

JOLODA HYDRAROLL LTD CONDITIONS OF PURCHASE

INTERPRETATION

1.1 Definitions. In these Conditions, the following definitions apply:

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

Commencement Date: has the meaning set out in clause 2.2.

Conditions: these terms and conditions as amended from time to time in accordance with clause 16.7.

Contract: the contract between Joloda and the Supplier for the supply of Goods and/or Services in accordance with these Conditions.

Joloda: Joloda International Limited registered in England and Wales with company number 2757012.

Joloda Materials: all materials, equipment and tools, drawings, specifications and data supplied by Joloda to the Supplier.

Deliverables: all documents, products and materials developed by the Supplier or its agents, contractors and employees as part of or in relation to the Services in any form or media, including without limitation drawings, maps, plans, diagrams, designs, pictures, computer programs, data, specifications and reports (including drafts).

Goods: the goods (or any part of them) set out in the Order.

Goods Specification: any specification for the Goods, including any related plans and drawings, that is agreed in writing by Joloda and the Supplier.

Intellectual Property Rights: patents, rights to inventions, copyright and related rights, trade marks, business names and domain names, rights in get-up, goodwill and the right to sue for passing off, rights in designs, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights

and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

Order: Joloda's order for the supply of Goods and/or Services, as set out in Joloda's purchase order form.

Services: the services, including without limitation any Deliverables, to be provided by the Supplier under the Contract as set out in the Order.

Service Specification: the description or specification for Services agreed in writing by Joloda and the Supplier.

Supplier: the person or firm from whom Joloda purchases the Goods and/or Services.

1.2 A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

1.3 A reference to a statute or statutory provision is a reference to such statute or statutory provision as amended or re-enacted. A reference to a statute or statutory provision includes any subordinate legislation made under that statute or statutory provision, as amended or reenacted.

1.4 A reference to writing or written includes faxes and e-mails, unless stated otherwise in these Conditions.

BASIS OF CONTRACT

2.1 The Order constitutes an offer by Joloda to purchase Goods and/or Services from the Supplier in accordance with these Conditions.

2.2 The Order shall be deemed to be accepted on the earlier of:

- (a) the Supplier issuing written acceptance of the Order; or
 - (b) any act by the Supplier consistent with fulfilling the Order,
- at which point and on which date the Contract shall come into existence (Commencement Date).

2.3 These Conditions apply to the Contract to the exclusion of any other terms that the Supplier seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing.

2.4 All of these Conditions shall apply to the supply of both Goods and Services except where the application to one or the other is specified.

SUPPLY OF GOODS

3.1 The Supplier shall ensure that the Goods shall:

- (a) correspond with their description and any applicable Goods Specification;
- (b) be of satisfactory quality (within the meaning of the Sale of Goods Act 1979) and fit for any purpose held out by the

Supplier or made known to the Supplier by Joloda, expressly or by implication, and in this respect Joloda relies on the Supplier's skill and judgment;

- (c) where applicable, be free from defects in design, materials and workmanship and remain so for 24 months after the date

on which they are first put into commercial use or are incorporated into another product, or as otherwise agreed between the parties; and

(d) comply with all applicable statutory and regulatory requirements relating to the manufacture, labelling, packaging, storage, handling and delivery of the Goods.

3.2 The Supplier shall ensure that at all times it has and maintains all the licences, permissions, authorisations, consents and permits that it needs to carry out its obligations under the Contract in respect of the Goods.

3.3 Joloda shall have the right to inspect and test the Goods at any time before delivery.

3.4 If following such inspection or testing Joloda considers that the Goods do not conform or are unlikely to comply with the Supplier's undertakings at clause 3.1, Joloda shall inform the Supplier and the Supplier shall immediately take such remedial action as is necessary to ensure compliance.

3.5 Notwithstanding any such inspection or testing, the Supplier shall remain fully responsible for the Goods and any such inspection or testing shall not reduce or otherwise affect the Supplier's obligations under the Contract, and Joloda shall have the right to conduct further inspections and tests after the Supplier has carried out its remedial actions.

DELIVERY OF GOODS

4.1 The Supplier shall ensure that:

(a) the Goods are properly packed and secured in such manner as to enable them to reach their destination in good condition;

(b) each delivery of the Goods is accompanied by a delivery note which shows the date of the Order, the Order number (if any), the type and quantity of the Goods (including the code number of the Goods (where applicable)), special storage instructions (if any) and, if the Goods are being delivered by instalments, the outstanding balance of Goods remaining to be delivered; and

(c) if the Supplier requires Joloda to return any packaging material for the Goods to the Supplier, that fact is clearly stated on the delivery note. Any such packaging material shall only be returned to the Supplier at the cost of the Supplier.

