

**A.E.S. ENGINEERING LIMITED GROUP WORLDWIDE TERMS AND CONDITIONS OF PURCHASE  
FOR A.E.S. ENGINEERING LIMITED**

**These Worldwide Terms and Conditions of Purchase ("Terms") shall govern all purchases of goods or services ("Products") by A.E.S. Engineering Limited, and all affiliates, subsidiaries, and divisions thereof (collectively, "Buyer"). Buyer and Seller are the parties named on the Purchase Order issued by Buyer ("PO"). The PO shall constitute the exclusive offer of Buyer to purchase Products and shall incorporate these Terms.**

**1. Acceptance of Terms:** Seller acknowledges that the PO is conditioned upon Seller's acceptance of these terms. Seller's acceptance of the PO, acceptance of payment, commencement of fulfilment of the PO, commencement of services, production or shipment of goods, or act, statement, or course of conduct which constitutes acceptance under applicable law, whichever is earliest, shall constitute acceptance of these Terms. Seller agrees that these Terms shall govern the PO to the exclusion of any other terms and conditions subject to which any quotation is purported to be accepted or order is purported to be made by Seller. These Terms may not be amended, supplemented, changed or modified except by concurrent or subsequent written agreement, signed by an authorised representative of Buyer and Seller.

**2. Price and Payment:** It shall be at the option of Buyer to charge at cost all raw material supplied by Buyer to Seller for subsequent conversion to components by Seller. Such charges will be reclaimed by Seller in the final selling price of the Products. The price for the Products shall be as stated on the PO and shall be exclusive of VAT but inclusive of all other charges unless stated otherwise. Payment shall be made sixty (60) days from the end of month of delivery on receipt of a valid VAT invoice unless otherwise agreed in writing by Buyer.

**3. Delivery:** Seller shall deliver the Products at the time specified on the PO. Time shall be of the essence. If, for any reason, Seller is unable to deliver the Products within the specified time, Seller shall give Buyer notice in writing without delay of its intention to claim an extension of time, which Buyer may grant Seller at its discretion but without prejudice to its rights. If the Products or any portion thereof are not delivered within the time or times specified in the PO (or any extension of such time or times granted by Buyer), Buyer shall be entitled to determine the PO in respect of the Products undelivered and of any other Products already delivered under the PO which cannot be effectively and commercially used by reason of the non-delivery of the Products undelivered. On such determination Buyer shall be entitled to: (a) to return to Seller at Seller's expense any of the Products already delivered but which cannot be effectively and commercially used as aforesaid and to recover from Seller any moneys paid by Buyer in respect of such Products; and (b) to recover from Seller any additional expenditure reasonably incurred by Buyer in obtaining other Products in replacement of those in respect of which the PO has been determined.

The Products, properly packed and secured to reach their destination in good condition under normal conditions of transport, shall unless otherwise directed by Buyer be delivered by Seller to Buyer's works, carriage paid and in the manner specified in the PO. Invoices must bear Buyer's PO number. A packing note quoting this number must be sent with the Products to the place of delivery and an advice note must be forwarded separately on the day of despatch to the destination specified in the PO. No charge will be allowed for packing materials or containers unless agreed by Buyer.

Seller shall be responsible for complying with any legislation or regulations governing the importation of the Products into the country of destination and for the payment of any duties on them.

If Seller fails to deliver Products in accordance with the stated time for delivery, Seller shall pay Buyer on demand (or Buyer may deduct from its payments to Seller) 1% of the price payable for such Products for each week's delay, up to a maximum of 10% as liquidated damages. The parties confirm that these sums represent a genuine pre-estimate of Buyer's loss. Seller shall not be allowed additional time outside of the time stated for delivery without the express written consent of Buyer.

**4. Warranty:** Seller warrants that the Products shall: (a) conform in all respects as to quality, quantity and any specification within the particulars stated in the PO; (b) be of sound materials and workmanship; (c) be capable of any standard or performance specified in the PO; (d) if the purpose for which they are required is indicated in the PO either expressly, or by implication, be fit for that purpose; (e) comply in all respects with all relevant requirements of any Statute, Statutory rule or Order, or other instrument having the force of law which may be in force at the time when the same are supplied; (f) be clear and free of all liens and encumbrances whatsoever and that Seller has a good and marketable title to the same; and (g) not infringe or misappropriate any intellectual property rights held by any third party. Buyer's rights under this Clause 4 are in addition to the statutory conditions implied in favour of Buyer by law.

