

STANDARD TERMS AND CONDITIONS FOR THE PURCHASE OF SUBCONTRACT SERVICES

1. Application

The Buyer hereby orders, and the Supplier by accepting this purchase order agrees that it will supply the Subcontract Services specified upon and subject to these Conditions which shall govern the Contract to the exclusion of any Terms and Conditions. Any reference to the Supplier's quotation, specification, price list or like document shall be solely for the purpose of describing the Subcontract Services to be supplied and no Terms and Conditions endorsed upon, delivered with or referred to in such apply to the Contract.

2. Interpretation

2.1 In these Conditions:

- "Business Day" means any day other than a Saturday, Sunday or English Bank Holiday;
- "The Buyer" means Broder Metals Group Ltd, a company registered in England under number 05690539 whose registered office is at XMP House, 2 Starnhill Close, Ecclesfield, Sheffield, England, S35 9TG;
- "These Conditions" means the Standard Terms and Conditions of Purchase set out in this document and (unless the context otherwise changes) includes any special Terms and Conditions agreed in writing between the Buyer and the Seller;
- "The Contract" means the Contract for the Sales and Purchase of the Subcontract Services constituted by the Seller's acceptance of the Order in accordance with these Conditions;
- "The Delivery Address" means the address stated on the Order for the delivery of the Subcontract Services;
- "The Subcontract Services" means the Subcontract Services described in the Order;
- "The Order" means the Buyer's Purchase Order to which these Conditions are annexed;
- "The Price" means the price of the Subcontract Services.
- "The Seller" means the person or company so described in the Order
- "Specification" includes any plans, drawings, data or other information relating to the Subcontract Services; and
- "Writing" includes facsimile, transmission, electronic mail and comparable means of communication.

2.2 Any reference in these Conditions to a statute or a provision of a statute shall be construed as a reference to that statute or provision as amended, re-enacted or extended at the relevant time.

2.3 The headings in these Conditions are for convenience only and shall not affect their interpretation.

3. Basis of Purchase

3.1 The Order constitutes an offer by the Buyer to purchase the Subcontract Services subject to these Conditions.

3.2 The Supplier shall accept the Order placed by the Buyer and a binding contract for the supply of the Subcontract Services subject to these Conditions shall exist by whichever is the earlier of: -

3.2.1 the Supplier's acceptance of the Order, in writing or orally, subject to these Conditions;
or

3.2.2 Delivery of the Subcontract Services

3.3 Any typographical, clerical or other accidental error or omission in the Order placed by the Buyer or in any drawings, specifications, instructions, tools or other material supplied by the Buyer shall be subject to correction without any liability on the part of the Buyer.

3.4 The Seller will notify the Buyer of any changes of processes, products, services, facilities or suppliers, or any changes that affect compliance to the specified standards and lead time, and will obtain approval, or any change to the location of provision of services.

3.5 No variation to the Contract shall be binding unless agreed in writing between the authorised representatives of the Buyer and the Seller.