4.2 The Supplier shall deliver the Goods:

(a) on the date specified in the Order or, if no such date is specified, then within 2 days of the Commencement Date;

(b) to Joloda's premises at 51 Speke Road, Garston, Liverpool L19 2NY or such other location as is set out in the Order or as instructed by Joloda before delivery (Delivery Location);

(c) during Joloda's normal hours of business on a Business Day, or as instructed by Joloda.

4.3 Unless agreed otherwise with Joloda, the Supplier shall be responsible for unloading the Goods at the Delivery Location.

4.4 If the Supplier:

(a) delivers less than 95 per cent of the quantity of Goods ordered, Joloda may reject the Goods; or

(b) delivers more than 105 per cent of the quantity of Goods ordered, Joloda may at its sole discretion reject the Goods or

the excess Goods,

and any rejected Goods shall be returnable at the Supplier's risk and expense. If the Supplier delivers more or less than the quantity of Goods ordered, and Joloda accepts the delivery, a pro rata adjustment shall be made to the invoice for the Goods.

4.5 The Supplier shall not deliver the Goods in instalments without Joloda's prior written consent. Where it is agreed that the Goods are delivered by instalments, they may be invoiced and paid for separately.

However, failure by the Supplier to deliver any one instalment on time or at all or any defect in an instalment shall entitle Joloda to the remedies set out in clause 6.1.

4.6 Title and risk in the Goods shall pass to Joloda on the documented receipt of such Goods into Joloda's Goods Receivable Bond at the Delivery Location.

SUPPLY OF SERVICES

5.1 The Supplier shall from the date set out in the Order or, if no such date is specified, from the Commencement Date and for the duration of this Contract provide the Services to Joloda in accordance with the terms of the Contract.

5.2 The Supplier shall meet any performance dates for the Services specified in the Order or notified to the Supplier by Joloda.

5.3 In providing the Services, the Supplier shall:

(a) co-operate with Joloda in all matters relating to the Services, and comply with all instructions of Joloda;

(b) perform the Services with reasonable skill and care;

(c) ensure that the Services and Deliverables will conform with all descriptions and specifications set out in the Service

Specification, and that the Deliverables shall be fit for any purpose expressly or impliedly made known to the Supplier by Joloda;

(d) provide all equipment, tools and vehicles and such other items as are required to provide the Services;

(e) ensure that the Deliverables, and all goods and materials supplied and used in the Services or transferred to Joloda, will

be free from defects in workmanship, installation and design;

- (f) obtain and at all times maintain all necessary licences and consents, and comply with all applicable laws and regulations;
- (g) observe all health and safety rules and regulations and any other security requirements that apply at any of Joloda's premises;
- (h) hold the Joloda Materials in safe custody at its own risk, maintain Joloda Materials in good condition until returned to Joloda, and not dispose or use Joloda Materials other than in accordance with Joloda's written instructions or authorisation;
- (i) not do or omit to do anything which may cause Joloda to lose any licence, authority, consent or permission upon which it relies for the purposes of conducting its business, and the Supplier acknowledges that Joloda may rely or act on the Services.

JOLODA'S REMEDIES

6.1 If the Supplier fails to deliver the Goods and/or perform the Services by the applicable date, Joloda shall, without limiting its other rights or remedies, have one or more of the following rights:

- (a) to terminate the Contract with immediate effect by giving written notice to the Supplier;
- (b) to refuse to accept any subsequent performance of the Services and/or delivery of the Goods which the Supplier attempts to make;
- (c) to recover from the Supplier any costs incurred by Joloda in obtaining substitute goods and/or services from a third party;
- (d) where Joloda has paid in advance for Services that have not been provided by the Supplier and/or Goods which have not been delivered by the Supplier, to have such sums refunded by the Supplier; and
- (e) to claim damages for any additional costs, loss or expenses incurred by Joloda which are in any way attributable to the Supplier's failure to meet such dates.