**5. Inspection and Testing:** Before despatching the Products, Seller shall, where stipulated by Buyer, carefully inspect and test Products for compliance. Seller shall, if instructed by Buyer, give Buyer reasonable notice of such tests and Buyer shall be entitled to be represented thereat. Seller shall also, at the request of Buyer, supply to Buyer a copy of Seller's tests sheets certified by Seller to be a true copy. Buyer will be entitled to inspect and test the Products during manufacture and storage or within a reasonable time of delivery, and to reject any goods supplied and/or work executed which may not be to Buyer's satisfaction. If Buyer exercises this right, Seller shall, if so requested by Buyer, provide or shall procure the provision of all such facilities as may reasonably be required by Buyer. No Products shall be deemed to have been accepted by Buyer until any certificate required by it from Seller that the goods and/or work are satisfactory has been provided.

**6. Indemnity and Insurance:** Seller shall indemnify Buyer against all loss, actions, costs, claims, demands, expenses and liabilities which Buyer may incur either at common law or by statute including but not limited to those relating to: (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 Products; and (c) any claim made against Buyer in respect of any liability, loss, damage, injury, cost or expense sustained by Buyer'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 Products as a consequence of a direct or indirect breach or negligent performance or failure or delay in performance of the terms of the PO by Seller. Seller shall hold satisfactory insurance cover with a reputable insurer to fulfil Seller's insurance obligations including public liability insurance cover. Seller shall effect insurance against all those risks arising from Seller's indemnity in this Clause 6. Satisfactory evidence of such insurance and payment of current premiums shall be shown to Buyer upon request. **The total aggregate liability of Buyer with respect to any PO whether based on contract, warranty, tort (including negligence) indemnity, strict liability, under statute, or otherwise, (including liability for recovery of sums paid by Buyer and for all damages, costs and expenses) shall not exceed the PO price of the specific Products. IN NO EVENT SHALL BUYER BE LIABLE FOR: (A) LOSS OF USE (DIRECT OR INDIRECT); (B) LOSS OF ACTUAL OR ANTICIPATED PROFITS (DIRECT OR INDIRECT); (C) LOSS OF REVENUE, LOSS OF PRODUCTION, OR LOSS OF BUSINESS (DIRECT OR INDIRECT); (D) LOSS OF GOODWILL, LOSS OF REPUTATION, OR LOSS OF OPPORTUNITY (DIRECT OR INDIRECT); (E) LOSS OF ANTICIPATED SAVINGS OR LOSS OF MARGIN (DIRECT OR INDIRECT); (F) LOSS OR DAMAGE TO OR CORRUPTION OF DATA; (G) ANY SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE OR OTHER DAMAGES OF ANY KIND; (H) DEFECTS IN DESIGN OR ENGINEERING WHETHER PERFORMED BY BUYER OR OTHERS; OR (I) ANY AMOUNTS IN EXCESS OF THE PRICE OF THE PRODUCTS IN QUESTION, HOWSOEVER CAUSED INCLUDING, WITHOUT LIMITATION, BY NEGLIGENCE AND/OR ARISING FROM BREACH OF OR DEFECT OR DELAY IN PERFORMANCE OF ANY OF BUYER'S OBLIGATIONS UNDER THESE TERMS.**

**7. Termination:** Buyer shall have the right at any time and for any reason to terminate the PO in whole or in part by giving Seller written notice whereupon all work on the PO shall be discontinued and Buyer shall pay to 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. Buyer shall have the right at any time by giving notice in writing to Seller to terminate the PO forthwith if: (a) Seller commits a material breach of any of the terms and conditions of the Purchase Order; (b) Seller takes any step or action in connection with its entering bankruptcy, administration, provisional liquidation or any composition or arrangement with its creditors (other than in relation to a solvent restructuring), being wound up (whether voluntarily or by order of the court, unless for the purpose of a solvent restructuring), having a receiver appointed to any of its assets or ceasing to carry on business; (c) Seller ceases or threatens to cease to carry on its business; or (d) the financial position of Seller deteriorates to such an extent that in the reasonable opinion of Buyer the capability of Seller to fulfil its obligations under the PO has been placed in jeopardy.

The termination of the PO, however arising, shall be without prejudice to the rights and duties of Buyer accrued prior to termination. The Clauses which expressly or impliedly have effect after termination shall continue to be enforceable notwithstanding termination. In the event of termination due to the material breach or insolvency of Seller, Buyer may purchase similar Products elsewhere or secure the manufacture and delivery of Products by contract or otherwise, and Seller shall be liable for any excess cost incurred by Buyer.

