

STANDARD TERMS AND CONDITIONS OF PURCHASE

1. PURCHASE ORDER

- (a) No Goods or Services shall be supplied without a written Purchase Order (on the Company's standard form) and no variation to price or any other matter contained therein will be recognised unless also comprised in such an order. A Purchase Order may be withdrawn or amended by the Company at any time before acceptance by the Supplier.
- (b) No order for Goods or Services made by telephone or other electronic means will be valid unless and until it is supported by an official order as set out in 1(a).
- (c) Acceptance of the Company's Standard Terms and Conditions of Purchase will be deemed to be made (i) on return by the Supplier of the form of acknowledgment, which should be returned within seven days of receipt of the Purchase Order.
- (d) If the Supplier fails to return the form of acknowledgment within 7 days no contract will be formed and the Company reserves the right to refuse any goods purported to be supplied against the Company's Purchase Order.
- (e) All contracts will be deemed to be subject to the Standard Terms & Conditions of Purchase as set out herein and any other terms and conditions endorsed on, delivered with, or contained in the Supplier's quotation, sales conditions, confirmation of order, specification or other document will be ineffective.

2. SPECIFICATION

If the Purchase Order is for the supply of goods, the Supplier warrants that any Goods to be supplied will:

- (a) conform as to quantity, quality and description with the particulars stated in the Purchase Order;
- (b) be free from defects in material, design and workmanship;
- (c) be of satisfactory quality within the meaning of the Sale of Goods Act 1979;
- (d) be equal in all respects to specifications (if any) and any samples or patterns provided by either party and accepted by the other;
- (e) be capable of any standard or performance specified in the Purchase Order;
- (f) comply with all statutory requirements and regulations relating to the manufacture and sales of the Goods at the time when the same are supplied;
- (g) if the purpose for which the Goods are required is indicated in the Purchase Order either expressly or by implication, be fit for that purpose.

If the Purchase Order is for the supply of Services, the Supplier warrants that any Services will be performed by appropriately supervised, qualified and trained personnel with all due care and diligence and to the highest standard of quality prevailing in the industry at the time of performance.

In the event of the breach of any of the above warranties or a defect occurs as a result of the Supplier's erroneous instructions as to use, erroneous data or any breach by the Supplier of any provision of the Contract, and without prejudice to any other of the Company's remedies, the Supplier shall as soon as reasonably practicable upon the Company's request so to do:

- (a) Replace or (at the Company's option) repair all Goods; or refund the price of such Goods which are or have become defective during the period of 12 months from the date of delivery. Repairs and replacements shall themselves be subject to the foregoing obligations for a period of 12 months from the date of delivery, reinstallation or passing of tests (if any) whichever is appropriate after repair or replacement;
- (b) Re-perform any Services found to have been performed defectively within 12 months of the date of their performance.
- (c) The Company's rights under these Conditions are in addition to, and do not exclude or modify, the rights and conditions contained in the Supply of Goods and Services Act 1982, s12 to 16 and the Sale of Goods Act 1979, s13 to 15.

3. SUB-CONTRACTING

Unless agreed in writing, no part of this Contract shall be sub-contracted or assigned to any other person, firm, company or third party. Where the Company agrees to the placing of sub-contracts with any other person, firm, company or third party, the Supplier must ensure that any such sub-contract made by them retains for the Supplier and the Company the rights of Inspection and Rejection set out in clause 5 herein. A copy of all such sub-contracts must be forwarded to the Company within seven days of issue.

4. EQUIPMENT

Jigs, tools, patterns and other equipment of whatever nature provided, or paid for in whole or in part by the Company for use by the Supplier in connection with the Contract shall respectively remain or become the Company's property and shall not be used by the Supplier or any third party for any other purpose. Such equipment shall be kept securely whilst in the Supplier's custody and shall be maintained by the Supplier in good condition and repair, fair wear and tear only excepted, and delivered by the Supplier to the Company's works at the Supplier's expense immediately upon completion of the Contract.

5. INSPECTION AND REJECTION

- (a) The Company reserves the right both for itself and its nominees during normal business hours to inspect the work or any part thereof at any time before completion, but such inspection shall not relieve the Supplier from any responsibility or liability arising under the Contract. The Company may adopt any reasonable means to satisfy itself that the work is being carried out in accordance with the Contract and if in the reasonable opinion of the Company any part of the work does not conform with the Contract it shall have power to reject any part of the work which does not so conform with the Contract. If any work be so rejected the Supplier shall immediately execute it afresh to the Company's reasonable satisfaction in accordance with the Contract.
- (b) Where Goods or Services are supplied which do not conform with the Contract and the Supplier has not replaced or rectified the same within a reasonable time after having been notified thereof the Company shall have the right to cancel the Contract in whole or in part as the case may be and to secure replacement Goods or Services elsewhere and all expense incurred in so doing shall be paid by the Supplier. Where rejected Goods are returned to the Supplier they will be forwarded at the Supplier's expense and risk.