6.2 If the Supplier has delivered Goods that do not comply with the undertakings set out in clause 3.1, then, without limiting its other rights or remedies, Joloda shall have one or more of the following rights, whether or not it has accepted the Goods:

- (a) to reject the Goods (in whole or in part) whether or not title has passed and to return them to the Supplier at the Supplier's own risk and expense;
- (b) to terminate the Contract with immediate effect by giving written notice to the Supplier;
- (c) to require the Supplier to repair or replace the rejected Goods, or to

provide a full refund of the price of the rejected Goods (if paid);

- (d) to refuse to accept any subsequent delivery of the Goods which the Supplier attempts to make;
- (e) to recover from the Supplier any expenditure incurred by Joloda in obtaining substitute goods from a third party; and
- (f) to claim damages for any additional costs, loss or expenses incurred by Joloda arising from the Supplier's failure to supply Goods in accordance with clause 3.1.

6.3 These Conditions shall extend to any substituted or remedial services and/or repaired or replacement goods supplied by the Supplier.

6.4 Joloda's rights under this Contract are in addition to its rights and remedies implied by statute and common law.

JOLODA'S OBLIGATIONS

Joloda shall:

- (a) provide the Supplier with reasonable access at reasonable times to Joloda's premises for the purpose of providing the Services;
- (b) provide such information as the Supplier may reasonably request for the provision of the Services and Joloda considers reasonably necessary for the purpose of providing the Services.

CHARGES AND PAYMENT

8.1 The price for the Goods:

- (a) shall be the price set out in the Order; and
- (b) shall be inclusive of the costs of packaging, insurance and carriage of the Goods, unless otherwise agreed in writing by Joloda. No extra charges shall be effective unless agreed in writing and signed by Joloda.

8.2 The charges for the Services shall be set out in the Order, and shall be the full and exclusive remuneration of the Supplier in respect of the performance of the Services. Unless otherwise agreed in writing by Joloda, the charges shall include every cost and expense of the Supplier directly or indirectly incurred in connection with the performance of the Services.

8.3 In respect of Goods, the Supplier shall invoice Joloda on or at any time after the documented receipt of such Goods into Joloda's Goods Receivable Bond at the Delivery Location. In respect of Services, the Supplier shall invoice Joloda on completion of the Services. Each invoice shall include such supporting information required by Joloda to verify the accuracy of the invoice, including but not limited to the relevant purchase order number.

8.4 In consideration of the supply of Goods and/or Services by the Supplier,

Joloda shall pay the invoiced amounts within 60 days following the end of the month in which the relevant invoice is received to a bank account nominated in writing by the Supplier. If the date on which payment would otherwise be due is not a Business Day, payment will be due on the next Business Day.

8.5 All amounts payable by Joloda under the Contract are exclusive of amounts in respect of valued added tax chargeable from time to time (VAT). Where any taxable supply for VAT purposes is made under the Contract by the Supplier to Joloda, Joloda shall, on receipt of a valid VAT invoice from the Supplier, pay to the Supplier such additional amounts in respect of VAT as are chargeable on the supply of the Goods and/or Services at the same time as payment is due for the supply of the Goods and/or Services.

8.6 If a party fails to make any payment due to the other party under the Contract by the due date for payment, then the defaulting party shall pay interest on the overdue amount at the rate of 2% per annum above Yorkshire Bank Plc's base rate from time to time. Such interest shall accrue on a daily basis from the due date until the date of actual payment of the overdue amount, whether before or after judgment. The defaulting party shall pay the interest together with the overdue amount. This clause shall not apply to payments that the defaulting party disputes in good faith.

8.7 The Supplier shall maintain complete and accurate records of the time spent and materials used by the Supplier in providing the Services, and the Supplier shall allow Joloda to inspect such records at all reasonable times on request.

8.8 Joloda may at any time, without limiting any of its other rights or remedies, set off any liability of the Supplier to Joloda against any liability of Joloda to the Supplier, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under the Contract.

INTELLECTUAL PROPERTY RIGHTS

9.1 In respect of the Goods and any goods that are transferred to Joloda as part of the Services under this Contract, including without limitation the Deliverables or any part of them, the Supplier warrants that it has full clear and unencumbered title to all such items, and that at the date of delivery of such items to Joloda, it will have full and unrestricted rights to sell and transfer all such items to Joloda.

9.2 The Supplier assigns to Joloda, with full title guarantee and free from all third party rights, all Intellectual Property Rights in the products of

the Services, including for the avoidance of doubt the Deliverables.

9.3 The Supplier shall, promptly at Joloda's request, do (or procure to be done) all such further acts and things and the execution of all such other documents as Joloda may from time to time require for the purpose of securing for Joloda the full benefit of the Contract, including all right, title and interest in and to the Intellectual Property Rights assigned to Joloda in accordance with clause 9.2.