4. Specification

- 4.1 The quantity, quality and description of the Subcontract Services shall, subject as provided in these Conditions, be as specified in the Order and / or any applicable Specification supplied by the Buyer to the Seller or agreed in writing by the Buyer.
 - 4.2 Any Specification supplied by the Buyer to the Seller, or specifically produced by the Seller for the Buyer, in connection with the Contract, together with the copyright, design rights or any other intellectual property rights in the Specification, shall be the exclusive property of the Buyer. The Seller shall not disclose to any third party or use any such Specification except to the extent that it is or becomes public knowledge through no fault of the Seller, or as required for the purpose of the Contract.
 - 4.3 The Seller shall not unreasonably refuse to take any steps necessary to comply with any request by the Buyer to inspect or test the Subcontract Services during provision of those Services.
 - 4.4 If as a result of inspection or testing the Buyer is not satisfied that the Subcontract Services will comply in all respects with the Contract, and the Buyer so informs the Seller within seven days of inspection or testing, the Seller shall take such steps as are necessary to ensure compliance.
5. Price
- 5.1 The Price of the Subcontract Services shall be as stated in the Order and, unless otherwise so stated, shall be: -
 - 5.1.1 exclusive of any applicable Value Added Tax (which shall be payable by the Buyer subject to receipt of a VAT invoice);
and
 - 5.1.2 inclusive of all charges for insurance, certification charges, and provision of the Subcontract Services.
 - 5.2 No increase in the Price may be made (whether on account of increased material, labour, transport costs, duties, tariffs or fluctuations in rates of exchange or otherwise) without the prior consent of the Buyer in writing.
 - 5.3 The Buyer shall be entitled to any discount for prompt payment, bulk purchase or volume of purchase customarily granted by the Seller, whether or not shown on its own terms and conditions of sale.
6. Payment
- 6.1 The Seller shall be entitled to invoice the Buyer on or at any time after delivery of the Subcontract Services, as the case may be, and each invoice shall quote the number of the Order.
 - 6.2 Unless otherwise stated in the Order, the Buyer shall pay the Price of the Subcontract Services within 61 days after the end of the month of receipt by the Buyer of a proper VAT invoice or, if later, after acceptance of the Subcontract Services in question by the Buyer, but time for payment shall not be of the essence of the Contract.
 - 6.3 The Buyer shall be entitled to set off against the Price any sums owed to the Buyer by the Seller.
7. Provision
- 7.1 Where it is agreed in writing that the date of provision of the Subcontract Services is to be specified by the Seller after the placing of the Order, the Seller shall give the Buyer reasonable notice in writing of the specified date.
 - 7.2 The time of delivery of the Subcontract Services is of the essence of the Contract.
 - 7.3 If the Subcontract Services are to be delivered by instalments, the Contract will be treated as a single contract and not severable.
 - 7.4 The Buyer shall be entitled to reject any Subcontract Services provided which are not in accordance with the Contract.
 - 7.5 The Buyer shall not be deemed to have accepted the Subcontract Services until it has had seven Working Days to inspect them following provision. The Buyer shall also have the right to reject the Subcontract Services as though they had not been accepted for seven days after any latent defect in the Subcontract Services has become apparent.

7.6 If the Subcontract Services are not provided on the due date as stated in the Order, then without prejudice to any other remedy, the Buyer shall be entitled to deduct from the Price or (if the Buyer has agreed to pay any part of the price in advance of delivery) to claim from the Seller by way of liquidated damages for delay 6 per cent of the Price for every week's delay, up to a maximum of 100 per cent of the Price.

8. Certification

Subcontract Services reports originating from provision of the Subcontract Service shall be supplied by electronic mail to certs@broder-metals-group.com. All test reports shall be legible in a reproducible condition. The material designation, specification, latest revision, and results of all specified testing requirements, the mill heat number and any other requirements specified on the Order shall be included with the test reports.

9. Quality

- 9.1 The seller shall provide and maintain a system that complies with AS9100/10/20 and / or ISO 9001:2015. Compliance with the provisions of this clause in no way relieves the seller of the final responsibility to furnish acceptable supplies or services.
- 9.2 The Seller will have in place a procedure to maintain segregation and traceability of our material in the possession of the Seller during provision of the Subcontract Services.
- 9.3 The Seller shall flow down to its supply chain the applicable requirements including customer requirements.
- 9.4 The Seller shall retain all records pertaining to the Order including but not limited to material traceability, processes, testing, and inspection for a minimum of ten years following delivery, and only destroy these records in accordance with the requirements of ISO 9001:2015.
- 9.5 The Seller is required to report any failure, malfunction, or defect in any product, part, process or article delivered to the Buyer.
- 9.6 Subcontract Services shall be uniform in quality. The Subcontract Services must provide an overall quality consistent with good industry practices and adhere to requested Order requirements without deviation.
- 9.7 The Buyer and / or the Buyer's customers (including government agencies) and Regulatory bodies shall have the right to conduct surveys and perform surveillance of the vendor's and sub-vendor's facilities to evaluate their capability to comply with the requirements necessary to conform to contractual requirements.
- 9.8 All, material and / or applicable documents must be identified by the lot or cast number.
- 9.9 The Buyer and / or the Buyer's customers reserves the right to inspect any or all of the work included in the Order. Verification by the Buyer shall not absolve the Seller of the responsibility to provide acceptable Subcontract Service nor shall it preclude subsequent rejection by the Buyer.
- 9.10 The Seller will ensure that all personnel are adequately trained and competent, and possessing all necessary qualifications, in order to deliver the Subcontract Services according to the requirements of this purchase order.
- 9.11 The Seller will ensure that all personnel are aware of their contribution to Service conformity and safety.

