signed by CU Phosco. Any other statement or writing of Seller shall not alter, add to, or otherwise affect the Agreement.

(ii) CU Phosco is not bound by and hereby expressly rejects Seller's general conditions of sale and any additional or different terms or provisions that may appear on any proposal, quotation, price list, acknowledgment, invoice, packing slip or the like used by Seller. Course of performance, course of dealing, and usage of trade shall not be applied to modify these General Conditions of Purchase.

(iii) The Seller's quotation is incorporated and made a part of this purchase order only to the extent of specifying the nature and description of the goods and services ordered and then only to the extent that such items are consistent with the other terms of this purchase order.

(iiii) No other terms or conditions shall be binding upon CU Phosco unless accepted by it in writing.

2. Delivery

(i) The property and risk in the goods shall pass to CU Phosco on delivery without prejudice to any right of rejection which may accrue to CU Phosco.

(ii) The Seller will be liable for delay in delivery or completion of performance after the date specified under "Agreed Delivery Date" unless such is prevented by events beyond the Seller's control and not occasioned by its fault or negligence when he will inform Purchaser immediately and unless a new date is agreed the Seller's time for delivery will be extended by a period equal to the period of such prevention.

(iii) The Seller shall make no partial delivery or delivery before the agreed delivery date(s). CU Phosco reserves the right to refuse delivery of Goods and return same at the Seller's risk and expense if the Seller defaults in

the manner and time of delivery or in the rate of shipment. CU Phosco shall not be liable for any costs incurred by the Seller related to production, installation, assembly or any other work related to the Goods, prior to delivery in accordance with the Agreement.

3. Prices & Payment

(i) Unless otherwise indicated the price includes packing and carriage to the place of delivery.

(ii) Payment of invoices (which must show Purchasers Order and Item Number) will be made according to the terms shown in the buyers purchase order, providing that the goods or services are received on or before the date of invoice.

4. Inspection

(i) CU Phosco and the persons authorised by CU Phosco may, before delivery, inspect, test, identify (and reject if necessary) the goods and any drawings and specifications. Such inspection, test or identification shall not constitute acceptance by CU Phosco of the materials and goods in question.

(ii) CU Phosco is under no obligation to test or inspect the goods before or after delivery.

5. Warranty

(i) The Seller warrants that the goods:

- a) are new and free from defects,
- b) will conform to the specifications in the purchase order,
- c) will comply with all statutory requirements and regulations (including any relevant EU standards) relating to the supply of the goods and services;

(ii) The Seller warrants that any services it provides will be performed with a reasonable degree of care and skill and in accordance with generally accepted standards for the industry concerned.

(iii) Unless other warranty terms are agreed which are in addition to these general terms. If within 12 months from the date the goods are put to use (but not exceeding 18 months from the date of delivery), CU Phosco notifies the Seller of a defect (being a fault in workmanship, material or design, or a discrepancy from the contract description or specification) the Seller will repair or replace the defective goods at the Seller's expense (including packing and carriage). The repaired or replacement goods shall be subject to a like warranty.

(iv) If within 7 days of such notification the Seller does not undertake to effect such repair or replacement and complete the same within a reasonable time CU Phosco may do so and the costs and expenses incurred will be recoverable from the Seller.

6. Cancellation

(i) CU Phosco may cancel and require the Seller to cease work upon the whole or any part of the goods or services under the contract by giving the Seller written notice to that effect.

(ii) Except where such cancellation is caused by the Seller's failure to perform an essential term of the contract, such cancellation shall be upon the following terms:

(a) If the Seller has in his possession any completed goods CU Phosco shall elect either to take delivery thereof and pay the Seller a proportionate part of the price or not to take delivery and pay the Seller the difference (if any) between the market value thereof and the said proportion of price at the date of cancellation, and

(b) If the Seller has in his possession any raw material or part finished goods CU Phosco shall elect either to require the Seller to complete and deliver the same to CU Phosco and pay the Seller a proportion of the price in respect of the stage of completion of such goods less the market value thereof at the date of cancellation, and

(c) If the Seller has placed firm orders for any goods which are not in his possession, CU Phosco shall elect either to take an assignment of the Seller's rights and obligations under such orders or pay the cost, if any, of discharging the Seller's obligations thereunder.