6. PERFORMANCE AND DELIVERY

- (a) Performance by the Supplier shall be in accordance with the prices and dates specified in the Contract and in this respect time shall be of the essence. All periods specified in the Contract shall commence on the date of the receipt by the Company of the acknowledgment from the Supplier as set out in 1(c) above, or on the seventh day after the date of the order, whichever shall be the earlier. The Supplier shall promptly inform the Company of any circumstances which may delay or prevent performance. The Company shall not be bound to accept Goods or Services tendered before the time specified in the Contract.
- (b) The Supplier shall deliver the Goods in accordance with the Incoterm[®] 2010 the site specified in the Contract.
- (c) The Supplier will mark and dispatch Goods in accordance with the Company's instructions ensuring that each separate package and each item referred to in the Contract is easily identifiable and the Goods are properly packed and secured so as to arrive in good condition having regard to the nature of the Goods. On dispatch of any Goods the Supplier must forward documentation clearly stating the Company's official Order Number, Contract Reference and Item Number, otherwise payment may be delayed.
- (d) The date(s) specified in the Contract is the date(s) the Goods or Services are to be supplied at the Company's premises or such other location as the Company may have specified in the Contract. Without prejudice to any rights that the Company may have under the Contract Goods not dispatched in time to reach the Company by the date specified on the order shall be delivered at the Supplier's expense by such express service as the Company shall reasonably require.

- (e) Unless specified in the Contract no payment will be made for cases containers or packaging materials of any kind. Where requested empty packages will be returned after delivery at the Supplier's risk and expense.
- (f) In the case of the Contract constituting a scheduled order for the supply of Goods or Services by instalments over a period of time such Contract is to be treated as a single Contract and each instalment or delivery is not severable from any other instalment or delivery. Notwithstanding the aforesaid the Company retains the right upon the giving of reasonable notice to suspend the delivery of Goods or the rendering of Services for any period during which for whatever reason it is unable to use the Goods or accept the Services for the purposes for which they are required. Otherwise delivery or rendering of the Goods or Services so suspended shall be resumed in accordance with the Contract on the Company giving reasonable notice to this effect.

7. INFORMATION

Any intellectual property, including but not limited to actual or potential patents, copyrights, registered designs or design rights arising from the execution of the Contract in accordance with the Company's patterns, drawings, specifications or other data or arising out of the Supplier's execution of a request by the Company to design or to produce a product or a design for a product shall vest in the Company absolutely; and at the Company's request the Supplier shall execute and do, at the Company's expense, all deeds, documents and things that may be necessary or expedient in applying for, obtaining and vesting in the Company any such patents, copyrights, registered designs or design rights in any country.

8. CONFIDENTIALITY

- (a) This Purchase Order, the subject matter hereof, the Contract and any patterns, materials, drawings, specifications and other information or data supplied to the Supplier by the Company and any patents, copyrights, registered design applications or design rights arising therefrom to which the Company is entitled under this paragraph shall be treated as confidential by the Supplier and shall not be disclosed by the Supplier or any sub-contractor or assignee of the Supplier to any third party or used for any purposes other than the completion of the Contract without the Company's prior consent in writing.
- (b) The restrictions contained in clause 8.(a) shall not apply to any information which:
 - i. Is at the date hereof, or subsequently becomes public knowledge other than through a breach of clause 8.(a); or
 - ii. Can be shown by the Supplier to have been known to it prior to disclosure under this Purchase Order.

