

APPENDIX

GENERAL TERMS AND CONDITIONS OF SALE OF PERCY & REED PRODUCT LIMITED (the "Company")

In these terms and conditions:

Buyer – means the company, partnership or person placing an order for Goods, where a person includes a natural person, corporate or unincorporated body (whether or not a separate legal entity).

Contract – means an individual contract between the Company and the Buyer for the sale and purchase of Goods on these terms and conditions.

Goods – means the goods (or any instalment or part) the Company agrees to sell and the Buyer agrees to purchase under a Contract.

1. APPLICATION OF THESE TERMS AND CONDITIONS:

- 1.1 These terms and conditions (the "Conditions"), which form part of the Agreement between the parties shall govern and are incorporated into every contract for the sale of Goods made by or on behalf of the Company. They apply to the entire exclusion of all and prevail over other terms or conditions (whether or not in conflict or inconsistent with these Conditions), including those of the Buyer or which are implied by trade custom, practice or course of dealing, unless specifically excluded or varied in writing by an authorised representative of the Company and any purported provisions to the contrary are hereby excluded or extinguished.
- 1.2 If, subsequent to any Contract, a contract of sale is made between the Company and the Buyer without reference to any conditions of sale or purchase, such contract however made is deemed to be subject to these Conditions.
- 1.3 These Conditions shall commence on the date they are signed by the Buyer and shall continue thereafter unless and until terminated in accordance with these Conditions. Without prejudice to Condition 13, either party shall be entitled to terminate these Conditions by giving not less than sixty (60) days' prior notice in writing to the other party.
- 1.4 Any variation of these Conditions is valid only if it is in writing and signed by or on behalf of each of the Company and the Buyer.

2. ORDERS:

- 2.1 The Buyer may place orders with the Company in writing. Each order by the Buyer shall be deemed to be an offer to buy Goods subject to these Conditions. The Buyer is responsible to the Company for ensuring the accuracy and completeness of the terms of any order and any applicable specification submitted by the Buyer. The Buyer shall include the following details in each order: (a) purchase order number; (b) required delivery date; (c) booking reference (if necessary); and (d) the contact name and telephone number of an authorised representative of the Buyer who shall be responsible for receiving deliveries.
- 2.2 Each offer is subject to acceptance by the Company. Each acceptance of an order by the Company shall give rise to a separate Contract. No order shall be binding on the Company until the Company accepts the offer, expressly by giving notice of acceptance. The Buyer is free to withdraw any offer prior to receipt of notice of acceptance of the offer.
- 2.3 Any quotation by the Company does not constitute an offer and the Company reserves the right to withdraw or revise a quotation at any time prior to the Company's acceptance of the Buyer's offer.
- 2.4 Once the Company has accepted an order, the Buyer may not cancel the order except with the prior written agreement of the Company.

3. PRICES:

- 3.1 Unless otherwise agreed by the Company in writing, and subject to these Conditions: (a) the price payable for the Goods shall be the price agreed between the Buyer and the Company as stated in the Contract in accordance with Condition 2.2; and (b) the price for Goods shall be exclusive of all costs and charges in relation to loading, unloading, carriage, insurance, transport and duties all of which amounts the Buyer shall pay in addition when it is due to pay for the Goods.
- 3.2 All prices are exclusive of any applicable value added tax (or any similar or equivalent sales taxes or duties), which the Buyer is additionally liable to pay to the Company.

4. TERMS OF PAYMENT:

- 4.1 The Company may invoice the Buyer on or at any time after despatch and if delivered in instalments the Company shall be entitled to invoice each instalment as and when despatch of that instalment has been made.
- 4.2 Unless otherwise agreed in writing, the Buyer will (save as set out in the remainder of this Condition 4.2) pay for the Goods no later than 30 days from the date of the invoice. Time for payment shall be of the essence. In the event that the Buyer is based outside of the United Kingdom, unless otherwise agreed between the parties, the price of any Goods sold pursuant to these Conditions shall be secured by an irrevocable letter of credit satisfactory to the Company, established by the Buyer in favour of the Company immediately upon receipt of the Company's acceptance of the Buyer's order and confirmed by a United Kingdom bank acceptable to the Company. The letter of credit shall be for the price of the Goods as stated in the Contract (together with any applicable tax or duty payable) quoting the Company as beneficiary and shall be valid for six (6) months.
- 4.3 The Buyer shall make all payments due under the Contract in full to the Company and without any deduction whether by way of set-off, counterclaim, discount, or abatement.
- 4.4 If any of the events described in Condition 6.3 occurs (or if the Company reasonably believes that any such event is about to occur and notifies the Buyer accordingly), or if the Buyer fails to make any payment within 30 days of the date of the invoice other than in the case of a bona fide dispute, then without prejudice to any other right or remedy available, the Company shall be entitled to cancel the Contract or suspend any further deliveries to the Buyer; and (both before and after any judgment), in respect of any unpaid amounts, charge interest at the statutory rate set out in the Late Payment of Commercial Debts (Interest) Act 1998 accruing on a daily basis from the due date until payment is made.

