

D-030 - SPP PUMPS LTD TERMS AND CONDITIONS OF PURCHASE



1. INTERPRETATION

- 1.1 "Buyer" means SPP Pumps Ltd., company number 04839607, with registered office at Crucible Close, Mushet Industrial Park, Coleford, Gloucestershire, GL16 8PS, UK.
- 1.2 "Seller" means the person, firm or company to whom the Purchase Order is issued.
- 1.3 "Goods" includes all goods / services covered by the Purchase Order.
- 1.4 "Purchase Order" means Buyer's purchase order, which specifies that these conditions apply to it.
- 1.5 "Contract" means the contract between Buyer and Seller consisting of the Purchase Order, these terms and conditions of purchase, any other documentation (or parts of them) specified in the Purchase Order and any other terms and conditions agreed in accordance with clause 2 below.
- 1.6 "Contract Price" means the unit price of items supplied under the Contract.
- 1.7 References to the neuter include the masculine and feminine and to the singular include the plural and vice versa.
- 1.8 The headings do not affect the interpretation of these terms and conditions.

2. TERMS AND CONDITIONS

- 2.1 All orders are made on these terms and conditions which override and exclude any other terms stipulated incorporated or referred to by the Seller, whether in any quotation acknowledgement or invoice. All contracts hereafter shall be deemed to be made subject to these terms.
- 2.2 No modification of these terms or any other Contract provision shall be effective unless made by express written agreement between the parties. The signing by the Buyer of any of the Seller's documentation shall not imply any modification of these terms.

3. QUALITY

- 3.1 All goods manufactured or supplied shall be of the best quality, material and workmanship, without fault and accord in all respects with the specifications and or drawings referred to in the Purchase Order, patterns, or samples (if any) supplied by the Buyer.
- 3.2 The Buyer reserves the right to visit the Seller's premises and carry out an appraisal or audit of the Seller's quality systems to verify the Seller's ability to conform or actual conformance to its documented quality programme.
- 3.3 Where any government or other regulatory authority prescribes safety or quality regulations with which any goods supplied must comply, the Seller shall ensure compliance with such regulations.
- 3.4 **Audit Rights:** Buyer shall have the right, on reasonable notice, to audit Seller's records, premises, and systems to verify compliance with the terms of this Contract, including quality, ESG practices, anti-bribery, and data protection standards.

4. DELIVERY

- 4.1 The date for delivery of the Goods shall be that specified on the Purchase Order or as may be varied by written agreement. The time for delivery is of the essence. Seller shall provide such programmes of manufacture and delivery as Buyer may reasonably require and Seller shall give notice to Buyer as soon as practicable if such programmes are or are likely to be delayed.
- 4.2 If delivery is not made on the due date the Buyer may cancel the Contract in whole or part and refuse to accept any subsequent delivery of goods without prejudice to any other right or remedy which the Buyer may have.
- 4.3 Delivery shall be to nominated address or site as per the Purchase Order in accordance with clause 5.1
- 4.4 **Liquidated Damages due to Delay:** If Seller fails to deliver the Goods or perform the Services by the agreed delivery date, Seller shall pay to Buyer liquidated damages at a rate of 1% of the total Contract Price for each week of delay,

capped at 10% of the Contract Price. Such damages are a genuine pre-estimate of loss and not a penalty. This remedy does not replace the right to terminate or claim general damages.

5. PASSING OF PROPERTY AND RISK

- 5.1 The title to- and risk in- the Goods remains with the Seller until they are delivered in accordance with clause 7, and the Seller shall insure the Goods accordingly.

6. PRICE AND TERMS OF PAYMENT

- 6.1 The Contract Price is stated on the Purchase Order and is fixed. Claims for price increases must be submitted to the Buyer, in writing, giving reasonable notice and supported by adequate documentary evidence together with a cost breakdown. No price increases will apply without Buyer's written agreement.
- 6.2 All prices include delivery to the Buyer. Value added tax, where applicable, shall be shown separately on all invoices.
- 6.3 Unless stated on the Purchase Order or otherwise agreed in writing the Seller shall not submit its invoice for the Goods until valid delivery.
- 6.4 Unless otherwise stated in the Purchase Order, payment is due within **90 days of receipt of accepted Goods** in accordance with clause 7.1.
- 6.5 Time of payment is not of the essence.
- 6.6 Without prejudice to any other right or remedy, Buyer may offset any amount owing from Seller to Buyer against the amount payable by Buyer to Seller whether under this Contract or any other contract between them.
- 6.7 **Performance Guarantee:** If requested by Buyer, Seller shall provide a performance bond or bank guarantee, issued by a reputable financial institution, for an amount equal to 10% of the Contract Price, valid until the successful completion of Seller's obligations under this Contract, including any applicable warranty periods.

