

**STI TERMS AND CONDITIONS OF PURCHASE
(GOODS & SERVICES)**

1. DEFINITIONS

- 1.1. **"Agreement"** means the agreement between STI and Supplier consisting of the Purchase Order, these Terms and Conditions, the Specification, and any other documents (or parts thereof) specified in the Purchase Order or otherwise expressly incorporating these Terms and Conditions.
- 1.2. **"Goods"** means all (or any) of the goods specified in the Purchase Order.
- 1.3. **"Intellectual Property Rights"** means any and all rights in Goods and Services, which can be protected by a patent, copyright or any other protective right
- 1.4. **"Losses"** means all losses, claims, liabilities, costs, awards, fines, penalties, expenses (including legal fees and other professional expenses) and damages of any nature whatsoever and whether or not reasonably foreseeable or avoidable.
- 1.5. **"STI"** means STI Line Ltd, but shall, where rights or benefits are granted or Services provided, also include its Affiliates.
- 1.6. **"Purchase Order"** means STI's purchase order issued to Supplier setting out STI's requirements for Goods or Services.
- 1.7. **"Services"** means the services specified in the Purchase Order.
- 1.8. **"Supplier"** means the person, company or other legal entity to whom the Purchase Order is addressed.
- 1.9. **"Terms and Conditions"** means the terms and conditions set out in this document.

2. STATUS OF THESE TERMS AND CONDITIONS

- 2.1. These Terms and Conditions shall apply to the purchase by STI from Supplier of all Goods or Services set out on the Purchase Order to the exclusion of all other terms and conditions.
- 2.2. The Purchase Order constitutes an offer by STI to purchase the Goods or Services specified therein in accordance with these Terms and Conditions. The Purchase Order and these Terms and Conditions shall be deemed to be accepted by Supplier on the earlier of: (a) Supplier issuing a written acceptance of the Purchase Order; or (b) Supplier fulfilling the Purchase Order.
- 2.3. STI will not be liable in respect of any Purchase Order(s) or instructions other than those issued or confirmed on its official Purchase Order documents, whether issued in hard copy or by facsimile (in which case such documents shall be valid only when duly signed), or issued electronically in accordance with these Terms and Conditions.

3. DELIVERY OF GOODS AND PROVISION OF SERVICES

- 3.1. Unless otherwise instructed in writing by STI, all Goods must be delivered and all Services must be performed at the time and place specified in the Agreement. Supplier shall supply STI with details of the anticipated lead times between placing a Purchase Order and delivery of any Goods and Supplier shall keep STI informed of progress. All deliveries of Goods must be accompanied by a delivery note showing especially the date of the Purchase Order, the Purchase Order number, the type and quantity of Goods being delivered and special storage instructions. If Goods or Services are incorrectly delivered Supplier shall be responsible for additional expenses incurred in delivering them to the correct point specified in the Agreement or subsequently advised in writing by STI. The quantity of Goods or Services specified in the Agreement may not be changed without STI's prior written consent. Quantities of Goods or Services delivered in excess of those stated in the Agreement may not be accepted.
- 3.2. Time shall be of the essence in relation to the performance of any and all of Supplier's obligations pursuant to the Agreement.

4. PASSING OF TITLE AND RISK IN GOODS

- 4.1. Unless Incoterms 2000 are agreed, title and risk in the Goods shall pass to STI on completion of delivery at the place specified in the Agreement.
- 4.2. Neither payment by, nor passing of title or risk in the Goods or the Services to, STI shall be deemed to constitute acceptance of the Goods or the Services.

5. PRICE AND PAYMENT TERMS

- 5.1. The price for the Goods or Services shall be the price set out in the Purchase Order. The price is exclusive of VAT and, unless otherwise agreed in writing, inclusive of the costs of all Packaging, delivery and insurance. Any increase in the price for any reason shall be subject to the express prior written consent of STI.
- 5.2. Payment will be made after delivering of the Goods and/or completion of the Services within 60 days from receipt of invoice. VAT (or any other equivalent tax), where applicable, will be shown separately on all invoices as a strictly net extra. STI reserves the right to set off any sums in respect of which Supplier may be in default to STI.
- 5.3. The correct Purchase Order number must be quoted on all invoices, and STI will accept no liability whatsoever for invoices, delivery notes or other communications which do not bear such Purchase Order numbers.
- 5.4. If not otherwise agreed, the invoices should be sent to the address shown on the Agreement.
- 5.5. In the event STI reasonably considers that any invoice submitted by Supplier is defective or relates to Goods supplied or Services performed otherwise than in accordance with Supplier's obligations under the Agreement, STI shall be entitled to withhold payment of the disputed amount (without prejudice to any other rights or remedies it may have) pending resolution of the dispute between the parties (each acting in good faith).