(iii) Nothing in these Conditions of Purchase shall limit or exclude CU Phosco's right to cancel the contract or any part thereof if the Seller fails to observe or perform any of its essential terms and in such event CU Phosco may procure the materials, goods or services from another source and the Seller will pay any excess costs CU Phosco may incur thereby.

7. Sub-Contracting & Assignment

(i) Except in respect of goods and services bought or procured in the normal course of the Seller's business no work under the contract shall be sub-let without CU Phosco's written consent. A copy of the Seller's sub-order should in all cases be sent to CU Phosco at the time it is placed.

(ii) The Seller shall not assign any of his rights or obligations under the contract without CU Phosco's written consent.

8. Procurement and Supply Chain Policy

The Seller agrees to abide by CU Phosco's Procurement and Supply Chain Policy. CU Phosco's Code of Conduct is available for review.

9. Health & Safety

The Seller will supply free of charge to the delivery address shown information sheets containing comprehensive guidance and warnings concerning the proper and safe use and treatment of the goods. The Seller will supply such further copies of the information sheets as CU Phosco requires free of charge.

10. Standards

The Seller will comply with all relevant national and international requirements or standards concerning the manufacture, packaging, labelling, coding, designation and delivery of the goods and/or services and with any standards nominated in the purchase order. Where there are no relevant requirements or standards the Seller shall comply with the best practices of the industry.

11. Changes

No change or variation may be made to the design, materials, goods or services the subject of the contract, nor to the price or delivery date shown without CU Phosco's previous written consent. The Seller shall not, without prior written consent of CU Phosco, make any changes affecting goods, including process or design changes, changes to manufacturing processes (including geographic location) changes affecting electrical performance, mechanical form or fit, function, environmental compatibility, chemical characteristics, life, reliability or quality of Goods or changes that could have significant impact upon Seller's quality system.

12. Ownership and Intellectual Property

(i) All machinery, tools, drawings, specifications, raw materials and any other property or materials furnished to the Seller by or for CU Phosco, or paid for by CU Phosco, for use in the performance of the Agreement, shall be and remain the sole exclusive property of CU Phosco and shall not be furnished to any third party without CU Phosco's prior written consent, and all information with respect thereto shall be confidential and proprietary information of CU Phosco. In addition, any and all of the foregoing shall be used solely for the purpose of fulfilling orders from CU Phosco, shall be marked as owned by CU Phosco, shall be held at the Seller's risk, shall be kept in good condition and, if necessary, shall be replaced by the Seller at the Seller's expense, shall be subject to periodic inventory check by the Seller as reasonably requested from time to time by CU Phosco, and shall be returned promptly upon CU Phosco's first request. Except as otherwise expressly agreed in writing, the Seller agrees to furnish at its own expense all machinery, tools, and raw materials necessary to perform its obligations under the Agreement.

(ii) The Seller represents and warrants to CU Phosco that the Goods and Services do not and shall not, alone or in any combination, infringe or violate any patent, trademark, copyright (including portrait rights and moral rights), trade name, trade secret, license or other proprietary right of any other party (including the Seller's employees and subcontractors), and that it holds all rights, title and interest necessary to license to CU Phosco any intellectual property right (including patents, trademarks, copyrights, trade names, trade secret, licenses or other proprietary right) of every component of the Goods and/or Services provided to CU Phosco, as a whole or as integrated part of another Good/Service, including but

not limited to machinery, tools, drawings, designs, software, demos, moulds, specifications or pieces.