7. ACCEPTANCE

- 7.1 If Goods delivered by Seller do not conform in every respect with the Contract (whether because of a different quality or quantity measurement to that required by the Contract or because they are not of satisfactory quality or are unfit for the purpose for which they are required) Buyer shall have the right to reject such Goods within a reasonable time of their delivery and to purchase replacements elsewhere without prejudice to any other right which the Buyer may have against the Seller. The making of payment shall not prejudice Buyer's right of rejection. However, rejected Goods must be credited immediately in full and repaired or replacement goods may be invoiced upon redelivery. Before exercising the said right to purchase elsewhere, Buyer shall give Seller a reasonable opportunity to replace rejected Goods with Goods that confirm to the Contract. Where Buyer has rejected Goods, it is the responsibility of the Seller to collect or arrange collection of the material.
- 7.2 The Seller shall ensure that all advice or delivery notes clearly state the Buyer's part number and the Purchase Order number.
- 7.3 The Seller shall provide in respect of the Goods confirmation of the non-preference country of origin and the applicable harmonized system code (also known as the HS code, tariff code or commodity code). This information shall be provided as part of the Seller's order acknowledgement or, where this information is not available when the order acknowledgement is issued, it shall be provided on the Seller's delivery note or commercial invoice. In some cases, the Buyer will require a separate declaration from the Seller confirming information at part number level for shipping purposes. In cases where the name and address of the manufacturer is commercially sensitive information, the Seller may opt to supply the information directly to the

Buyer's nominated Chamber of Commerce in the UK who will hold the manufacturer's name and address in confidence for the purpose of issuing a certificate of origin.

- 7.4 The Buyer is not liable for any additional costs as a result of the Seller's failure to deliver to agreed due dates or failure to meet the specification in the Purchase Order.
- 7.5 **Force Majeure:** Seller shall not be in breach of the Contract or otherwise liable for any failure or delay in the performance of its obligations if such delay or failure results from acts of God, pandemics, war, terrorism, cyberattacks, government restrictions, or natural disasters. The seller must notify the Buyer within 5 working days of the event, detailing the impact and mitigation steps. The time for performance of such obligations shall be extended accordingly. If the period of delay or non-performance continues for twenty-one (21) calendar days, the Buyer may terminate the Contract by giving five days' written notice to the Seller. Obligations to make payments are excluded from force majeure relief
- 7.6 **Business Continuity and Disaster Recovery:** Seller shall maintain and upon request provide Buyer with a business continuity and disaster recovery plan covering critical manufacturing and logistics operations
8. **VARIATIONS**
- 8.1 Seller shall not alter any of the Goods, except as agreed in writing with the Buyer. Buyer may by notice in writing to Seller request additions or omissions to a Purchase Order, or otherwise vary the Goods, and Seller make best endeavours to carry out such variations.
- 8.2 Where Seller receives any such direction which requires an amendment to the Contract Price, Seller shall promptly advise Buyer in writing to that effect giving the amount of any such amendment and applying the same level of pricing as that contracted in the Seller's tender or quotation.
- 8.3 If in the opinion of Seller any such direction is likely to prevent the Seller from fulfilling any of its obligations under the Contract, the Seller shall notify Buyer and Buyer shall decide whether or not the same shall be carried out and shall confirm its instructions in writing and modify the said obligations to such an extent as may be justified.
9. **INDEMNITY**
- 9.1 Seller shall indemnify Buyer against any costs (including legal costs on a full indemnity basis), charges, damages, interest and claims in relation to:
- defective workmanship, quality and materials;
 - any actual or alleged infringement of intellectual property by the use or supply of Goods;
 - any claim made against Buyer for any liability, loss, damage, injury, cost or expense sustained by Buyer's employees, agents, customers or any third party to the extent that this was caused by or arises from the Goods.
10. **OWNERSHIP OF INTELLECTUAL PROPERTY RIGHTS**
- 10.1 All intellectual property rights created by Seller specifically for the purpose of the Contract shall belong to the Buyer.
- 10.2 To the extent that the Goods or Services incorporate Seller's pre-existing intellectual property, Seller grants to Buyer a non-exclusive, royalty-free, irrevocable, worldwide license to use, reproduce, and maintain such IP for the intended purpose.
11. **PROGRESS AND INSPECTION**
- Buyer's representatives shall have the right to progress and inspect Goods at Seller's works and works of permitted sub-contractors' at all reasonable times and to reject goods that do not comply with the terms of the Contract. However, any checking, approval or acceptance given on behalf of the Buyer shall not relieve Seller or subcontractor from any obligation under the Contract.
12. **RESPONSIBILITY FOR INFORMATION**