6. QUALITY AND FITNESS FOR PURPOSE OF GOODS

- 6.1. The Goods and Services must comply in all respects with their description and the Specification. The Goods and Services supplied must

also comply in all respects with the Agreement and the implied conditions, warranties and terms contained in the Sale of Goods Act 1979, the Supply of Goods and Services Act 1982, related statutes and any statutory re-enactment(s) or modification(s) thereof.

- 6.2. Without prejudice to Section 6.1, the Goods must be supplied with adequate instructions as to use and use-by date, fit for the purpose for which they are intended, of satisfactory quality and free from defects in design, material and workmanship.
- 6.3. Supplier shall ensure that the Goods comply with all applicable statutory and regulatory requirements relating to the manufacture, labelling, Packaging, storage, handling and delivery of the Goods.

7. REJECTION, REPAIR AND REPLACEMENT OF GOODS

- 7.1. In the case of Goods not conforming with the Agreement and without limiting any of its other rights or remedies, STI may, at its discretion:
 - 7.1.1. reject the Goods (in whole or in part) and return them to Supplier at Supplier's own risk and expense; and/or
 - 7.1.2. require Supplier as soon as reasonably practicable to either repair or replace the Goods at the site of delivery or Supplier's premises, whichever STI shall so determine, or to refund to STI any amounts paid in respect of any Goods which do not correspond with the Agreement; and/or
 - 7.1.3. in the case of incorrect delivery, require Supplier to promptly reimburse STI in respect of any cost incurred by STI; and/or
 - 7.1.4. claim damages for any other costs, losses or expenses incurred by STI which are in any way attributable to Supplier's failure to carry out its obligations under the Agreement.
- 7.2. In the event of a rejection (in whole or in part) in accordance with Section 7.1 above STI shall notify Supplier in writing, and the payment obligation in relation to any such delivery shall be suspended immediately. The parties shall use their reasonable endeavours to resolve any dispute arising.

8. STANDARD OF SERVICES

- 8.1. Supplier warrants and represents to STI that any Services performed by Supplier or duly appointed sub-contractor:
 - 8.1.1. shall be performed in a good and workmanlike fashion and with all due speed, care, skill and diligence; and
 - 8.1.2. shall be carried out in accordance with the Agreement, with current industry standard codes of practice, and the highest standards prevailing in Supplier's industry.
- 8.2. Supplier shall ensure that all of its personnel and sub-contractors are suitably qualified to perform the Services and that all necessary licences, work permits or other authorisations have been obtained.
- 8.3. If any materials which are required by Supplier for the provision of the Services are not delivered fully in accordance with any stipulations in the Agreement, Supplier shall immediately correct delivery and shall be responsible for any additional costs and expenses incurred by the parties in so doing.
- 8.4. STI shall have the right exercisable during the performance of the Services to suspend any payment obligation in respect of the Services if the performance does not conform in quality with any stipulations in the Agreement or if the performance is delayed.
- 8.5. If the Services do not conform with the Agreement, STI shall have the right to purchase Services from elsewhere which nearly as practicable conform to the Agreement and any extra expense incurred in doing so shall be paid by Supplier to STI. Before exercising such right to purchase the Services from an alternative supplier STI shall give Supplier an opportunity to replace the Services in respect of which payment was cancelled with Services which conform with the Agreement.

9. PACKAGING

At no cost to STI, Supplier will package and label the Goods in a manner suitable for transit and storage so as to enable them to reach their destination in good condition. STI will not pay for or return Packaging materials unless previously agreed between the parties and confirmed in writing. Supplier shall ensure that Packaging complies with all relevant legislative requirements, including those pertaining to environmental, and occupational health and safety standards. Supplier will investigate potential environmental improvements to Packaging and will, where practicable, use minimal Packaging, recyclable Packaging and recycled Packaging materials.

10. INTELLECTUAL PROPERTY RIGHTS

- 10.1. Supplier shall indemnify STI and its Affiliates, and keep them indemnified, on demand from and against all Losses incurred or suffered as a result of or in connection with any claim that the Goods or the provision of the Services by Supplier, or the use by or on behalf of STI of the Goods or of any assets used or provided by Supplier in connection with the performance of the Services, infringes the Intellectual Property Rights or any other rights of any third party.
- 10.2. Supplier shall, at its expense, defend any and all claims or legal proceedings arising from infringements or alleged infringements of its Intellectual Property Rights in connection with the Goods or Services, provided that STI gives Supplier all reasonable assistance and the sole authority to defend or settle any legal proceedings at Supplier's expense.
- 10.3. STI retains Intellectual Property Rights in, and ownership of all materials provided by STI to Supplier, and they shall all be returned at any time in good condition to STI at STI's request.
- 10.4. Where Goods are made for STI, the Intellectual Property Rights in these Goods shall be the absolute property of STI, and Supplier will assign all such Intellectual Property Rights to STI on demand.
- 10.5. Intellectual Property Rights arising during or out of the provision of Services ("**New IP**") shall be and remain the property of STI. Supplier assigns to STI (with full title guarantee and free of all encumbrances) all of the New IP.