**8. Buyer's Property:** All information and property supplied by Buyer in connection with the PO or prepared or obtained by Seller for Buyer including,

without limitation, patterns, dies, moulds or other tooling or materials, design rights, drawings, designs, specifications, data, equipment, software, product manufacturing information, intellectual property, and associated metadata (collectively, "Property") shall remain the sole property of Buyer returnable in good condition on demand. Seller shall insure all Property sent to Seller by Buyer and shall maintain all such Property in good order and condition and insure it against all risks whilst in Seller's custody. If the PO calls for the machining, processing or treatment of any material or parts of the Property of Buyer, or for which Buyer is responsible, Buyer reserves the right to charge to Seller the cost of such materials or parts if whilst in Seller's custody they are destroyed or damaged or rendered unfit for the purpose for which they were originally manufactured. Seller shall not, at any time, use such Property, nor shall it authorise or knowingly permit Property to be used by anyone else for, or in conjunction with, any purpose other than the supply of the Products to Buyer unless such use is expressly authorised by Buyer, previously and in writing. Nothing contained in these Terms transfers ownership nor constitutes a license to any information or Property of Buyer. All existing and future rights, titles and interests in any and all inventions or discoveries arising, or to arise from Products or Property shall vest in the Buyer to the fullest extent permissible by law. All intellectual property and trademarks of Buyer including, without limitation, any trademarks that Buyer requests Seller to affix to the Products or packaging thereof are owned by Buyer and Seller shall not acquire or claim any right, title, or interest therein or use any such trademarks for any purpose except fulfilment of the PO.

**9. Compliance/Export Controls/Customs: Anti-Terrorist Measures:** Seller guarantees that it maintains no direct or indirect commercial or other ties with terrorists, terrorist organisations or other criminal or anti-constitutional organisations. In particular, through adopting suitable organisational measures, Seller shall independently ensure the implementation of applicable embargo orders, the European anti-terrorism and anti-crime regulations applicable in the context of the supplier relationship as well as the corresponding US and other applicable provisions in the context of its business operations, particularly through appropriate software systems. **Deliveries of Products:** Seller agrees to comply with all applicable import and export control law and/or regulations, including without limitation those of the UK, EU, United States and all other jurisdictions from which the Products or technology may be supplied or to which the Products or technology may be shipped. In no event shall Seller export or re-export to any entity or person within any country that is subject to sanctions or use, transfer, release, import, export or re-export the Products or technology in violation of applicable export laws and/or regulations. **Evidence of Origin:** Seller undertakes to keep evidence of the origin of the Products, i.e. Seller must promptly supply the necessary declarations regarding the Products' origin in terms of trade and preferences (supplier declaration or certificate of origin) and also promptly and automatically give notice of any change of origin. Where relevant, Seller shall give evidence of its information on the origin of the Products in a form satisfactory to Buyer. If Seller fails to comply with this obligation, it shall be liable for all loss or damage and commercial disadvantages thereby arising.

**10. Confidentiality:** Seller will not without first obtaining the written consent of Buyer in any way whatsoever advertise or publish the fact that Seller has contracted to supply Buyer with the Products. 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 Seller by Buyer or its agents and any other confidential information concerning Buyer's business or its products which Seller may obtain and Seller shall restrict disclosure of such confidential material to such of its employees, agents or subcontractors as need to know same or the purpose of discharging Seller's obligations to Buyer and shall ensure that such employees, agents or sub-contractors are subject to like obligations of confidentiality as bind Seller.

**11. Health and Safety:** When on Buyer's premises or Buyer's customer premises, Seller shall comply with Buyer's policies outlined in Buyer's current edition of 'Aesseal Health and Safety Manual' which shall be provided to Seller upon request.

**12. Anti-Bribery and Anti-Corruption:** Seller, its subsidiaries and affiliates, and all their respective directors, officers, employees and authorised agents and any other person associated with or acting on behalf of Seller shall: (a) comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption ("**Relevant Requirements**"); (b) not engage in any activity or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act 2010 (or equivalent legislation in the jurisdiction in which Seller operates); (c) comply with Buyer's Anti-bribery and Anti-corruption Policies and Buyer's Code of Conduct (copies of which will be provided to Seller upon request), as Buyer may update them from time to time ("**Relevant Policies**"); (d) have and shall maintain in place throughout the term of this agreement its own policies and procedures to ensure compliance with the Relevant Requirements, the Relevant Policies, and will enforce them where appropriate; (e) promptly report to Buyer any request or demand for any undue financial or other advantage of any kind received by Seller in connection with the performance of the PO and immediately notify Buyer (in writing) if a foreign public official becomes an officer or employee of Seller or acquires a direct or indirect interest in Seller and Seller warrants that it has no foreign public officials as direct or indirect owners, officers or employees at the date of this

PO. Seller shall ensure that any person associated with it who is performing services or providing Products in connection with this PO does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on Seller in this Clause 12 ("**Relevant Terms**"). Seller shall be responsible for the observance or performance by such persons of the Relevant Terms, and shall be directly liable to Buyer for any breach by such persons of the Relevant Terms. Seller agrees to comply with all anti-discrimination laws and regulations applicable in the jurisdiction in which Seller operates.