9. PAYMENT

- (a) Unless otherwise specified in the Contract the Company will pay the Net Price of the Goods within 60 days of the receipt of any invoice from the Supplier in the form referred to in clause 9(b). All prices for Goods shall be deemed inclusive of all charges for packaging and packing.
- (b) Before the Company shall be obliged to make any payment which shall otherwise be due to the Supplier under the Contract the Company must have received from the Supplier an invoice which must be correct in all material respects and properly addressed and referenced (and constituting a tax invoice in the case of a supplier registered for Value Added Tax purposes). In the case of a contract for the supply of Goods or Services where the price is not specified in the Contract such invoices shall include a statement of materials, labour, overhead costs and other expenses (net of all Value Added Tax paid by the Supplier) incurred in supplying such Goods or Services and the Supplier shall provide such verification thereof as the Company shall reasonably require.
- (c) Notwithstanding clause 9(b), in the case of any dispute over the supply of Goods or Services under the Contract, the Company shall not be obliged to make any payment to the Supplier until the dispute has been resolved to the satisfaction of both parties. Thereafter, the Company will process its payment to the Supplier in accordance with clause 9(a) but only after the Supplier has furnished it with a credit note or some such other document as will allow the Company to process the related transactions and the net payment through its system.
- (d) The Company is entitled to withhold payments of insufficiently documented amounts included in any invoice. The Company may set-off against the price any sums owed to the Company by the Supplier.

10. Dispute resolution process

- (a) If any disagreement arises out of the invoices and their payment, the matter shall be disposed of as follows: the Supplier shall send an email to invoices.gci@atlasopco.com with evidence that it met the invoicing requirements and with an explanation of its claim regarding any unpaid invoice. Accounts Payable Department should respond within 3 working days. If this dispute is not resolved, the Supplier should contact the Purchasing Manager who shall respond to the Supplier within 10 working days of receipt of the Supplier's email and the parties will use their reasonable endeavours to resolve the matter promptly.

10. PROPERTY AND RISK

- (a) In the case of Goods, risk shall vest in the Company upon delivery in accordance with the Contract.
- (b) Title to the Goods shall pass to the Company on the sooner of: (a) payment by the Company for the Goods; or (b) delivery of the Goods to the Company.
- (c) In the case of Services, property and risk shall vest in the Company upon the completion thereof in accordance with the Contract.
- (d) Nevertheless the Company shall retain a right of rejection until it has inspected the Goods or Services as the case may be.

11. SITE WORK

Where the Contract requires the Supplier, its employees, sub-contractors or agents to carry out work within the Company's premises or sites the Supplier shall ensure:

- (a) that throughout the period that such personnel are within the Company's premises or sites all relevant statutory rules and regulations will be observed in the carrying out of the said work in addition to the Company's own rules and regulations which are available from the Human Resources Department or Site Office as the case may be (to which all personnel must report before commencing work).
- (b) the Supplier, its employees, sub-contractors or agents have adequate and appropriate insurance cover concomitant with the Goods or Services being supplied under the Contract.

12. INDEMNITY

The Supplier shall indemnify the Company against all actions, suits, claims, demands, costs, charges, damages, losses and expenses suffered or incurred by the Company and/or for which the Company may be liable to any third party due to, arising from or in connection with:

- (a) the negligent or willful acts or omissions of the Supplier, its servants, agents or contractors in supplying, delivering or installing the Goods or performing the Services;
- (b) the breach of any provision of the Contract by the Supplier;
- (c) any defect in the workmanship, materials or design of the Goods or their packaging;
- (d) any infringement or alleged infringement of any patent, copyright, registered design, design right, trade mark, trade name or other intellectual property right for or relating to the Goods or the Services unless such infringement has occurred directly as a result of any specification supplied by the Company;
- (e) any liability under the Consumer Protection Act 1987 in respect of the Goods; and
- (f) any claim against the Company arising out of an incorrect description of the Goods by the Supplier.

13. INSURANCE

The Supplier shall have in place contracts of insurance with reputable insurers incorporated in the United Kingdom insuring the Goods and any of the Company's materials in the Supplier's possession against the usual risks, including accident, fire and theft, for their full replacement value until the risk in them passes to the Company, and insuring against all other risks that a prudent supplier should consider reasonable. On request, the Supplier shall supply so far as is reasonable evidence of the maintenance of the insurance and all of its terms from time to time applicable. The Supplier shall on request assign to the Company the benefit of such insurance.

14. TERMINATION AND INSOLVENCY

- (a) In the event of the Supplier commits a material breach of the Contract which is not remedied within 30 days of receiving written notice of such breach, the Company will be entitled to terminate the Contract forthwith and recover from the Supplier a sum equivalent to the loss or damage caused. thereby without prejudice to any right which shall have accrued or shall accrue under the Contract.
- (b) In the event the Supplier is unable to pay its debts either within the meaning of [section 123](#) of the Insolvency Act 1986, or is suffering any distress or execution or other legal process over any of its property goods or assets or if the Supplier shall offer to make any arrangement or composition with its creditors or commit any act of bankruptcy or, being a limited company, the Supplier shall go into liquidation, pass a resolution passed for its winding up, has a petition presented to any court for its winding up or an application is made for an administration order, or any winding-up or administration order is made against it, or suffers the appointment of a Receiver, administrator or administrative receiver over its undertaking, property or assets or any part thereof (or is subject to any events or circumstances analogous to those this clause in any jurisdiction), the Company shall at any time thereafter be entitled to terminate the Contract without prejudice to its other rights hereunder.

