

CHH CoNeX
Conditions of Purchase

1 **DEFINITIONS**

In this document the following words shall have the following meanings:

- 1.1 "Agreement" means these Terms and Conditions together with the terms of any applicable Purchase Order;
- 1.2 "Buyer" means CHH CoNeX Limited, 4 Holford Way, Holford Industrial Estate, Witton, Birmingham, B6 7AX;
- 1.3 "Intellectual Property Rights" means all patents, registered and unregistered designs, copyright, trade marks, know-how and all other forms of intellectual property wherever in the world enforceable;
- 1.4 "Purchase Order" means the standard Buyer document which includes or is attached to a statement of work describing the goods and/or services to be provided by the Supplier and which provides a maximum value payable by the Buyer to the Supplier;
- 1.5 "Supplier" means the organisation or person who supplies goods and/or services to the Buyer;
- 1.6 "Supplier Personnel" means any employee or contractor supplied by the Supplier to provide services.

2 **GENERAL**

- 2.1 These Terms and Conditions shall apply to all contracts for the supply of goods and/or services by the Supplier to the Buyer.
- 2.2 Where it is agreed that the Supplier shall supply goods and/or services, the goods and/or services to be supplied, the price payable and any other special terms agreed between the parties shall be set out in the Purchase Order. All Purchase Orders issued by the Buyer shall incorporate these Terms and Conditions and if there is any inconsistency between the terms of any Purchase Order and these Terms and Conditions, the terms of the Purchase Order shall take precedence.
- 2.3 No changes or variations to these Terms and Conditions or any Purchase Order shall be effective unless agreed in writing between the parties.

3 **PRICE AND PAYMENT**

- 3.1 The price and any taxes and expenses for the goods and/or services shall be as specified in the Purchase Order. Prices shall be exclusive of VAT which shall be specified separately in the Purchase Order.
- 3.2 An invoice shall be produced by the Supplier to the Buyer in accordance with the terms set out in the Purchase Order. The Buyer shall pay for the goods and/or services supplied in any given month by the date 60 days after the end of the month in which the goods and/or services are supplied. In no circumstances shall the time for payment be of the essence of the Agreement.
- 3.3 The Buyer shall not be responsible for any expenses, charges or price other than those set out in the Purchase Order.
- 3.4 In the event of late payment by the Buyer, the Supplier shall be entitled to charge the Buyer interest at the rate of 2% per annum above the base rate of the Bank of England, from the date when payment becomes due from day to day until the date of payment.
- 3.5 If the parties agree that the Supplier is to provide goods and/or services or resources in addition to those specified in a Purchase Order, then such agreement will be reflected in a further Purchase Order, which will be deemed incorporated into this Agreement.
- 3.6 Once a Purchase Order has been agreed by the Buyer the price for the goods and/or services shall be fixed.

4 **WARRANTY**

- 4.1 The Supplier warrants and guarantees that all goods and materials supplied under this Agreement shall be free from any defects, patent or latent, in material and workmanship, conform to applicable specifications and drawings and will be free from design defects and in every aspect suitable for the purposes intended by the Buyer, as to which the Supplier hereby acknowledges that it has had due notice. The approval by the Buyer of any designs provided by the Supplier shall not relieve the Supplier of its obligations under any provision contained in this Clause.
- 4.2 The Supplier's obligations under this Clause shall extend to any defect or non-conformity arising or manifesting itself within 24 months from delivery.

5 **DELIVERY**

- 5.1 Delivery of the goods shall be made to such location as the Buyer shall direct. Carriage shall be paid for by the Supplier unless agreed with the Buyer. Any time agreed between the parties for such delivery shall be of the essence of the Agreement and the Buyer shall be entitled to cancel, without notice, the whole or any part of this Agreement if this Clause is not complied with by the Supplier.
- 5.2 Where the Buyer cancels the whole or part of the contract in accordance with Clause 5.1 or Clause 8.2:
 - 5.2.1 all sums payable by the Buyer in relation to the whole or part of the contract cancelled shall cease to become payable;
 - 5.2.2 all sums paid by the Buyer in relation to the whole or part of the contract cancelled shall be repaid by the Supplier immediately;
 - 5.2.3 the Supplier shall collect any goods which have already been delivered in relation to the whole or part of the contract cancelled at its own expense and such goods shall be at the Supplier's risk during the period between delivery of the goods to the Buyer and collection by the Supplier.
 - 5.2.3 the Buyer shall be entitled to recover from the Supplier a) any costs incurred by the Buyer in obtaining substitute goods from a third party; and b) damages from the Supplier for any other costs, loss or expenses resulting from the Supplier's failure to deliver the goods and/or as a result of the cancellation of the whole or part of the contract.

6 **TITLE**

- 6.1 The Supplier warrants that it has good title to the goods and that it will transfer such title as it may have in the goods to the Buyer pursuant to Clause 6.2.
- 6.2 Title in the goods will pass to the Buyer when the goods are unconditionally appropriated (by either party or by or with the consent of either party) to this Agreement, or on delivery to the Buyer, whichever happens first.