9.4 All Joloda Materials are the exclusive property of Joloda.

INDEMNITY

10.1 The Supplier shall keep Joloda indemnified against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other reasonable professional costs and expenses) suffered incurred by Joloda as a result of or in connection with:

(a) any claim made against Joloda for actual or alleged infringement of a third party's intellectual property rights arising out

of, or in connection with, the manufacture, supply or use of the Goods, or receipt, use or supply of the Services, to the

extent that the claim is attributable to the acts or omissions of the Supplier, its employees, agents or subcontractors;

(b) any claim made against Joloda by a third party for death, personal injury or damage to property arising out of, or in

connection with, defects in Goods, to the extent that the defects in the Goods are attributable to the acts or omissions of

the Supplier, its employees, agents or subcontractors; and

(c) any claim made against Joloda by a third party arising out of or in connection with the supply of the Goods or the

Services, to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance

of the Contract by the Supplier, its employees, agents or subcontractors.

10.2 This clause 10 shall survive termination of the Contract.

INSURANCE

11.1 The Supplier shall effect and maintain in its own name and at its own cost the insurances specified below (the Insurances) with a limit of indemnity of not less than and excess of not more than that specified, together with such other insurances required by law:

(a) Third party liability cover with a minimum indemnity of £10m, and a maximum excess of £2,500 each and every claim.

(b) Product liability cover with a minimum indemnity of £5m, and a maximum excess of £2,500 each and every claim.

(c) Material damage cover on a full reinstatement basis with a maximum

excess of £5,000 each and every claim.

(d) Goods in transit insurance but only when the supplier is under the terms of this agreement contractually obliged to transport the goods.

11.2 The Supplier shall effect and maintain the Insurances during the term of the Contract and for such further period as is necessary to ensure that insurance cover is provided for all of the Supplier's liabilities arising under the Contract irrespective of when any claim in relation to any such liability is made.

11.3 The Supplier will not take, or fail to take, any action or permit anything to occur which would entitle any Insurer to refuse to pay any claim under any of the Insurances.

11.4 In relation to the Insurances, the Supplier shall provide to Joloda:

(a) Copies on request of the insurance policies detailed in Clause 11.1 and Joloda shall be entitled to inspect them during ordinary business hours.

(b) Evidence that the premiums under the Insurances have been paid and that the Insurances are in full force and effect.

(c) Copies of the renewal certificates for the Insurances not less than 10 days before the renewal date.

11.5 The insurance premiums and the excess payments applicable to the Insurances shall at all times be the responsibility of the Supplier.

11.6 The Insurances shall not be affected with Insurances with an A.M Best Credit Rating of not less than A minus.

CONFIDENTIALITY

12.1 A party (Receiving Party) 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 the Receiving Party by the other party (Disclosing Party), its employees, agents or subcontractors, and any other confidential information concerning the Disclosing Party's business, its products and services which the Receiving Party may obtain. The Receiving Party shall only disclose such confidential information to those of its employees, agents and subcontractors who need to know it for the purpose of discharging the Receiving Party's obligations under the Contract, and shall ensure that such employees, agents and subcontractors comply with the obligations set out in this clause as though they were a party to the Contract. The Receiving Party may also disclose such of the Disclosing Party's confidential information as is required to be disclosed by law, any governmental or regulatory authority or by a court of competent jurisdiction.

12.2 This clause 12 shall survive termination of the Contract.

TERMINATION

13.1 Without limiting its other rights or remedies, Joloda may terminate the Contract:

(a) in respect of the supply of Services, by giving the Supplier 30 days' written notice; and

(b) in respect of the supply of Goods, in whole or in part at any time before delivery with immediate effect by giving written notice to the Supplier, whereupon the Supplier shall discontinue all work on the Contract. Joloda shall pay the Supplier fair and reasonable compensation for any work in progress on the Goods at the time of termination, but such compensation shall not include loss of anticipated profits or any consequential loss.

13.2 Without limiting its other rights or remedies, the Supplier may terminate the Contract by giving Joloda 30 days' written notice.

13.3 In any of the circumstances in these Conditions in which a party may terminate the Contract, where both Goods and Services are supplied, that party may terminate the Contract in respect of the Goods, or in respect of the Services, and the Contract shall continue in respect of the remaining supply.