5. DELIVERY / TRANSPORT:

- 5.1 All times dates or periods given for delivery of the Goods are estimates given in good faith and the Company is not liable for any delay in delivery of the Goods howsoever caused. The Goods may be delivered by the Company in advance of the quoted delivery date on giving reasonable notice to the Buyer.

- 5.2 Unless otherwise agreed by the Company in writing, where the Company accepts an order for Goods and such order costs in excess of £300 (excluding value added tax), such order for Goods shall be delivered to the Buyer's warehouse within Great Britain free of charge. Should the Company accept an order for the delivery of Goods to a destination outside of Great Britain, or an order for Goods that costs less than £300 (excluding value added tax), then these orders for Goods will be delivered EXW (as defined in intercoms 2010) at the delivery destination within Great Britain designated by the Company. The Buyer shall provide at the delivery point and at its own expense, adequate equipment and labour for uploading Goods. For the avoidance of doubt, the Buyer shall bear all transport, delivery, hazardous goods packing and import costs including insurance, certificate for hazardous goods, duties, taxes and all related charges, such as the costs of carrying out customs formalities payable upon export and the costs of any licences or other official authorisations necessary for the export or import of the Goods.
- 5.3 In the event of non-delivery, the Buyer must notify the Company in writing within 48 hours of the date when the Goods would in the ordinary course of events have been delivered to the Buyer at the delivery destination within Great Britain designated by the Company. If the Buyer does not notify the Company accordingly, the Company shall have no liability for non-delivery.
- 5.4 The Company shall not be liable for any claim in relation to the Goods if: (a) the Buyer makes any further use of such Goods after giving notice of the relevant claim; or (b) the defect arises because the Buyer failed to follow the Company's oral or written instructions as to the storage, installation, use or maintenance of the Goods or (if there are none) good trade practice; or (c) the Buyer alters the Goods.
- 5.5 Any claim by the Buyer which is based on any defect in the quality, quantity or condition of the Goods shall be notified to the Company within 48 hours from the time of delivery (or where the defect or failure was not apparent on reasonable inspection, within 48 hours after discovery of the defect or failure or, if later, within 48 hours of notification to the Buyer, by the Buyer's customer). If the Buyer does not notify the Company accordingly, the Buyer shall not be entitled to reject the Goods and the Company shall have no liability for such defect or failure. In the event of any over-shipment, the Buyer agrees to notify the Company within 48 hours of delivery so that the appropriate amount can be added to the invoice.
- 5.6 Where any valid claim in respect of any of the Goods which is based on non-delivery or any defect in the quality, quantity or condition of the Goods is notified to the Company in accordance with these Conditions, the Company shall replace (or supply in the case of non-delivery) the Goods (or the part in question) free of charge or, at the Company's sole discretion, refund to the Buyer the price of the Goods (or a proportionate part of the price), but the Company shall have no further liability to the Buyer.
- 5.7 The Buyer is responsible at its own cost for complying with all import legislation, regulation and controls, including obtaining import licences, and paying all applicable duties, and for obtaining all other consents required to transport the Goods to the Buyer's end destination for the Goods.
- 5.8 The quantity of any consignment of Goods as recorded by the Company or its nominee upon loading at the Company's place of business shall be deemed to be the quantity received by the Buyer on delivery unless the Buyer can provide conclusive evidence to the contrary within thirty (30) days of delivery.
- 5.9 Section 32(2) of the Sale of Goods Act 1979 does not apply. The Company is not required to give the Buyer the notice specified in Section 32(3) of that Act.
- 6. PASSING OF TITLE AND RISK:**
- 6.1 Risk of any loss or damage to the Goods or other packaging or materials shall pass to the Buyer at the time of delivery. Notwithstanding delivery and the passing of risk in the Goods, or any other provision of these terms and conditions, ownership of the Goods shall only pass when the Company has received in cash or cleared funds payment in full of the price of the Goods.
- 6.2 Until title to the Goods has passed to the Buyer, the Buyer shall: (a) hold the Goods on a fiduciary basis as the Company's bailee; (b) store the Goods separately from all other goods held by the Buyer so that they remain readily identifiable as the Company's property; (c) not remove, deface or obscure any identifying mark or packaging on or relating to the Goods; (d) maintain the Goods in satisfactory condition and keep them insured against all risks for their full price from the date of delivery; (e) notify the Company immediately if it becomes subject to any of the events listed in Condition 6.3; and (f) give the Company such information relating to the Goods as the Company may require from time to time. Notwithstanding the foregoing, the Buyer may resell or use the Goods in the ordinary course of its business, provided that the proceeds of any such resale are received and held by the Buyer in a separate bank account.
- 6.3 The Buyer's right to possession of the Goods shall terminate immediately if: (i) the Buyer has a bankruptcy order made against it or makes an arrangement or composition with its 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), or has a receiver and/or manager, administrator or administrative receiver appointed of the Buyer's undertaking or any part thereof, or documents are filed with the court for the appointment of an administrator of the Buyer's undertaking or notice of intention to appoint an administrator is given by the Buyer or the Buyer's 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 Buyer's undertaking or for the granting of an administration order in respect of the Buyer, or any proceedings are commenced relating to the Buyer's insolvency or possible insolvency; or (ii) the Buyer suffers or allows any execution, whether legal or equitable, to be levied on the Buyer's property or to be obtained by the Buyer, or the Buyer fails to observe or perform any of the Buyer's obligations under the Contract or any other contract between the Company and the Buyer, or is unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or the Buyer ceases to trade; or (iii) the Buyer encumbers or in any way charges any of the Goods; or (iv) analogous proceedings or events to those specified in this Condition 6.3 are instituted or occur in relation to the Buyer elsewhere than in England and Wales.
- 6.4 Notwithstanding the provisions of this Condition 6, the Company shall be entitled to bring an action against the Buyer for the price of the Goods in the event of non-payment by the Buyer by the due date even though title to the goods has not passed to the Buyer and/or has the right by notice to the Buyer at any time after delivery to pass title to the Goods to the Buyer as from the date of such notice.
- 6.5 Notwithstanding Condition 5.2, the Buyer will at all times insure and keep itself insured with a reputable insurance company against all insurable liability under these Conditions or in respect of the Goods and shall produce on request by the Company the policy of such insurance and the premium receipts.