- 10.6. In the event that any Intellectual Property Rights relating to the Goods and/or Services are held by the courts to infringe a third party's rights, and their use is enjoined by that third party, Supplier shall have the option and at its expense to procure for STI the right to continue using the Goods or Services, or replace the Goods with non-infringing Goods or Services, or modify the Goods or Services so that they become non-infringing without detracting from their overall performance and functionality.
- 11. CONFIDENTIALITY AND PUBLICITY**
Supplier shall, and shall procure that its employees and sub-contractors shall, keep confidential all information of a commercial or technical nature disclosed to Supplier by or on behalf of STI for the purpose of the Agreement, and shall not disclose such information to any third party without STI's prior written consent. Supplier shall not without STI's prior written consent disclose, copy, publicise or publish, the existence of the Agreement or any information related to the Agreement including the name of STI, any STI Affiliate, the Goods, Services, or the place of delivery or performance.
- 12. INSPECTION**
12.1. STI and any third party it appoints on its behalf shall have the right upon prior notice to inspect and carry out any tests it wishes on all Goods at Supplier's premises. If, following any such inspection or testing, STI considers that the Goods or Services are unlikely to comply with the Agreement, STI shall inform Supplier and Supplier shall immediately take such remedial action as is necessary to ensure compliance. STI shall have the right to conduct further inspections and tests after Supplier has carried out its remedial actions.
12.2. Supplier shall, and shall ensure that its sub-contractors shall, grant a right of access to STI and any third party it appoints in order to inspect and test the Goods for compliance with relevant environmental, occupational health and safety legislation and other requirements such as STI standards or any requirements set out in the Specification.
- 13. DATA PROTECTION**
13.1. To the extent that Supplier, in providing any Services under the Agreement, "processes" (where "processes" is as defined in the Data Protection Act 1998) any STI information that constitutes "personal data" within the meaning of the Data Protection Act 1998, Supplier shall ensure that all such personal data is kept secure, and in accordance with all relevant legislation,
13.2. Supplier shall not process or transfer any personal data outside the European Economic Area, or transfer any personal data to any third party, without the prior written consent of STI, which consent may be subject to Supplier (or the relevant third party) entering into a data transfer agreement with STI.
13.3. Supplier shall indemnify STI and its Affiliates, and keep them indemnified, on demand from and against all Losses incurred or suffered as a result of or in connection with Supplier's breach of this Section 15.
- 14. HAZARDS**
14.1. Supplier shall, and shall ensure that its staff and those of any sub-contractor shall, when working on any site in connection with the Agreement, comply with all relevant environmental, occupational health and safety legislation and any other appropriate standards, policies and procedures notified by STI from time to time.
14.2. Supplier will provide applicable hazard information such as material safety data sheets and will inform STI of all regulations and guidance (statutory or otherwise) which Supplier knows or believes to be associated with the Goods and any combination of the Goods with another product.
14.3. Supplier shall indemnify STI and its Affiliates, and keep them indemnified, on demand from and against all Losses incurred or suffered as a result of or in connection with any third party claim arising from Supplier's or Supplier's sub-contractors' actions resulting in alleged release of any waste, hazardous substance or other pollutant.
14.4. Supplier will endeavour to exceed any statutory minimum environmental, occupational health and safety requirements in accordance with generally accepted best working practices and any specific standards or other requirements of STI.
- 15. INDEMNITY AND INSURANCE**
15.1. Supplier shall indemnify STI and its Affiliates, and keep them indemnified, on demand from and against all Losses incurred or suffered as a result of or in connection with any defect in the Goods or Services or any breach by Supplier of its obligations hereunder or of any statutory duty or from any act or omission of Supplier's employees, agents or sub-contractors.
15.2. At all times during the term of the Agreement, Supplier shall maintain in force with a reputable insurance company insurance in respect of its liabilities under the Agreement for a minimum of £5,000,000 per event and if so required at any time produce the policy of insurance and the receipt for the current premium to STI for its inspection. Supplier agrees that any monies received by Supplier from the insurance company in full or part settlement of a claim arising out of the Agreement and paid by or due to STI shall be paid immediately to STI without offset or counter claim.
- 16. TERMINATION**
16.1. Subject to Section 16.3, if either party to the Agreement is in breach of the Agreement and does not remedy the breach within 30 days of notice from the other party so to do (if capable of remedy) the other party may terminate the Agreement immediately by notice to the party in breach.