Seller shall be responsible for any errors or omissions in any drawings, calculation, packing details or other particulars supplied, whether such information has been approved by the Buyer or not, provided that such errors or omissions are not due to inaccurate information provided in writing by the Buyer.

13. SUB-CONTRACT ORDERS

On request copies of sub-contract Purchase Orders shall be made available to the Buyer.

14. DETERIORATION

14.1 The Seller shall protect all Goods supplied against the Purchase Order that might deteriorate during transportation and storage. The Seller shall notify the Buyer of the most appropriate storage conditions for the Goods supplied.

14.2 **Obsolescence Management:** Seller shall provide advance written notice of at least 12 months for any component discontinuation or obsolescence. Seller shall support last-time buys or approved alternatives.

15. FREE ISSUE MATERIAL

15.1 Where Buyer issues materials free of charge to Seller such materials shall be and remain the property of the Buyer.

15.2 Seller shall keep them in safe custody and separately identified from its own or third party materials. Seller shall maintain all such materials in good condition and order, subject, in the case of pattern and tooling to fair wear and tear. Any surplus material shall be returned to the Buyer. Waste of such materials arising from bad workmanship or negligence of Seller shall be replaced or made good at Seller's expense, without prejudice to any other rights of the Buyer. Seller shall deliver these materials, whether further processed or not, to the Buyer on demand.

16. WARRANTY

16.1 The Supplier shall warrant good for a period of twenty-four months after the date of installation of the Goods at final customer site, or thirty-six months after delivery to Buyer, whichever occurs the earliest. A new warranty period of twenty-four months starts for parts, which have been repaired or replaced by the Supplier.

16.2 In case of non-compliance during the warranty period with the requirements specified in the warranty given above, the Supplier undertakes upon written request by Buyer to repair or replace the Goods or any parts of the Goods. Such replacement/rectification shall take place at the location specified by Buyer and shall be effected within reasonable time following Buyer's request. If the Seller falls completely or in part to remedy a defect within a reasonable time Buyer may either remedy the defect by any means available, at reasonable cost to the Seller, or claim a reasonable reduction of price. If, however, the defect is of such importance that it cannot be remedied within the time period stipulated above, or if the Goods cannot be used for its specified purpose or such use is considerably impaired, then Buyer shall be entitled to refuse acceptance of the defective part.

17. TERMINATION

The Buyer may at any time by notice in writing immediately terminate the Contract in whole or in part without compensation to the Seller if any of the following occur:

- the Seller commits a breach of any of the terms of the Contract;
- if the Seller being an individual, or where the Seller is a firm, any partner of that firm shall become bankrupt or shall have a receiving order or administration order made against him or;
- if the Seller being a company shall pass a resolution for winding-up or a petition shall be presented to the court either for appointment of an administrator or;
- circumstances shall arise which entitle the court or a creditor to appoint a receiver or manager or which entitle the court to make a winding-up order or appoint and administrator;

- e) the Seller ceases or threatens to cease to carry on its business or;
- f) control of more than 50% of the voting right in the Seller is transferred.
- g) Buyer may terminate this Contract in whole or in part at any time by providing ninety (90) days' written notice to Seller. In the event of such termination, Seller shall be entitled to payment for Goods delivered and Services performed up to the termination date, excluding any anticipated profit or consequential loss.

Any termination of the contract by the Buyer under this clause shall not prejudice or affect any right of action or remedy, which shall have accrued or shall accrue thereafter to the Buyer. Any provisions which are expressly or impliedly intended to be enforceable after termination including clauses 9, 10, 15, 16 shall continue to be enforceable.

