



General Conditions of Purchase

06-Mar-2018
Page 1 of 3

1. Extent of contract

The contract entered into between Drallim Industries Ltd. (hereinafter called "The buyer") and the person, firm or company to whom this purchase order is addressed (hereinafter called "the seller") is for the sale and delivery of all the items or services which are the subject of this purchase order and specified or described herein and in any specifications referred to herein (hereinafter called "the goods") and includes the supply manufacture and delivery of the goods. In the event of any conflict between these general conditions and the provisions on the face of the purchase order the latter shall prevail.

2. Acceptance of conditions

Supplies shall be in accordance with the provisions and specifications quoted on the order. No conditions or terms contained in any quotation offer acknowledgement letter advice note delivery note invoice or other communication of the seller shall annul or vary any of these general conditions and the instructions contained in the purchase order unless expressly agreed by both parties in writing.

3. Warranties

The seller warrants that the goods conform to the description and specifications referred to in the purchase order and the design manufacture, quality, packaging and labelling of the goods shall comply with the all relevant requirements of any Statute, Statutory Rule or Order which are in force at the time when the goods are delivered. The buyer may by written notice to the seller reject the whole or any part of a consignment of the goods which fail to comply with the requirements of the purchase order. Rejected goods will be held at the suppliers' risk while on company premises. Notice of rejection shall be given within a reasonable time of the delivery of the goods to the buyer.

4. Delivery

Delivery shall be in accordance with the requirements as set out in the Purchase Order. Compliance with such requirements is to be of the essence of this contract. The seller shall indemnify the buyer against all claims, liability, demand proceeding costs and expenses arising as a result of any act or omission of the buyer or its employees in the performance or purported performance of the contract, except to the extent such loss, damage, death or personal injury is caused by the negligence of the buyer. All goods must be delivered carriage paid unless otherwise agreed in writing.

5. Buyers materials held by Seller

Materials owned by the Buyer forwarded to the seller for industrial processing or other purposes shall be insured at the expense of the seller against pilferage, fire or any other damage or loss occurring whilst in the custody of the supplier.

6. Termination or cancellation of contract

Without prejudice to any other rights or remedies under the terms of this contract the buyer may terminate this contract forthwith by written notice provided the supplier has not substantially commenced execution of this order at the time of receipt of the notice.

7. Indemnity

The seller shall indemnify the buyer against all claims, cost, expense, loss or damage whether direct or consequential which the buyer may suffer howsoever arising from the sellers' breach of any of its obligations under this contract

8. Design confidentiality

All drawings and sample sent with this order are the property of the buyer and must be returned in good condition carriage paid when called for. Items so supplied are secret and confidential, must be kept at the suppliers works and used only for the purposes of this order and must not be copied or communicated to any other party without the buyers written consent.

9. Price

Prices stated in the purchase order remain firm until completion of the contract and include all royalties, licence fees or similar expenses arising from the use of any intellectual property. Extra charges submitted in respect of this order will not be accepted without the specific authority of the buyer.

10. Force Majeure

Neither party shall be liable to the other if by reason of any cause which is beyond the reasonable control of or could not have been reasonably prevented by either party, the buyer is hindered from or delayed in taking delivery, or the seller is prevented or hindered in making delivery, of the goods or any part thereof at the times stated for delivery. If for any such cause, the seller is prevented from or delayed or hindered in making delivery, the buyer shall be entitled to purchase the whole or any part of the goods elsewhere.



General Conditions of Purchase

06-Mar-2018
Page 2 of 3

11. Patent rights

The seller shall indemnify the buyer against all actions, claims, demands, liabilities, damages, losses, costs and expense concerning the infringement of any patent registered design trade mark, service mark, copyright or similar protection which arise from anything done by or for the seller in relation to the goods supplied under the contract for any use or resale by the buyer of the goods.

12. RoHS

In order to meet our RoHS obligations, Drallim Industries are striving to ensure that all purchased items are in compliance with the latest RoHS Directive. Please certify that product supplied against this order meets the RoHS requirements either by material threshold considerations, declarations of compliance or by an explicit RoHS exemption status."

