

## CONDITIONS OF PURCHASE – SYNTHITE LIMITED

### 1. INTERPRETATION

1.1 The definitions and rules of interpretation in this condition apply in these conditions.

“**Synthite**” means Synthite Limited, or any of its businesses.

“**Contract**” means the Order and the Seller's acceptance of the Order forming the agreement relating to the purchase of Goods and/or Services.

“**Goods**” means any goods agreed in the Contract to be bought by Synthite from the Seller (including any part or parts of them).

“**Order**” means Synthite's written instruction to buy the Goods, incorporating these conditions.

“**Seller**” the person, firm or company who accepts Synthite's Order.

“**Services**” means any services provided pursuant to an Order whether in connection with Goods or otherwise.

1.2 A reference to a particular law is a reference to it as it is in force for the time being taking account of any amendment, extension, application or re-enactment and includes any subordinate legislation for the time being in force made under it.

1.3 A reference to one gender includes a reference to the other gender.

1.4 Condition headings do not affect the interpretation of these conditions.

### 2. APPLICATION OF TERMS

2.1 Subject to any variation under condition 2.4, these conditions are the only conditions upon which Synthite is prepared to deal with the Seller and they shall govern the Contract to the entire exclusion of all other terms or conditions.

2.2 Each Order for Goods and/or Services by Synthite from the Seller shall be deemed to be an offer by Synthite to buy Goods and/or Services subject to these conditions and no Order shall be accepted until the Seller either expressly by giving notice of acceptance, or impliedly by fulfilling the Order, in whole or in part accepts the offer.

2.3 No terms or conditions endorsed upon, delivered with or contained in the Seller's quotation, acknowledgement or acceptance of order, specification or similar document shall form part of the Contract and the Seller waives any right which it otherwise might have to rely on such terms and conditions.

2.4 These conditions apply to all Synthite's purchases and any variation to these conditions shall have no effect unless expressly agreed in writing and signed by a Commercial Manager of Synthite.

### **3. QUALITY AND DEFECTS**

3.1 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 specification and/or formula supplied or advised by Synthite to the Seller.

3.2 Synthite's rights under these conditions are in addition to the statutory conditions implied in favour of Synthite by the Sale of Goods Act 1979.

3.3 At any time prior to delivery of the Goods to Synthite, Synthite shall have the right to inspect and test the Goods.

3.4 If the results of such inspection or testing cause Synthite to be of the opinion that the Goods do not conform or are unlikely to conform with the Order or to any specifications and/or patterns supplied or advised by Synthite to the Seller, Synthite shall inform the Seller and the Seller shall immediately take such action as is necessary to ensure conformity and in addition Synthite shall have the right to require and witness further testing and inspection.

3.5 Notwithstanding any such inspection or testing, the Seller shall remain fully responsible for the Goods and any such inspection or testing shall not diminish or otherwise affect the Seller's obligations under the Contract.

3.6 If any of the Goods fail to comply with the provisions set out in condition 3 Synthite shall be entitled to avail itself of any one or more remedies listed in condition 12.

### **4. INDEMNITY**

The Seller shall keep Synthite indemnified in full against all direct, indirect or 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 Synthite as a result of or in connection with:

- (a) defective workmanship, quality or materials;
- (b) an infringement or alleged infringement of any intellectual property rights caused by the use, manufacture or supply of the Goods;
- (c) any claim made against Synthite in respect of any liability, loss, damage, injury, cost or expense sustained by Synthite'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 Goods as a consequence of a direct or indirect breach or negligent performance or failure or delay in performance of the terms of the Contract by the Seller; and

- (d) any failure to provide the Services strictly in accordance with the terms of the Contract.