18. BUYER'S RIGHTS IN SPECIFICATIONS, PLANS, DRAWINGS, PATTERNS AND CONFIDENTIALITY

- 18.1 Any specifications, plans, drawings, patterns or designs supplied to the Seller in connection with the Contract shall remain the property of the Buyer, and any information derived there from or otherwise communicated in connection to the Contract shall be regarded as secret and confidential and shall not without the consent in writing by the Buyer, be published or disclosed to any third party, or made use of by Seller except for the purpose of implementing the Contract.
- 18.2 This obligation in 18.1 shall survive for a period of five (5) years following the termination of the Contract. Seller shall comply with all applicable data protection laws including the UK GDPR where processing Buyer's personal data.

19. CODE OF CONDUCT

In accepting our Purchase Order, the Seller and its employees, agents, sub-contractors and suppliers hereby agrees to fully comply with Buyer's code of conduct. The code of conduct defines the basic requirements placed on Sellers concerning their responsibilities towards their stakeholders and the environment. Buyer reserves the right to change the requirements of the code of conduct due to changes in legislation or Buyer's policies. Seller shall comply with changes to the code of conduct.

The Seller declares herewith:

Legal compliance

- to comply with the laws of the applicable legal system(s).

Prohibition of corruption and bribery

- to tolerate no form of and not to engage in any form of corruption or bribery, including any payment or other form of benefit conferred on any government official for the purpose of influencing decision making in violation of law.

Anti-slavery

- The Company prohibits all forms of modern slavery, forced labour, and human trafficking in its operations and supply chain, and expects the same commitment from its suppliers and partners.

Respect for the basic human rights of employees

- to promote equal opportunities for and treatment of its employees irrespective of skin colour, race, nationality, social background, disabilities, sexual orientation, political or religious conviction, sex or age;
- to respect the personal dignity, privacy and rights of each individual;
- to refuse to employ or make anyone work against their will;
- to refuse to tolerate any unacceptable treatment of employees, such as mental cruelty, sexual harassment or discrimination;
- to prohibit behaviour including gestures, language and physical contact, that is sexual, coercive, threatening, abusive or exploitative;
- to provide fair remuneration and to guarantee the applicable

national statutory minimum wage;

- to comply with the maximum number of working hours laid down in the applicable laws;
- to recognise, as far as legally possible, the right of free association of employees and to neither favour nor discriminate against members of employee organizations or trade unions.

Prohibition of child labour

- to employ no workers under the age of 15 or, in those countries subject to the developing country exception of the ILO Convention 138, to employ no workers under the age of 14.

Health and safety of employees

- to take responsibility for the health and safety of its employees;
- to control hazards and take the best reasonably possible precautionary measures against accidents and occupational diseases;
- to provide training and ensures that employees are educated in health and safety issues; o to set up or use a reasonable occupational health and safety management system.

Environmental protection

- to act in accordance with the applicable statutory and international standards regarding environment protection;
- to minimise environmental pollution and make continuous improvements in environment protection;
- to set up or use a reasonable environmental management system.

Supply chain

- to use reasonable efforts to promote among its suppliers compliance with this Code of Conduct;
- to comply with the principles of non-discrimination with regard to supplier selection and treatment.

20. GENERAL

- 20.1 No conditions referred to when tendering shall form part of the Contract unless otherwise agreed to by the Buyer.
- 20.2 If any term or provision in the Contract is held to be illegal or unenforceable, in whole or in part under any enactment or rule of law, such term or provision or part shall to that extent be deemed not to form part of the Contract but the enforceability of the remainder of the Contract shall not be affected.
- 20.3 The Buyer's failure to insist upon strict performance of any provision of the Contract shall not be deemed to be a waiver thereof or of any right or remedy for breach of a like or different nature. Any waiver by Buyer of a breach or default by Seller will not be deemed a waiver of any subsequent breach or default.
- 20.4 Unless expressly stated otherwise, the Contract does not give rise to any third party rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Contract.

21. DISPUTE RESOLUTION, LAW AND JURISDICTION

- 21.1 Seller shall comply with all applicable export control, sanctions, and customs laws. Seller shall obtain all necessary licences, permits, and approvals prior to shipment and shall not cause Buyer to breach UK, EU, US, or UN sanctions, and shall indemnify Buyer for any losses, fines, or penalties incurred due to Seller's non-compliance with such laws.
- 21.2 The parties shall attempt in good faith to resolve any dispute arising out of this Contract through negotiation. If unresolved within 30 days, the dispute shall be referred to mediation. If mediation fails, either party may refer the dispute to arbitration in London under the LCIA Rules, or to the exclusive jurisdiction of the English courts