7. WARRANTIES AND REPRESENTATIONS:

- 7.1 The Company must not be taken as having given a warranty, guarantee or recommendation as to the suitability of the Goods for any specific purpose. The Buyer must satisfy itself as to whether the Goods purchased are suitable for the purpose for which the Buyer intends to use them and the Company gives no warranty nor makes any representations to this effect.
- 7.2 Subject as expressly provided in these Conditions, all warranties, conditions or other terms implied by statute or common law are excluded to the fullest extent permitted by law.

8. DEFAULT OF THE BUYER:

If the Buyer shall be in breach of any of its obligations under the Contract then the Company may by notice in writing suspend delivery or any further deliveries (as the case may be) of Goods until any default by the Buyer is remedied and if the Goods have been delivered but not paid for the price shall become immediately due and payable notwithstanding any previous agreement or arrangement to the contrary.

9. USE OF THE BRAND:

The Buyer shall not use the Company's brand in conjunction with any press release, endorsement, advertising, co-branding, promotion, product tie-in, sponsorship, sponsored links, and/or public relations or marketing campaign of any type whatsoever unless otherwise approved in writing by the Company.

10. INTELLECTUAL PROPERTY IF GOODS ARE MADE TO SPECIFIC OR SPECIAL INSTRUCTIONS:

Where any process is to be applied to the Goods by the Company in accordance with a specification or instruction submitted by the Buyer, including, the addition to the packaging of the Goods of any trade mark, legend or graphic work, the Buyer hereby indemnifies the Company against all loss, damages, costs and expenses awarded against or incurred by the Company in connection with, or paid or agreed to be paid by the Company in settlement of, any claim for infringement of any intellectual property rights of any third party which results from the Company's use of the Buyer's specification or compliance with the Buyer's instruction.

11. LIMITATION OF LIABILITY:

- 11.1 Nothing in this agreement shall exclude or limit the liability of the Company for: (a) death or personal injury caused by the Company's negligence; (b) any matter which it would be illegal for the Company to exclude or attempt to exclude its liability; or (c) fraud or fraudulent misrepresentation. The Company's total liability in contract, tort (including negligence or breach of statutory duty) misrepresentation, restitution or otherwise, arising in connection with the performance or contemplated performance of the Contract shall in no circumstance exceed the price of the Goods as stated in the Contract which is the subject matter of any valid claim.
- 11.2 Subject to Condition 11.1 above, neither party shall be liable, in contract, tort (including negligence) or for breach of statutory duty or in any other way for any indirect or consequential losses (whether or not such losses were within the contemplation of the parties at the date of this Agreement) in relation to any matter arising out of or in connection with these Terms or any order.