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RISK

The goods will be and shall remain at the Supplier's risk until such time as they are delivered to the Buyer (or at his direction), and are found to be in accordance with the requirements of this Agreement. It shall be the duty of the Supplier at all times to maintain a contract of insurance over the goods and, on request from the Buyer, to assign to the Buyer the benefits of such insurance.

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INSPECTION OF GOODS

8.1.1 The Buyer shall inspect the goods upon delivery.

8.1.2 Where all or part of the goods are damaged, defective or otherwise do not comply with the warranty contained in Clause 4 the Buyer shall notify the Supplier, and without limiting any of its other rights and remedies, the Buyer has the right to any one or more of the following remedies (whether or not the goods have been accepted):

8.1.3 to cancel the whole or any unexecuted part of the contract, and the rights referred to in clause 5.2 shall apply to the cancelled order or part accordingly;

8.1.4 to reject the goods (in whole or in part) and require the Supplier to collect the damaged goods from the Buyer at the Supplier's expense (in which event the goods shall be at the Supplier's risk during the period between delivery of the goods to the Buyer and collection by the Supplier);

8.1.5 to require the Supplier, at the Buyer's option, to repair or replace the rejected goods, or to provide a full refund of the price of the rejected goods, and in the event that the Buyer opts for repair or replacement, all sums payable by the Buyer in relation to the rejected goods shall cease to be payable until the repaired or replacement goods have been delivered to the Buyer;

8.1.6 to recover from the Supplier a) any costs incurred by the Buyer in obtaining substitute goods from a third party and b) damages for any other costs, losses or expenses resulting from the Supplier's failure to carry out its obligations.

8.2 Where an excess of goods is delivered to the Buyer in relation to the order the Buyer may reject the excess goods by notice in writing to the Supplier and the following provisions shall apply:

8.2.1 the Supplier shall collect the excess goods from the Buyer at the Supplier's expense and such goods shall be at the Supplier's risk during the period between delivery of the goods to the Buyer and collection by the Supplier.;

8.2.2 no sum shall be due to the Supplier for the excess goods and in the event that sums are paid to the Supplier for the excess goods, the Supplier shall repay such sums to the Buyer immediately.

8.3 The Buyer may accept excess goods by notifying the Supplier of such acceptance and the price of the excess goods shall be payable by the Buyer.

8.4 Items repaired or replaced shall be subject to these Terms and Conditions in the same manner as those originally delivered under this Agreement.

8.5 The Buyer's signature on any delivery note of the Supplier is evidence of the number of packages received only and not evidence of the correct quantity of goods received or that the goods are in a good condition or of the correct quality.

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SUPPLIER'S OBLIGATIONS

9.1 The Supplier warrants, represents and undertakes that:

9.1.1 all services performed under this Agreement shall be performed with all due skill and care, in a good and workmanlike manner and otherwise in line with best practice within its industry ("Best Industry Practice");

9.1.2 the Supplier Personnel will possess the qualifications, professional competence and experience to carry out such services in accordance with Best Industry Practice;

9.1.3 the services will not in any way infringe or violate any Intellectual Property Rights, trade secrets or rights in proprietary information, nor any contractual, employment or property rights, duties of non-disclosure or other rights of any third parties; and

9.1.4 it has full capacity and authority to enter into this Agreement and that it has or will obtain prior to the commencement of the services, any necessary licences, consents and permits required of it for the performance of the services.

9.2 The Supplier shall provide the Buyer with such progress reports, evidence or other information concerning the services as may be requested by the Buyer from time to time. Time shall be of the essence for the performance of all services.

9.3 The Supplier shall be responsible for maintaining such insurance policies in connection with the provision of the services as may be appropriate or as the Buyer may require from time to time.

9.4 The Supplier shall procure that the Supplier Personnel take all reasonable steps to safeguard their own safety and the safety of any other person who may be affected by their actions, and the Supplier agrees to indemnify and keep indemnified the Buyer from all and any liabilities, obligations, costs and expenses whatsoever arising from any loss, damage or injury caused to the Buyer or any third party by the Supplier Personnel.

10 **STATUS AND LIABILITIES**

10.1 It is expressly understood that neither the Supplier nor the Supplier Personnel have the authority to act as agent for the Buyer or to contract on the Buyer's behalf.

10.2 The Supplier Personnel shall at no time be deemed to be employed or otherwise engaged by the Buyer.

10.3 The Supplier shall be responsible for paying the Supplier Personnel and for making any deductions required by law in respect of income tax and National Insurance contributions or similar contributions relating to the provision of the services. The Supplier agrees to indemnify the Buyer in respect of any claims that may be made by the relevant authorities against the Buyer in respect of tax demands or National Insurance or similar contributions relating to the provision of the services by the Supplier.

