

## TERMS & CONDITIONS OF PURCHASE

### 1 DEFINITIONS

"Order" means the written order placed with the person, firm or company ("seller") designated on the Order by the Buyer. "Buyer" means [Axminster Carpets Ltd] or whichever of its associated companies shall be designated on the Order. Contract means the contract which is concluded upon acceptance by the Seller of the Order for the Sale to the Buyer of the goods referred to in the Order ("the Goods").

### 2 CONDITIONS OF ORDER

- (i) The Order is placed subject to the incorporation in the Contract of these General Conditions of Purchase which shall override and exclude any terms or conditions proposed by the Seller except in so far as acceptance of the same is expressly communicated to the Seller in writing by the Buyer;
- (ii) Terms and conditions proposed by the Seller and variations to these General Conditions will not be of any effect unless expressly agreed in writing by the Buyer.

### 3 QUALITY AND DESCRIPTION

- (i) It shall be a term of the Contract that the Goods comply with the warranties and conditions contained in Sections 12 to 15 (both inclusive) of the Sale of Goods Act 1979 and any amending statutes or enactments and comply with any and all applicable regulations and relevant statutory rules, orders or instruments having the force of law including and without prejudice to the generality of this requirement all relevant British Standard Specifications;
- (ii) The Buyer may reject any Goods for non-compliance with the requirements of this clause, and any other requirements specified herein, within 12 months of the date of delivery.

### 4 INSPECTION, TESTING AND ADHERENCE TO THE BUYER'S SPECIFICATION

The Buyer reserves the right to inspect the Goods before delivery; exercise of this right shall not preclude the Buyer from subsequently rejecting the Goods for failure to comply with the requirements in Clause 3 above, nor shall failure to inspect constitute acceptance of the Goods.

Furthermore the Buyer requires the Seller to conform with the following further conditions:

- (i) Right of Entry: By acceptance of this purchase order you are allowing the Buyer, its customers and regulatory agencies the right of access to determine and verify the quality of work, applicable quality records and materials at ALL facilities involved in the order;
- (ii) Nonconforming Product: Supplier MUST notify the Buyer of any nonconforming product/material so that the Buyer can determine if said product/material will be accepted;
- (iii) Product/Material Changes: Supplier MUST notify the Buyer of any changes in product/material and/or process that would affect the fit, form and function of said product/material being supplied to the Buyer;
- (iv) Requirements Flow Down: Supplier must flow down any requirements to all sub-tier suppliers, including any key characteristics where required;
- (v) Certificate of Conformance: If the Buyer has confirmed the parts agreed to be supplied will be utilised within the Transportation sector the following will apply:

**A Certificate of Conformance: for Parts Manufactured and/or goods supplied to the Buyers drawings and specifications:** Each shipment shall be accompanied, if requested, by one (1) legible and reproducible copy of a certificate of conformance containing the signature and title of an authorised representative stating that the items ordered were produced in accordance with and conform in all respects to the contractual requirements including specifications, drawings (including revision levels), marking requirements, and physical item identification. When the parts are serialized, serial numbers shall be included on the certification. The certificate of conformance must reference the purchase order number, the internal tracking number/lot number assigned by your company for this job, state that the parts were manufactured to the Buyer's drawing number and revision level listed on this purchase order. Failure to follow these procedures will result in parts being rejected at the Buyer, payment held and return of shipment;

- B Certification of Material Conformance:** Each shipment shall be accompanied by one (1) legible and reproducible copy of a certificate of conformance containing the signature and title of an authorised representative for each material used to fabricate the items ordered in this purchase order.