## **5. DELIVERY**

- 5.1 If the Contract stipulates that the Seller will arrange delivery, the Goods shall be delivered, carriage paid, to Synthite's place of business or to such other place of delivery as is agreed by Synthite in writing prior to delivery of the Goods.
- 5.2 The date for delivery shall be specified in the Order, or if no such date is specified then delivery shall take place within 28 days of the Order.
- 5.3 The Seller shall invoice Synthite upon, but separately from, despatch of the Goods to Synthite.
- 5.4 The Seller shall ensure that each delivery is accompanied by a delivery note which shows, among other things, Synthite's Order number, date of Order, number of packages and contents and, in the case of part delivery, the outstanding balance remaining to be delivered.
- 5.5 Time for delivery shall be of the essence.
- 5.6 Unless otherwise stipulated by Synthite in the Order, deliveries shall only be accepted by Synthite in normal business hours.
- 5.7 If the Goods are not delivered on the due date then, without prejudice to any other rights which it may have, Synthite reserves the right to:
  - (a) cancel the Contract in whole or in part;
  - (b) refuse to accept any subsequent delivery of the Goods which the Seller attempts to make;
  - (c) recover from the Seller any expenditure reasonably incurred by Synthite in obtaining the Goods in substitution from another supplier; and
  - (d) claim damages for any additional costs, loss or expenses incurred by Synthite which are in any way attributable to the Seller's failure to deliver the Goods on the due date.

- 5.8 If the Seller requires Synthite to return any packaging material to the Seller that fact must be clearly stated on any delivery note delivered to Synthite and any such packaging material shall only be returned to the Seller at the cost of the Seller.
- 5.9 Where Synthite agrees in writing to accept delivery by instalments the Contract shall be construed as a single contract in respect of each instalment. Nevertheless failure by the Seller to deliver any one instalment shall entitle Synthite at its option to treat the whole Contract as repudiated.
- 5.10 If the Goods are delivered to Synthite in excess of the quantities ordered Synthite shall not be bound to pay for the excess and any excess shall be and shall remain at the Seller's risk and shall be returnable at the Seller's expense.
- 5.11 Synthite shall not be deemed to have accepted the Goods until it has had 14 days to inspect them following delivery. Synthite shall also have the right to reject the Goods as though they had not been accepted for 14 days after any latent defect in the Goods has become apparent.

**6. RISK/PROPERTY**

Where the Seller is responsible for transporting the Goods, the Goods shall remain at the risk of the Seller until delivery to Synthite is complete (including off-loading and stacking) when ownership of the Goods shall pass to Synthite. Delivery shall not constitute deemed acceptance of any Goods and Synthite reserves the right to reject any Goods that do not meet its quality control procedures in accordance with condition 5.11 above.

**7. PRICE**

- 7.1 The price of the Goods and/or Services shall be stated in the Order and unless otherwise agreed in writing by Synthite shall be exclusive of value added tax but inclusive of all other charges.
- 7.2 No variation in the price nor extra charges shall be accepted by Synthite.

**8. PAYMENT**

- 8.1 Time for payment shall not be of the essence of the Contract.
- 8.2 Without prejudice to any other right or remedy, Synthite reserves the right to set off any amount owing at any time from the Seller to Synthite against any amount payable by Synthite to the Seller under the Contract.

8.3 The Seller is not entitled to suspend deliveries of the Goods as a result of any sums being outstanding.

**9. CONFIDENTIALITY**

The Seller shall keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to the Seller by Synthite or its agents and any other confidential information concerning Synthite's business or its 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 Synthite and shall ensure that such employees, agents or sub-contractors are subject to like obligations of confidentiality as bind the Seller.

**10. SYNTHITE'S PROPERTY**

Materials, equipment, tools, dies, moulds, copyright, design rights or any other forms of intellectual property rights in all drawings, specifications and data supplied by Synthite to the Seller or not so supplied but used by the Seller specifically in the manufacture of the Goods shall at all times be and remain the exclusive property of Synthite but shall be held by the Seller in safe custody at its own risk and maintained and kept in good condition by the Seller until returned to Synthite and shall not be disposed of other than in accordance with Synthite's written instructions, nor shall such items be used otherwise than as authorised by Synthite in writing.