15. JURISDICTION

- (a) The conditions set out herein are in addition to the Company's rights under Common Law.
- (b) The construction, validity and performance of the Contract shall be governed by English law and the Customer and the Company agree to submit to the non-exclusive jurisdiction of the English Courts. . The Company shall have the option to bring suit before the Courts of the domicile of the Supplier.

16. ANTI-BRIBERY

Supplier shall comply at all times with Atlas Copco's Business Code of Practice which can be found at <http://www.atlascopcogroup.com/en/sustainability/our-sustainability-approach/our-business-code-of-practice> and with all applicable laws, statutes and regulations, in particular those related to anti-bribery and anti-corruption including but not limited to the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act as amended from time to time. Failure to comply with this paragraph shall constitute a material breach which will entitle Atlas Copco IAS UK Limited to terminate the Contract immediately..

17. ANTI-SLAVERY

The Supplier undertakes, warrants and represents that neither the Supplier nor any of its officers, employees, agents or subcontractors has: (a) Committed an offence under the Modern Slavery Act 2015 (a MSA Offence); or (b) been notified that it is subject to an investigation relating to an alleged MSA Offence or prosecution under the Modern Slavery Act 2015; or (c) is aware of any circumstances within its supply chain that could give rise to an investigation relating to an alleged MSA Offence or prosecution under the Modern Slavery Act 2015. The Supplier warrants and represents it shall comply with the Modern Slavery Act 2015.

18. MISCELLANEOUS

- (a) The Supplier may not assign or sub-contract the Contract without the prior written consent of the Company. The Company may at any time assign, transfer, charge or deal in any manner with the Contract or any rights under it.
- (b) The Contract constitutes the entire agreement between the Company and the Supplier relating to the sale and purchase of Goods and/or Services. No amendment to or a variation of the Contract shall be effective unless agreed in writing by the Company.
- (c) The Supplier will notify the Company as soon as it becomes aware of any actual or potential conflict of interest. Depending on the nature of the conflict, the Company may withdraw or cancel its Purchase Order without compensation to the Supplier.
- (d) No term or provision of the Contract shall be enforceable by a third party (being any person other than the parties and their permitted assignees and successors).
- (e) No failure or delay on the part of the Company to exercise any power, right or remedy under the Contract shall operate as a waiver thereof nor shall any single or partial exercise by the Company of any power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy. No waiver by the Company shall be valid unless made in writing.
- (f) The Company reserves the right at any time to cancel a Purchase Order in whole or in part or to make any changes. Unless any cancellation or changes arise from the Supplier's default, the Company shall pay to the Supplier fair and reasonable compensation for the Supplier's work-in-progress at the time of change or termination but such compensation shall never include loss of anticipated profits or any economic or consequential loss.
- (g) In the event that any term or provision of the Contract is declared null and void or unenforceable by any court of competent jurisdiction, the remainder of the provisions of the Contract shall remain in full force and effect to the fullest extent permitted by applicable law.
- (h) References to all laws, regulations and codes of practice shall be deemed to include all amendments or revisions thereto and re-enactments thereof as may be made from time to time.
- (i) Headings in the Conditions are for convenience only and do not affect their interpretation

19. DEFINITIONS

- (a) The "Company" means Atlas Copco IAS UK Limited (registered number 1873269) whose registered office is Second Avenue, Deeside Industrial Park Deeside, Flintshire, CH5 2NX.
- (b) The "Supplier" means any company, business, person or organisation upon whom the Company places an order for the supply of Goods or Services.
- (c) The "Contract" means the agreement between the Company and the Supplier for the supply of Goods or Services as set out in the Company's Purchase Order. If the Company and the Supplier have entered into a longer-term supply or framework agreement, the Contract shall include the terms of the supply or framework agreement.. The Contract is made when the Company receives the duly signed and authorised acknowledgment from the Supplier as set out in clause 1(c).
- (d) "Net price" means the price of the Goods as set out in the Contract after the deduction of any agreed discounts plus any attributable Value Added Tax.
- (e) The "Goods" means those goods specified by the Company on its order and included in the Contract between it and the Supplier.
- (f) The "Services" means those services specified by the Company on its order and included in the Contract between it and the Supplier.