16.2. If either party becomes bankrupt, dissolved, wound up, or makes any arrangement with its creditors or has a receiver, administrative receiver, liquidator or provisional liquidator appointed over all or any part of its assets or goes into liquidation (whether voluntary or otherwise) save as part of a bona fide reconstruction not involving insolvency or takes or suffers any similar action as a result of its liability to pay its debts or its insolvency it shall promptly so notify the other party in writing providing particulars of the circumstances whereupon the other party may terminate the Agreement immediately by notice.
16.3. The Agreement may be cancelled at any time by STI for any reason whatsoever, by giving Supplier notice in writing.
- 17. CONSEQUENCES OF TERMINATION**
17.1. Immediately after termination of the Agreement for any reason, Supplier shall:
17.1.1. at STI's option and cost, deliver to STI all quantities of the Goods in its possession which comply with the Agreement;
17.1.2. at Supplier's cost, return to STI all material provided to Supplier by STI; and
17.1.3. at Supplier's cost, ensure that all documents containing Intellectual Property Rights and/or any information of a technical nature relating to the Goods, the manufacture of the Goods and the provision of Services, or of a confidential nature and supplied by STI to Supplier, are returned to STI or destroyed by Supplier at STI's option.
17.2. With effect from termination of the Agreement Supplier shall not make any use for any purpose whatsoever of any Intellectual Property Right which is the property of STI.
17.3. Termination of the Agreement shall be without prejudice to the continuation in force of Sections 1, 2, 7, 10, 11, 13, 17 and 18. Supplier agrees to provide STI with all reasonable support with respect to any investigation required by STI or any regulator with respect to the Goods or Services carried out prior or after such termination or withdrawal. STI will reimburse Supplier's reasonable costs in providing such assistance.
17.4. Termination or expiry shall not relieve either party from any liability or action accrued prior to such termination or expiry. A fair and reasonable price will be paid for all Services in progress that have been delivered to STI and which comply with the Agreement. STI's liability is limited to Services in progress, and no further loss or liability will accrue on their account.
- 18. GENERAL**
18.1. Supplier shall not, without the prior written consent of STI, appoint any sub-contractor or any person or persons to carry out its obligations under the Agreement. In the event that Supplier appoints a sub-contractor or other person to perform its obligations it shall remain liable to STI for the performance of all its obligations and shall ensure that any such sub-contractor or other person agrees to be bound by terms equivalent to those in the Agreement.
18.2. Supplier shall ensure that at all times it has and maintains all the licences, permissions, consents and permits that it needs to lawfully carry out its obligations under the Agreement and to grant the rights set out in the Agreement.
18.3. Supplier warrants that the Goods and Services shall comply with the Agreement, relevant laws, regulations and other legal requirements.
18.4. The Agreement contains the whole agreement between the parties in respect of the subject matter of the Agreement and supersedes all prior written or oral agreements, arrangements and understandings between them relating to that subject matter.
18.5. Nothing in the Agreement shall create, or be deemed to create a partnership, joint venture or other relationship between the parties other than the contractual relationship expressly provided for in the Agreement.
18.6. Supplier's rights and obligations under the Agreement may not be assigned in whole or in part without the prior written consent of STI.
18.7. STI shall be entitled at any time by notice in writing to Supplier to assign the whole or any part of its rights and obligations under the Agreement to any Affiliate or to any successor in title to the whole or part of that part of STI's business which relates to the Goods or Services
18.8. No failure or delay by a party to exercise any right or remedy provided under the Agreement or by law shall constitute a waiver of that (or any other) right or remedy and nor shall it preclude or restrict its further exercise. In addition, no single or partial exercise of any such right or remedy shall preclude or restrict the further exercise of that (or any other) right or remedy.
18.9. If any provision of the Agreement is held by any court or other competent authority to be invalid or unenforceable in whole or in part, the Agreement shall continue to be valid as to its other provisions and the remainder of the affected provision.
18.10. The Agreement may not be modified except by an instrument in writing signed by the duly authorised representatives of both parties.
18.11. Except for any rights granted to STI Affiliates, which the parties hereby designate as intended third party beneficiaries to the Agreement, no person who is not a party to the Agreement shall have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term. The rights of the parties to terminate, rescind or agree any variation, waiver or settlement under the Agreement is not subject to the consent of any person that is not a party to the Agreement.
18.12. The Agreement and any dispute or claim arising out of or in connection with it or its subject matter (including non-contractual disputes or claims) is governed by and shall be construed in accordance with English law. The United Nations Convention on Contracts for the International Sale of Goods (1980) shall not apply to the Agreement.
18.13. The parties irrevocably agree that the English courts shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with the Agreement or its subject matter (including non-contractual disputes or claims).