**11. TERMINATION**

11.1 Synthite shall have the right at any time and for any reason to terminate the Contract in whole or in part by giving the Seller written notice whereupon all work on the Contract shall be discontinued and Synthite shall pay to the Seller fair and reasonable compensation for work-in-progress at the time of termination but such compensation shall not include loss of anticipated profits or any consequential loss.

11.2 Synthite shall have the right at any time by giving notice in writing to the Seller to terminate the Contract forthwith if:

- (a) the Seller commits a material breach of any of the terms and conditions of the Contract; or
- (b) any distress, execution or other process is levied upon any of the assets of the Seller; or
- (c) the Seller has a bankruptcy order made against him or makes an arrangement or composition with his creditors, or otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, or (being a body corporate) convenes a meeting of

creditors (whether formal or informal), or enters into liquidation (whether voluntary or compulsory) except a solvent voluntary liquidation for the purpose only of reconstruction or amalgamation, or has a receiver or manager, administrator or administrative receiver appointed of its undertaking or any part thereof, or documents are filed with the court for the appointment of an administrator of the Seller or notice of intention to appoint an administrator is given by the Seller or its directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986), or a resolution is passed or a petition presented to any court for the winding-up of the Seller or for the granting of an administration order in respect of the Seller, or any proceedings are commenced relating to the insolvency or possible insolvency of the Seller; or

- (d) the Seller ceases or threatens to cease to carry on its business; or
- (e) the financial position of the Seller deteriorates to such an extent that in the opinion of Synthite the capability of the Seller adequately to fulfil its obligations under the Contract has been placed in jeopardy.

11.3 The termination of the Contract, however arising, shall be without prejudice to the rights and duties of Synthite accrued prior to termination. The conditions which expressly or impliedly have effect after termination shall continue to be enforceable notwithstanding termination.

## **12. REMEDIES**

Without prejudice to any other right or remedy which Synthite 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 Synthite shall be entitled to avail itself of any one or more of the following remedies at its discretion, whether or not any part of the Goods have been accepted by Synthite:

- (a) to rescind the Order;
- (b) 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;
- (c) at Synthite'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;
- (d) to refuse to accept any further deliveries of the Goods but without any liability to the Seller;
- (e) to carry out at the Seller's expense any work necessary to make the Goods comply with the Contract; and

- (f) to claim such damages as may have been sustained in consequence of the Seller's breach or breaches of the Contract.

**13. ASSIGNMENT**

- 13.1 The Seller shall not be entitled to assign the Contract or any part of it without the prior written consent of Synthite.
- 13.2 Synthite may assign the Contract or any part of it to any person, firm or company.

**14. FORCE MAJEURE**

Synthite 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 circumstances beyond the reasonable control of Synthite including, without limitation, acts of God, governmental actions, war or national emergency, acts of terrorism, protests, riot, civil commotion, fire, explosion, flood, epidemic, lock-outs, strikes or other labour disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials.

**15. GENERAL**

- 15.1 Each right or remedy of Synthite under the Contract is without prejudice to any other right or remedy of Synthite whether under the Contract or not.
- 15.2 If any provision of the Contract is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid, void, voidable, unenforceable or unreasonable it shall, to the extent of such illegality, invalidity, voidness, voidability, unenforceability or unreasonableness, be deemed severable and the remaining provisions of the Contract and the remainder of such provision shall continue in full force and effect.
- 15.3 Failure or delay by Synthite in enforcing or partially enforcing any provision of the Contract shall not be construed as a waiver of any of its rights under the Contract.
- 15.4 Any waiver by Synthite of any breach of, or any default under, any provision of the Contract by the Seller shall not be deemed a waiver of any subsequent breach or default and shall in no way affect the other terms of the Contract.
- 15.5 The parties to the Contract do not intend that any term of the Contract shall be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person that is not a party to it.

15.6 This Contract and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law, and the parties submit to the exclusive jurisdiction of the English courts.