12. EVENTS OF FORCE MAJEURE:

An "Event of Force Majeure" means any circumstances beyond the control of the Company (including, acts of God, governmental actions, strikes or other labour disputes (whether or not relating to the Company's workforce), lock-outs, war or national emergency, acts of terrorism, protests, riot, civil commotion, default of suppliers or subcontractors, explosion, flood, caused by unexpected events such as severe weather, or the amendment or coming into force of any legal provision affecting the production, import, export or sale of any goods or any ingredients or materials for production of any goods. If by reason of an Event of Force Majeure the Company is prevented from or hindered in or delayed in manufacturing, obtaining or delivering (by normal route or means of delivery) the Goods, the Company shall (a) not be liable to the Buyer or deemed to be in breach of the Contract by reason of any resulting delay in performing, or any failure to perform, any of the Company's obligations in relation to the Goods; and (b) be entitled (without liability to the Buyer) to cancel any order or to delay delivery or to reduce the amount of Goods delivered. Where any such Event of Force Majeure continues for a period of more than 14 days, the Company shall be entitled to terminate the Contract on notice in writing to the Buyer.

13. TERMINATION:

- 13.1 Either party (the "non defaulting party") may terminate these Conditions immediately on notice to the other party (the "defaulting party") if:
- (a) the defaulting party has committed a material breach of any of its obligations under these Conditions, which is incapable of remedy; or
 - (b) the defaulting party has committed a material breach of any of its obligations under these Conditions, which is capable of remedy and which that defaulting party has not remedied within thirty (30) days of receipt of written notification of such breach or other default from the non defaulting party; or
 - (c) the defaulting party ceases, or threatens to cease, to carry on business.
- 13.2 Where either party serves notice to terminate these Conditions, the Buyer shall provide to the Company, within seven (7) days of the date of such notice, a full and complete inventory of all Goods it has in stock or under its control as at the date of such notice.
- 13.3 Where either party serves notice to terminate these Conditions, the Company has the option to purchase from the Buyer all (or some) of the Goods as are in first class order and condition at the same price as was paid by the Buyer for the Goods. The option must be exercised within fourteen (14) days of receiving the inventory referred to in Condition 13.2 and the purchase shall take place and the price must be paid within 60 days of the exercise of the option and the costs of delivering the Goods to the Company shall be borne by the Company.
- 13.4 If the Company chooses not to exercise its option under Condition 13.3, the Buyer is permitted for a period of thirty (30) days following expiry of the option, to sell and distribute any stocks of the Goods as it may at the time have in stock or under its control; thereafter, the Buyer must immediately cease selling the Goods and promptly return all remaining stock

of the Goods to the Company at the expense of the Buyer or otherwise dispose of the stocks as the Company may instruct.

14. GENERAL:

- 14.1 References to the word "include" or "including" (or any similar term) are not to be construed as implying any limitation and general words introduced by the word "other" (or any similar term) shall not be given a restrictive meaning by reason of the fact that they are preceded or followed by words indicating a particular class of acts, matters or things.
- 14.2 The Buyer shall comply with the Bribery Act 2010 and all other applicable laws and regulations relating to anti-bribery and anti-corruption, the Data Protection Act 1998 and the Privacy and Electronic Communications (EC Directive) Regulations 2003 and shall have and maintain in place its own policies and procedures to ensure compliance with these requirements and will enforce them where appropriate.
- 14.3 Any waiver by the Company of any breach, or any default under, any provision of the Conditions by the Buyer shall be not be deemed a waiver of any subsequent breach or default and shall not affect the other terms of these Conditions.
- 14.4 If any provision of these Conditions is held to be invalid or unenforceable by any judicial or other competent authority, all other provisions of these Conditions will remain in full force and effect and will not in any way be impaired. If any provision of these Conditions is held to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, the provision in question will apply with the minimum modifications necessary to make it valid and enforceable.
- 14.5 Neither party intends that any term of the Contract shall be enforceable by a third party under the Contracts (Rights of Third Parties) Act 1999.
- 14.6 This Contract and any dispute or claim arising out of or in connection with it or its subject matter, whether of a contractual or non-contractual nature, shall be governed by and construed in accordance with the law of England and Wales. The parties irrevocably agree that the courts of England and Wales will have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Contract.