10.4 The Supplier shall, and shall procure that the Supplier Personnel shall, comply with all applicable statutes, rules and regulations in providing the services, including all immigration and employment requirements imposed by any applicable jurisdiction, and the Supplier shall indemnify and hold harmless the Buyer from damages arising out of any failure to do so.

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- 10.5 The Supplier shall indemnify the Buyer in full against any liability arising directly or indirectly out of:-
- 10.5.1 any failure by the Buyer to comply with any statutory or contractual obligations in relation to any of the Supplier Personnel;
- 10.5.2 anything done or omitted to be done by the Supplier in respect of any of the Supplier Personnel at any time; or
- 10.5.3 any liability incurred as a result of the Buyer terminating any agreement which has effect or is alleged to have effect as if originally made between the Buyer and any of the Supplier Personnel as a result of the Transfer of Employees (Protection of Undertakings) Regulations 2006 or any equivalent legislation in any other jurisdiction.

11 TERMINATION

11.1 The Buyer may terminate this Agreement for any reason by providing 15 days prior written notice to the Supplier.

11.2 The Buyer may terminate this Agreement with immediate effect by providing written notice to the Supplier if:

- 11.2.1 the Supplier or the Supplier Personnel commit any material or persistent breach of this Agreement;
- 11.2.2 the Supplier fails to or refuses after written warning to procure that the Supplier Personnel provide the services properly required of them in accordance with this Agreement;
- 11.2.3 the Supplier passes a resolution for winding up (other than for the purpose of solvent amalgamation or reconstruction), or a court of competent jurisdiction makes an order to that effect;
- 11.2.4 the Supplier ceases to carry on its business or substantially the whole of its business; or
- 11.2.4 the Supplier is declared insolvent, or convenes a meeting of or makes or proposes to make any arrangement or composition with its creditors; or a liquidator, receiver, administrative receiver, manager, trustee or similar officer is appointed over any of its assets.

12 INDEMNITY

The Supplier agrees to indemnify the Buyer against all claims, costs and expenses which the Buyer may incur and which arise, directly or indirectly, from the Supplier's breach of any of its obligations under this Agreement.

13 INTELLECTUAL PROPERTY RIGHTS

All Intellectual Property Rights produced from or arising as a result of the performance of this Agreement shall, so far as not already vested, become the absolute property of the Buyer, and the Supplier shall do all that is reasonably necessary to ensure that such rights vest in the Buyer by the execution of appropriate instruments or the making of agreements with third parties.

14 FORCE MAJEURE

Neither party shall be liable for any delay or failure to perform any of its obligations under this Agreement if the delay or failure results from events or circumstances beyond its reasonable control, including but not limited to acts of God, strikes, lock outs, accidents, war, fire, flood or industrial disputes, and the affected party shall be entitled to a reasonable extension of its obligations. In the event that such an event shall continue for a period in excess of 30 days and is such as to prevent substantial performance then either party may terminate the contract. The Buyer's only liability in such event is to pay (pro-rata) for any goods or services that have been delivered or are capable of delivery. The Supplier's only liability is to refund any monies (pro-rata) received for any goods or services that it is unable to deliver.

15 RELATIONSHIP OF PARTIES

Nothing in this Agreement shall be construed as establishing or implying any partnership or joint venture between the parties and nothing in this Agreement shall be deemed to construe either of the parties as the agent of the other.

16 ASSIGNMENT

The Supplier shall not be entitled to assign its rights or obligations or delegate its duties under this Agreement without the prior written consent of the Buyer. The Buyer may at any time assign, transfer, subcontract or otherwise deal with its rights or obligations under this Agreement.

17 SEVERABILITY

If any provision of this Agreement is held invalid, illegal or unenforceable for any reason by any court of competent jurisdiction such provision shall be severed and the remainder of the provisions herein shall continue in full force and effect as if this Agreement had been agreed with the invalid illegal or unenforceable provision eliminated.

18 WAIVER

No failure by the Buyer to enforce any of these Terms and Conditions shall constitute a waiver of its rights hereunder.

19 NOTICES

Any notice to be given by either party to the other may be served by email, fax, personal service or by post to the address of the other party given in the Purchase Order or such other address as such party may from time to time have communicated to the other in writing, and if sent by email shall unless the contrary is proved be deemed to be received on the day it was sent, if sent by fax shall be deemed to be served on receipt of an error free transmission report, if given by letter shall be deemed to have been served at the time at which the letter was delivered personally or if sent by post shall be deemed to have been delivered in the ordinary course of post.

20 NO THIRD PARTIES

Nothing in this Agreement is intended to, nor shall it confer any rights on a third party.

21 ENTIRE AGREEMENT

This Agreement contains the entire agreement between the parties relating to the subject matter and supersedes any previous agreements, arrangements, undertakings or proposals, oral or written.

22 GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and construed in accordance with the law of England and the parties hereby submit to the exclusive jurisdiction of the English courts, save that the Buyer shall be entitled to initiate an action in any applicable court.