

BIBUS METALS LTD - STANDARD TERMS AND CONDITIONS OF PURCHASE

V2: 2019-05-17

A. GENERAL

1. By accepting our order or by supplying the goods ordered, the SUPPLIER is deemed to have accepted the present conditions.

2. Definitions:

Client	shall mean the Buyer's customer.
Goods	shall mean material.
Party/Parties	shall mean the Buyer or Supplier or both.
Purchase order	shall mean a statement from the Buyer to the Supplier specifying goods to be supplied and stating the terms and conditions whereupon delivery of these goods shall take place, and including delivery schedule(s) and call-off orders.
Buyer	means BIBUS Metals Ltd, a company registered in England under 7624382 of Three Mills Trading Estate, Old School Lane, Hereford, HR1 1EX and includes all employees and agents of BIBUS Metals Ltd.
Supplier	shall mean the manufacturer, vendor or seller of goods.

3. Form

Only orders in traceable form (in writing, by fax, email) are binding. Verbal orders or orders by phone as well as changes and additions to the BUYER's order or other conditions deviating from the order shall be binding only if confirmed by the BUYER in traceable form. The SUPPLIER shall immediately return his order confirmation including the exact delivery date.

4. Communication

Each party shall continuously inform the other party on all matters that are of importance to the parties' performance under the general purchasing conditions and shall also in all such communications express themselves with such clarifications and with such means as are required in order to ensure a correct performance in all respects.

B. PRICES, PAYMENTS AND TERMS OF DELIVERY

5. Prices

The prices shall be those contained in the purchase order. Unless otherwise agreed in writing the price is firm and fixed and exclusive V.A.T. Any further costs shall be borne by the SUPPLIER. This shall apply also to any customs, consular costs, freight, insurance premiums and any further additional costs.

6. Payment

6.1 Payment shall be made within the agreed terms of payment (calculated from receipt of the invoice by the addresses stated on the purchase order, but not earlier than the day of delivery), and shall be made in accordance with any other conditions that the parties have agreed upon in writing. The terms of payment shall, in the absence of any other agreement, be sixty (60) days from the end of the month of delivery. All invoices shall be correctly addressed, without being marked for the attention of any individual.

6.2 Remittance of payment shall not imply any acceptance of the delivery or the invoiced amount.

6.3 The BUYER is entitled to offset sums which it or one more of its affiliated companies owes the SUPPLIER against sums which the SUPPLIER owes to the BUYER or one or more of its affiliated companies.

7. Terms of delivery

The agreed delivery terms shall be construed in accordance with Incoterms. In the event of any doubt, the latest version of Incoterms shall be used. Place of performance for the goods and the services shall be the agreed place of destination.

C. WARRANTY AND QUALITY

8. The SUPPLIER warrants that the goods supplied are free from defects. Goods shall be considered defective if it:

- (i) in any respect deviates from the technical specification required from the BUYER
- (ii) does not possess the characteristics that the SUPPLIER has referred to through samples, prototypes or in marketing
- (iii) is not fit for the particular purpose for which the parties intended it to be used.

8.1 The warranty period is valid twenty-four (24) months from the date the part has been delivered from the SUPPLIER's warehouse.

The above-stated time limit shall, however, not apply, should there be a risk of personal injury or damage to property other than the Defective Part, or of repetitive defect.

8.2 The parties may conclude a separate agreement for the handling of warranty claims and for a more extensive warranty liability.

D. LIABILITY FOR DEFECTS OR SHORTCOMINGS AS WELL AS SANCTIONS

9. Liability for defects or shortcomings

9.1 In the event that goods are defective in accordance with Section 8.1 above or a delivery does not contain the agreed quantity, then the BUYER shall be entitled to: (i) demand immediate rectification, or (ii) demand immediate delivery of substitute goods.

9.2 If defective goods cannot be repaired or replaced without delay, or if there is a risk of production disturbances at the BUYER or CLIENT, or delivery disturbances with the BUYER or CLIENT, the BUYER shall be entitled, after acceptance from the SUPPLIER and at the latter's expense, to make the necessary repair work or completely or partly terminate the purchase of the goods and other such goods that the BUYER or CLIENT do not consider having any use of due to the defect or shortcoming, and also, to undertake substitute purchases from another supplier.

9.3 In addition to what is set forth in sections 9.1 and 9.2 above, the SUPPLIER shall compensate the BUYER for any loss or damage, direct as well as indirect, arising out of or relating to the defect or shortcoming in delivery, including but not limited to costs for assembly and disassembly, detection and analysis, scrapping and transportation.

9.4 If due to delivery of any defective goods the BUYER considers it necessary to inspect all goods of the same kind delivered by the Supplier, the BUYER shall be entitled, after acceptance from the SUPPLIER, to make such inspection at the latter's expense and without awaiting the latter's approval. The notice shall describe the nature of the defect as well as the time and place of the inspection. If possible, the SUPPLIER shall be present at the inspection.

10. Product liability and insurance

10.1 The SUPPLIER shall compensate the BUYER for all direct and indirect losses and damages arising out of, or relating to, a product or goods having caused personal injury or property damages due to the fact that the goods were defective.