13. Anti-bribery and corruption

13.1. You shall:

- 13.1.1. comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption, including the Bribery Act 2010 ("**Relevant Requirements**");
- 13.1.2. not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act 2010 if such activity, practice or conduct had been carried out in the UK;
- 13.1.3. comply with our ethics, anti-bribery and anti-corruption policies as we may provide to you, and update, from time to time ("**Relevant Policies**");
- 13.1.4. have and maintain in place throughout the term of this Agreement your own policies and procedures, including adequate procedures under the Bribery Act 2010, to ensure compliance with the Relevant Requirements, the Relevant Policies and Clause 13.1.2, and enforce them where appropriate;
- 13.1.5. promptly report to us any request or demand for any undue financial or other advantage of any kind you receive in connection with the performance of this Agreement;
- 13.1.6. immediately notify us if a foreign public official becomes an officer or employee of your business, or acquires a direct or indirect interest in your business, and you warrant that you have no foreign public officials as direct or indirect owners, officers or employees at the date of this Agreement; and
- 13.1.7. within three months of the date of this Agreement, and annually thereafter, certify to us in writing signed by an officer of your business, compliance with this Clause 13 by you and all persons associated with you under Clause 13.2. You shall provide such supporting evidence of compliance as we may reasonably request.

13.2. You shall ensure that any person associated with you who is performing services or providing goods in connection and in accordance with this Agreement does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on you in this Clause 13 ("**Relevant Terms**"). You shall be responsible for the observance and performance by such persons of the Relevant Terms and shall be directly liable to us for any breach by such persons of any of the Relevant Terms.

13.3. For the purpose of this Clause 13, the meaning of adequate procedures and foreign public official and whether a person is associated with another person shall be determined in accordance with section 7(2) of the Bribery Act 2010 (and any guidance issued under section 9 of that Act), sections 6(5) and 6(6) of that Act and section 8 of that Act respectively. For the purposes of this Clause 13, a person associated with you includes any permitted subcontractor of you.

14. Anti-slavery and human trafficking

14.1. In performing your obligations under this Agreement, you shall:

- 14.1.1. comply with all applicable anti-slavery and human trafficking laws, statutes, regulations and codes from time to time in force, including the Modern Slavery Act 2015, and have and maintain throughout the term of this Agreement your own policies and procedures to ensure your compliance;
- 14.1.2. not engage in any activity, practice or conduct that would constitute an offence under sections 1, 2 or 4, of the Modern Slavery Act 2015 if such activity, practice or conduct were carried out in the UK; and
- 14.1.3. include in your contracts with your subcontractors and suppliers, anti-slavery and human trafficking provisions that are at least as onerous as those set out in this Clause 14.

14.2. You represent and warrant that neither you nor any of your officers, employees or other persons associated with you:

- 14.2.1. have been convicted of any offence involving slavery and human trafficking; and
- 14.2.2. to the best of your knowledge, have been or are the subject of any investigation, inquiry or enforcement proceedings by any governmental, administrative or regulatory body regarding any offence or alleged offence of or in connection with slavery and human trafficking.



General Conditions of Purchase

06-Mar-2018
Page 3 of 3

14.3. You shall:

- 14.3.1. implement due diligence procedures for your subcontractors, suppliers and other participants in your supply chains, to ensure that there is no slavery or human trafficking in your supply chains;
 - 14.3.2. notify us as soon as you become aware of:
 - any breach, or potential breach, of this Clause 14; or
 - any actual or suspected slavery or human trafficking in a supply chain which has a connection with this Agreement;
 - 14.3.3. prepare a slavery and human trafficking report setting out the steps you take to ensure that slavery and human trafficking is not taking place in any of your supply chains or in any part of your business;
 - 14.3.4. maintain a complete set of records to trace the supply chain of all Deliverables;
 - 14.3.5. permit us and our third-party representatives, on reasonable notice during normal business hours, but without notice in case of any reasonably suspected breach of this Clause 14, to have access to and take copies of your records and any other information and to meet with your personnel to audit your compliance with your obligations in this Clause 14;
 - 14.3.6. implement audits of your compliance, and your subcontractors' and suppliers' compliance, with this Clause 14;
 - 14.3.7. implement a system of familiarisation your employees, along with encouraging your suppliers and subcontractors to apply due diligence, to ensure compliance with this Clause 14; and
 - 14.3.8. keep a record of all familiarisation activities offered and completed by your employees, along with any submitted information from your suppliers and subcontractors to ensure compliance with this Clause 14 and make a copy of the record available to us on request.
- 14.4. You represent, warrant and undertake that you conduct your business in a manner that is consistent with this Clause 14.

15. Legal construction.

The construction, validity and performance of the contract shall be governed by the laws of England.