13.4 Without limiting its other rights or remedies, Joloda may terminate the Contract with immediate effect by giving written notice to the Supplier if:

(a) the Supplier commits a material breach of the terms of the Contract and (if such a breach is remediable) fails to remedy that breach within 30 days of receipt of notice in writing to do so;

(b) the Supplier repeatedly breaches any of the terms of the Contract in such a manner as to reasonably justify the opinion that its conduct is inconsistent with it having the intention or ability to give effect to the terms of the Contract;

(c) the Supplier suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or (being a company or limited liability partnership) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or (being a partnership) has any partner to whom any of the foregoing apply;

(d) the Supplier commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with its creditors;

(e) a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of the Supplier (being a company);

(f) a creditor or encumbrancer of the Supplier attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of its assets and such

attachment or process is not discharged within 14 days;

(g) an application is made to court, or an order is made, for the appointment of an administrator or if a notice of intention to appoint an administrator is given or if an administrator is appointed over the Supplier (being a company);

(h) the holder of a floating charge over the assets of the Supplier (being a company) has become entitled to appoint or has appointed an administrative receiver;

(i) a person becomes entitled to appoint a receiver over the assets of the Supplier or a receiver is appointed over the assets of the Supplier;

(j) any event occurs, or proceeding is taken, with respect to the Supplier in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in clause 13.4(c) to clause 13.4(i) (inclusive);

(k) the Supplier suspends or ceases, or threatens to suspend, or cease, to carry on all or a substantial part of its business;

or

13.5 Termination of the Contract, however arising, shall not affect any of the parties' rights and remedies that have accrued as at termination.

13.6 Clauses which expressly or by implication survive termination of the Contract shall continue in full force and effect.

CONSEQUENCES OF TERMINATION

On termination of the Contract for any reason, the Supplier shall immediately deliver to Joloda all Deliverables whether or not then complete, and return all Joloda Materials. If the Supplier fails to do so, then Joloda may enter the Supplier's premises and take possession of them. Until they have been returned or delivered, the Supplier shall be solely responsible for their safe keeping and will not use them for any purpose not connected with this Contract.

FORCE MAJEURE

15.1 Neither party shall be in breach of the Contract nor liable for delay in performing, or failure to perform, any of its obligations under it if such a delay or failure result from an event, circumstances or cause beyond its reasonable control (Force Majeure Event).

15.2 The Supplier shall use all reasonable endeavours to mitigate the effect of a Force Majeure Event on the performance of its obligations.

15.3 If a Force Majeure Event prevents, hinders or delays the Supplier's performance of its obligations for a continuous period of more than 10 Business Days, Joloda may terminate the Contract immediately by giving written notice to the Supplier.

GENERAL

16.1 Assignment and other dealings.

(a) Joloda may at any time assign, transfer, mortgage, charge, subcontract or

deal in any other manner with all or any of its rights or obligations under the Contract.

(b) The Supplier may not assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with all or any of its rights or obligations under the Contract without the prior written consent of Joloda.

16.2 Notices.

(a) Any notice or other communication given to a party under or in connection with the Contract shall be in writing, addressed to that party at its registered office (if it is a company) or its principal place of business (in any other case) or such other address as that party may have specified to the other party in writing in accordance with this clause, and shall be delivered personally, or sent by pre-paid first class post or other next working day delivery service, commercial courier, fax or by email.

(b) A notice or other communication shall be deemed to have been received: if delivered personally, when left at the address referred to in clause 16.2(a); if sent by pre-paid first class post or other next working day delivery service, at 9.00 am on the second Business Day after posting; if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed; or, if sent by fax or email, one Business Day after transmission.

(c) The provisions of this clause shall not apply to the service of any proceedings or other documents in any legal action.

16.3 Severance. If any provision or part-provision of the Contract is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of the Contract.

16.4 Waiver. A waiver of any right or remedy under the Contract or law is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default. No failure or delay by a party to exercise any right or remedy provided under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy.

No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

16.5 No partnership or agency. Nothing in the Contract is intended to, or shall be deemed to, establish any partnership or joint venture between the parties, nor constitute either party the agent of the other for any purpose. Neither party

shall have authority to act as agent for, or to bind, the other party in any way.

16.6 Third parties. A person who is not a party to the Contract shall not have any rights to enforce its terms.

16.7 Variation. Except as set out in these Conditions, no variation of the Contract, including the introduction of any additional terms and conditions, shall be effective unless it is agreed in writing and signed by Joloda.

16.8 Governing law. The Contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including noncontractual disputes or claims), shall be governed by, and construed in accordance with the law of England and Wales.

16.9 Jurisdiction. Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims).

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