**13. Modern Slavery:** Seller undertakes, warrants and represents that: (a) neither Seller nor any of its officers, employees, agents or subcontractors has committed, is subject to an investigation or is aware of any circumstances giving rise to an offence under the Modern Slavery Act 2015 ("**MSA 2015**") or equivalent jurisdiction in which Seller operates; (b) it shall comply with the MSA 2015 and Buyer's modern slavery statement (a copy of which can be found at [www.aesseal.com](http://www.aesseal.com)); and (c) it shall notify Buyer immediately in writing if it becomes aware or has reason to believe that it, or any of its officers, employees, agents or sub-contractors have breached or potentially breached any of the obligations under this Clause 13.

**14. General: Waiver:** Failure by Buyer to assert all or any of its rights upon any breach of a PO shall not be deemed a waiver of such rights either with respect to such breach or any subsequent breach, nor shall any waiver be implied from the acceptance of any payment of service. No waiver of any right shall extend to or affect any other right Buyer may possess, nor shall such waiver extend to any subsequent similar or dissimilar breach. **Assignment and Sub-Contracting:** Seller shall not be entitled to assign, subcontract charge or otherwise deal with the PO or any part of it without the prior written consent of Buyer (such consent is not to be unreasonably withheld or delayed). Buyer may assign the PO or any part of it to any other party. The parties do not intend that any term of the Order shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person other than the parties. **Severability:** If any portion of these Terms are determined to be illegal, invalid, or unenforceable, for any reason, then such provision shall be deemed modified/stricken to the minimum extent necessary to make it valid, legal and enforceable for purposes of the dispute in question and all other provisions shall remain in full force and effect. **Entire Agreement:** These Terms constitute the entire agreement and understanding between Buyer and Seller in connection with the subject matter of this PO, and supersede all prior oral or written communications, representations or agreements in relations thereto and neither party has entered into the PO in reliance upon, and shall have no remedy in respect of, any representation or statement (whether made by the other party or any other person) which is not expressly set out in these Terms or the PO. **Force Majeure:** Buyer reserves the right to defer the date of delivery or payment or to cancel the PO or reduce the volume of the Products ordered if it is prevented from or delayed in the carrying on of its business due to circumstances beyond the reasonable control of Buyer 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. **Notice:** Any notice required or permitted to be given by either party to the other under these Terms shall be in writing and be addressed to the other party at its registered office or principal place of business or such other address as may have been notified to the other party. **Set-Off:** Buyer shall be entitled to set-off under the PO any liability which it has or any sums which it owes to Seller. Seller shall pay all sums that it owes to Buyer without any set-off, counterclaim, deduction or withholding of any kind, save as may be required by law. **No Partnership:** The parties are independent persons and are not partners, principal and agent or employer and employee and these Terms do not establish any joint venture, trust, fiduciary or other relationship between them, other than the contractual relationship expressly provided for in it. None of the parties shall have, nor shall represent that they have, any authority to make any commitments on the other party's behalf.

**15. Applicable Law and Dispute:** This PO shall be interpreted in accordance with the laws of the jurisdiction in which Buyer's facility issuing the PO hereunder is located ("**Local Law**"), exclusive of any choice of law provisions. Seller and Buyer expressly agree to exclude from this PO the United Nations Convention on Contracts for the International Sale of Goods, 1980, and any successor thereto. All disputes arising out of or in connection with a PO or these Terms shall be finally settled by binding arbitration in the country in which Buyer's facility accepting the order hereunder is located, under the Rules of Arbitration of the International Chamber of Commerce then in effect by one or more arbitrators appointed in accordance with said Rules.

**16. Language and Translations:** English shall be the legal language of the PO, and all parties waive any right to use and/or rely upon any other language, translation or interpretation. The parties specifically agree that in the case of any inconsistencies or interpretation disputes, the English language version shall control.

[www.aesseal.com](http://www.aesseal.com): Please see our website for an e-copy of the current version of our Worldwide Terms and Conditions of Purchase for all AESSEAL branded companies.