10. Precedence of Requirements

In the case of conflicting requirements, the following order of precedence will apply: Buyer's Purchase order, Buyer's Quality Clauses, Drawings, Material & Process Specification, then General Terms & Conditions

11. Risk and Property

- 11.1 Damage to or loss of Material supplied to the Seller for the Subcontract Services to be applied to shall be the sole responsibility of the Seller
- 11.2 The property in the Subcontract Services shall pass to the Buyer upon provision.

12. Assignment

12.1 The Buyer may assign the Contract or any part of it to any person, firm or Company.

12.2 The Seller shall not be entitled to assign the Contract or any part of it without the prior written consent of the Buyer.

13. Warranty

13.1 The Seller warrants to the Buyer that the Subcontract Services: -

13.1.1 will, both at the time of provision and for a reasonable period of time, thereafter, be of the best available and applicable quality and workmanship and conform in all respects with the Order and Specification supplied or advised by the Buyer to the Seller;

13.1.2 will be free from errors;

13.1.3 will correspond with any relevant Specification;
and

13.1.4 will comply with all statutory requirements and regulations relating to the sale of the Subcontract Services.

13.2 Where the Seller is not the provider of the Subcontract Services, the Seller shall endeavour to transfer to the Buyer the benefit of any warranty of guarantee given to the Seller.

13.3 The Seller warrants that (subject to the other provisions of these Conditions) upon delivery the Subcontract Services shall:

13.3.1 be of satisfactory quality within the meaning of the Sale of Subcontract Goods Act 1979;

13.3.2 be reasonably fit for purpose;
and

13.3.3 be reasonably fit for any particular purpose for which the Subcontract Services are being bought if the Buyer had made known that purpose to the Seller in writing and the Seller has confirmed in writing that it is reasonable for the Buyer to rely on the skill and judgement of the Seller.

13.4 The Seller shall not be liable for a breach of any the warranties in condition 13.3 unless: -

13.4.1 the Buyer gives written notice of the defect to the Seller, within seven working days of the time when the Buyer discovers the defect;
and

13.4.2 the Seller is given a reasonable opportunity after receiving the notice of examining the complaint.

13.5 The Buyer shall not be liable for a breach of any of the warranties in condition 13.3 if: -

13.5.1 the Buyer makes any further use of such Subcontract Services after giving such Notice;

13.6 Subject to condition 13.4 and condition 13.5, if any of the Subcontract Services do not conform with any of the warranties in condition 13.3 the Seller shall at its option remedy such Subcontract Services or refund the price of such Subcontract Services at the pro rata Contract rate.

14. Indemnity

14.1 The Seller shall indemnify the Buyer in full against all liability, loss, damages, costs and expenses (including legal expenses) awarded against or incurred or paid by the Buyer as a result of or in connection with: -

14.1.1 breach of any warranty given by the Seller in relation to the Subcontract Services;

14.1.2 any claim that the Subcontract Services infringe, or that their importation, use or resale, infringes, the patent, copyright trade mark or other intellectual property rights of any other person, except to the extent that the claim arises from compliance with any Specification supplied by the Buyer;

14.1.3 any act or omission of the Seller or its employees, agents or sub-contractors in supplying, delivering or installing the Subcontract Services

14.1.4 all claims by the customers of the Buyer (and their sub-buyers) arising out of any breach whatever by the Seller of this contract for sale.

15. Remedies

15.1 Without prejudice to any other right or remedy which the Buyer may have, if any Subcontract Services are not supplied in accordance with, or the Seller fails to comply with, any of the terms of the Contract the Buyer 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 Subcontract Services have been accepted by the Buyer:-

- 15.1.1 to rescind the Order;
 - 15.1.2 to reject the Subcontract Services (in whole or in part) and demand a full refund for the Subcontract Services.
 - 15.1.3 at the Buyer's option to give the Seller the opportunity at the Seller's expense either to remedy the Subcontract Services.
 - 15.1.4 to carry out at the Seller's expense any work necessary to make the Subcontract Services comply with the Contract;
- and
- 15.1.5 to claim such damages as may have been sustained in consequence of the Seller's breach or breaches of the Contract.