5 TIME

- (i) Time shall not be of the essence of the Contract but the Buyer may make and time shall be of the essence of the Contract in the following circumstances:  
(a) if by reference to any delivery or other data for performance in the Contract the Buyer has described time as being of the essence; (b) if the date for anticipated delivery has passed by giving the Seller written notice specifying a date 7 days later for the purposes of which time shall be of the essence; (c) if the delivery date is approximate or if there is no date specified for delivery or performance and in either event the date upon which the Buyer could reasonably have expected such delivery or other performance to be effected has passed, by giving the Seller written notice specifying a date 14 days later for the purpose of which time shall be of the essence:
- (ii) If by reason of any cause beyond the Seller's control the Seller is or is likely to be prevented from effecting the delivery or performance on the date specified in the Contract, the Seller shall promptly give the Buyer written notice of all the circumstances, whereupon the obligation of the Seller to effect the delivery or performance shall be suspended for a period consistent with the extent and duration of the cause provided that the Buyer shall be entitled at its option at any time and whether or not time is of the essence of the Contract to treat the delay or anticipated delay in effecting the delivery or performance as repudiation of the Contract by the Seller if it considers it expedient in the interests of its business to do so whereupon all monies paid by the Buyer in respect of the delivery or performance which has not been effected shall be refunded and to the like extent all the obligations and liabilities of the Buyer and the Seller in respect of that delivery or performance shall absolutely cease and determine.
- (iii) If the Seller shall fail to effect the delivery or performance by a date in respect of which time is of the essence then whether or not such delivery or performance shall affect a substantial portion of the Good the Buyer shall at its option be entitled to forthwith determine the whole or part of the Contract whereupon risk in Goods already delivered and affected by such determination shall revert to the Seller and the Seller shall become liable to: (a) repay any monies already paid by the Buyer in respect of the Contract together with interest at 2% above HSBC Bank plc Base rate; (b) compensate the Buyer for any loss directly and foreseeably incurred by it in consequence of the late delivery or performance.

6 PLACE AND MANNER OF DELIVER

Unless otherwise stated in writing in the Order all Goods shall be delivered carriage paid to the Buyer's premises at Woodmead Road, Axminster, Devon.

7 TITLE AND RISK

- (i) Subject to subclause (ii) below title and risk in the Goods shall pass upon their delivery to the Buyer at the address specified in these Conditions or in the Order (as the case may be) or if the Buyer collects the Goods upon their collection by the Buyer.
- (ii) If payments are made prior to physical delivery the Buyer shall have a lien on the Goods (or on the constituent parts appropriated to their manufacture) to the value of the total of such payments (each being considered as a whole).

8 GUARANTEE

If within 12 months after delivery the Buyer shall give notice to the Seller of any defect in the Goods which arises under proper use from faulty materials or workmanship then the Seller shall with all possible speed and at its expense replace or repair the Goods or at the Buyer's option, refund all monies paid under the Contract provided that failure to give such notice shall not operate as a waiver of the Buyer's rights under clause 3 above.

9 INDEMNITY

The Seller shall at all times indemnify and save harmless, the Buyer in respect of all loss damage or injury suffered by any property (whether or not the property of the Buyer) any person and against all actions, claims, demands, costs, charges and expenses arising in connection therewith to the extent that the same

shall have been at any time caused or occasioned by the Seller, its servants or agents in the performance of its obligations under the Contract and in the case of loss, damage or injury to the property of the Buyer was such as could have been avoided and had not been expressly authorised by the Buyer.

#### 10 PAYMENT

Payments for the Goods shall be made at the time and in the manner and subject to such discounts (if any) as are stated in the Order but so that the Buyer shall be entitled to delay payment for the Goods until it has received from the Seller a proper VAT invoice in respect of the Goods.

#### 11 SPECIFICATIONS ETC, DRAWINGS, PATTERNS, DIES

- (i) All specifications, drawings, prints, samples, plans, patterns, dies, moulds or tooling supplied by the Buyer or obtained by the Seller at the Buyer's request and expense shall be the sole property of the Buyer and shall not be used by the Seller other than for the purpose of performing its obligations under the Contract;
- (ii) The Seller shall be responsible to the Buyer for the safe custody of such items and shall insure them against all risks.

#### 12 INDUSTRIAL PROPERTY RIGHTS

The Seller shall at all time indemnify and save harmless the Buyer against any actions, claims, demands, costs, charges and expenses arising out the performance of its obligations under the Contract and in respect of any infringement or alleged infringement of industrial property rights (whether or not of an intellectual nature) claimed by a third party.

#### 13 NOTICES

Any notice hereunder should be deemed to have been properly given if sent by fax or e-mail with the original sent by pre-paid or if sent by pre-paid post to the advertised fax number of the Buyer or the Seller or the address of the Buyer or the Seller as shown on the Order.

#### 14 GOVERNING LAW

Any contract to which these Conditions apply shall be governed by and construed in accordance with the laws of England and parties hereby submit to the non-exclusive jurisdiction of the English Courts.