(iii) CU Phosco shall retain all rights in any samples, data, works, materials and intellectual and other property provided by CU Phosco to the Seller. All rights in and titles to deliverables (including future deliverables) and other data, reports, works, inventions, know-how, software, improvements, designs, devices, apparatus, practices, processes, methods, drafts, prototypes, products and other work product or intermediate versions thereof produced or acquired by the Seller, its personnel or its agents for CU Phosco shall become CU Phosco's property. The Seller shall execute and deliver any documents and do such things as may be necessary or desirable in order to carry into effect the provisions of this Clause.

(iii) The Seller shall not have any right, title or interest in or to any of CU Phosco's samples, data, works, materials, trademarks and intellectual and other property nor shall the supply of Goods and/or Services alone or in any combination, or the supply of packaging containing CU Phosco' trademarks or trade names give the Seller any right or title to these or similar trademarks or trade names. The Seller shall not use any trademark, trade name or other indication in relation to the Goods or Services alone or in any combination without CU Phosco's prior written approval and any use of any trademark, trade name or other indication as authorised by CU Phosco shall be strictly in accordance with the instructions of and for the purposes specified by CU Phosco.

(v) The Seller shall not, without CU Phosco' prior written consent, publicly make any reference to CU Phosco, whether in press releases, advertisements, sales literature or otherwise.

13. Intellectual Property Indemnification

(i) The Seller shall indemnify and hold harmless CU Phosco, its Affiliates, agents and employees and any person selling or using any of CU Phosco's products in respect of any and all claims, damages, costs and expenses (including but not limited to loss of profit and reasonable lawyers' fees) in connection with any third party claim that any of the Goods or Services alone or in any combination or their use infringes any patent, trademark, copyright (including portrait rights and moral rights), trade name, trade secret, license or other proprietary right of any other party or any intellectual property right, or, if so directed by CU Phosco, shall defend any such claim at the Seller's own expense.

(ii) CU Phosco shall give the Seller prompt written notice of any such claim, provided, however, any delay in notice shall not relieve the Seller of its obligations hereunder except to the extent it is prejudiced by such delay. The Seller shall provide all assistance in connection with any such claim as CU Phosco may reasonably require.

(iii) If any Goods or Services alone or in any combination, supplied under the Agreement are held to constitute an infringement or if their use is enjoined, the Seller shall, as directed by CU Phosco, but at its own

expense: either (a) procure for CU Phosco or customers the right to continue using the Goods or Services alone or in any combination; or (b) replace or modify the Goods or Services alone or in any combination with a functional, non- infringing equivalent.

(iii) If the Seller is unable either to procure for CU Phosco the right to continue to use the Goods or Services alone or in any combination or to replace or modify the Goods or Services alone or in any combination in accordance with the above, CU Phosco may terminate the Agreement and upon such termination, the Seller shall reimburse to CU Phosco the price paid, without prejudice to the Seller's obligation to indemnify CU Phosco as set forth herein.

14. Confidentiality

(i) The Seller shall treat all information provided by or on behalf of CU Phosco or generated by the Seller for CU Phosco as confidential. All such information shall be used by the Seller only for the purposes of the supplying CU Phosco with goods or services. The Seller shall protect CU Phosco's information using not less than the same degree of care with which it treats its own confidential information, but at all times shall use at least reasonable care. All such information shall remain the property of CU Phosco and the Seller shall, upon CU Phosco's demand, promptly return to CU Phosco all such information and shall not retain any copy thereof.

(ii) The existence and the contents of the Agreement shall be treated as confidential by The Seller.

15. Incoterms (2010)

Any trade term in this purchase order shall have the meaning given to it by Incoterms (2010).

16. Law

The purchase order shall be governed exclusively by the law of England and Wales and is subject to the exclusive jurisdiction of the courts of England and Wales. The English version of the purchase order shall prevail notwithstanding the translation of the whole or part of the purchase order into another language for the convenience of one or the other or both of the parties.

Approved by



C J W Marques
Director
5th January 2015