16. Termination

16.1 The Buyer shall be entitled to cancel the Contract in respect of all or part only of the Subcontract Services by giving notice in writing to the Seller at any time prior to delivery or performance, in which event the Buyer's sole liability shall be to pay to the Seller the Price for the Subcontract Services in respect of which the Buyer has exercised its right of cancellation, less the Buyer's reasonable estimate of the Seller's net saving of cost arising from cancellation.

16.2 The Buyer shall be entitled to terminate the Contract without liability to the Seller by giving notice to the Seller at any time if: -

- 16.2.1 the Seller makes any voluntary arrangement with its creditors (within the meaning of the Insolvency Act 1986) or (being an individual or firm) becomes bankrupt or (being a company) becomes subject to an administration order or goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction);
 - 16.2.2 an encumbrancer takes possession, or a receiver is appointed, of any of the property or assets of the Seller;
 - 16.2.3 the Seller ceases or threatens to cease, to carry on business;
- or
- 16.2.4 the Buyer reasonably apprehends that any of the events mentioned above is about to occur in relation to the Seller and notifies the Seller accordingly.

17. Force Majeure

17.1 In the event that either party is prevented from fulfilling its obligations under this Agreement by reason of any supervening event beyond its control including but not limited to war, national emergency, flood, earthquake, strike or lockout (subject to Sub-clause 15.2) the party shall not be deemed to be in breach of its obligations under this Agreement. The party shall immediately give notice of this to the other party and must take all reasonable steps to resume performance of its obligations.

17.2 Sub-clause 17.1 shall not apply with respect to strikes and lockouts where such action has been induced by the party so incapacitated.

17.3 Each party shall be liable to pay to the other damages for any breach of this Agreement and all expenses and costs incurred by that party in enforcing its rights under this Agreement.

17.4 If and when the period of such incapacity exceeds 6 months, then this Agreement shall automatically terminate unless the parties first agree otherwise in writing.

18. Code of Conduct

The Buyer's corporate identity and partnerships are built upon a strong foundation of steadfast adherence to the highest ethical standards. Accordingly, the Buyer expects the Seller to maintain the fundamental values of fairness and integrity during its business interactions with Buyer.

19. Communications

19.1 All communications between the parties about the Contract shall be in writing and delivered by hand or sent by pre-paid first-class post or sent by electronic mail: -

19.1.1 (in case of communications to the Seller) to its registered office or such changed address as shall be notified to the Buyer by the Seller;

or

19.1.2 (in case of the communications to the Buyer) to the registered office of the addressee (if it is a company) or (in any other case) to any address of the Seller set out in any document which forms part of the Contract or such other address as shall be notified to the Seller by the Buyer.

19.2 Communications shall be deemed to have been received: -

19.2.1 if sent by pre-paid first-class post, two Business Days after posting (exclusive of the day of posting);

or

19.2.2 if delivered by hand, on the day of delivery;

or

19.2.3 if sent by electronic mail on a Business Day prior to 5.00 pm, at the time of transmission and otherwise on the next Business Day.

19.3 Communications addressed to the Buyer shall be marked for the attention of the representative of the Buyer who placed the Order

19.4 Any notice required or permitted to be given by either party to the other under these Conditions shall be in writing addressed to that other party at its registered office or principal place of business or such other address as may at the relevant time have been notified pursuant to this provision to the party giving the notice.

20. Waiver

No waiver by the Buyer of any breach of the Contract by the Seller shall be considered as a waiver of any subsequent breach of the same or any other provision.

21. Severance

If any provisions of these Conditions are held by any competent authority to be invalid or unenforceable in whole or in part the validity of the other provisions of these Conditions and the remainder of the provisions in question shall not be affected thereby.

22. Third Party Rights

A person who is not a party to the Contract shall have no rights under this Contract pursuant to the Contracts (Rights of Third Parties) Act 1999.

23. Governing Law and Jurisdiction

The Contract shall be governed by the laws of England and Wales and the parties agree to submit to the exclusive jurisdiction of the English and Welsh courts.