If the BUYER receives such a claim, the BUYER shall immediately notify the SUPPLIER accordingly and the parties shall undertake all necessary investigations in order to defend such claims in the best possible way. At the BUYER's request the SUPPLIER shall also assist the BUYER in the event of any dispute.

10.2 If there is a risk of a product causing personal injury or property damage due to goods being defective, such that the BUYER or CLIENT decides to recall a product, the SUPPLIER shall compensate the BUYER for its costs in conjunction with such recall.

10.3 The SUPPLIER shall enter into and maintain a Product Liability insurance policy during the period of the purchase agreement and shall at the BUYER's request also supply the BUYER with a copy of the insurance certificate. Product Liability insurance shall be for an amount equal to at least £1.0 million GBP.

E. DELIVERIES



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11.1 Delivery shall mean placing all goods in the possession or at the disposal of the BUYER, including the documentation necessary for the use of the goods such as, but not limited to, certificates of quality. All goods shall be delivered strictly in accordance with the BUYER'S purchase order and any other attachments and conditions as agreed upon.

Part shipments and advance deliveries shall require the BUYER'S prior written consent.

11.2 All goods shall be carefully and properly prepared, secured and packed in a manner suitable to provide adequate protection against damage whilst in transit to or in storage at the SUPPLIER'S premises or at the delivery destination. Any damage attributable to improper or inadequate packing shall be corrected at the SUPPLIER'S expense and the SUPPLIER shall indemnify the costs incurred in remedying such damage.

11.3 Ownership and risk of the goods shall pass from the SUPPLIER to the BUYER at delivery, i.e. upon arrival at the place of performance.

11.4 Timely delivery is of the essence. The SUPPLIER shall inform the BUYER in writing if late delivery is anticipated, stating the reasons thereof.

In the event of a late delivery the BUYER is entitled to: (i) completely or partly terminate the purchase of the goods and of other goods, which the BUYER does not consider having any use of due to the late delivery, and (ii) make substitute purchases from other SUPPLIERS. The SUPPLIER shall compensate the BUYER'S direct and indirect losses and damages arising out of, or relating to, the late delivery.

F. OTHER TERMS

12. Legal requirements

Each party shall comply with the laws and regulations relevant to the performance under these general purchasing conditions.

13. Industry-standard requirements and regulations for manufacturers and distributors

13.1 At all times, the SUPPLIER shall comply with all relevant and applicable regulations of the quality standard AS9120 and AS9120/B (Standard) and will specifically, including but not limited to:

13.1.1 use best endeavours to prevent the use of unapproved, suspected unapproved and counterfeit parts;

13.1.2 retain documented information, including, but not limited to, retention periods and disposition requirements;

13.1.3 permit access for the BUYER and its representatives, customers and regulatory authorities (if relevant) to have access to its premises at any time for the sole purpose of ensuring that it has complied with the terms of the Standard, provided that the BUYER gives reasonable advance notice of such inspection; and

13.1.4 ensure that it is aware of its ethical, safety and conformity requirements in relation to these Terms and Conditions and the Standard.

13.2 The Standard is available to view on request.

14. Quality Management Systems

14.1 At all times, the SUPPLIER shall comply with the BUYER'S Quality Management System Manual (copies are available upon request).

14.2 The SUPPLIER shall use best endeavours to ensure that it has systems in place to adequately monitor quality status and performance.

14.3 The SUPPLIER shall use best endeavours to ensure that it exercises customer approved special process sourcing.

15. Non-exclusive supply

The SUPPLIER is not the exclusive SUPPLIER of the goods.

16. Export controls and origin

If any goods, or component therein, which the SUPPLIER delivers to the BUYER are subject to national export or control regulations in those countries where the SUPPLIER produces the part of those

countries from which the components originate, the SUPPLIER shall be obliged, prior to the parties agreeing on the technical specification, to notify the BUYER in writing thereof, and of the scope of the export restrictions.

17. Confidentiality

17.1 All information, equipment, know-how and technical documentation, including electronically stored data and computerised geometry(s), to which the SUPPLIER has obtained access by the BUYER through the parties' business relationship, shall for the duration of the purchase agreement and for ten (10) years thereafter, be treated by the SUPPLIER as confidential and may not be used for any purpose other than for the deliveries to the BUYER. It may not be shown to, or in any other way communicated to, or used by others than such personnel of either of the parties which are directly involved in the implementation of the deliveries to the BUYER. Copying or reproduction of such confidential information is permitted only within the framework of the fulfilment of the SUPPLIER'S obligations to the BUYER, and with regards to the applicable copyright laws and regulations.

17.2 The SUPPLIER may not make public the business relationship of the parties through advertising or in any other way without prior written consent from the BUYER. The SUPPLIER shall also treat all orders from the BUYER and all related deliveries as confidential.

18. Severability

In the event that any provision of the purchase agreement should become invalid, e.g. due to new regulations, only said provision shall be considered invalid while the remaining provisions shall remain in force. The parties shall, in such a case, immediately conclude a new agreement that replaces the invalid provision and, as far as is possible, ensure through its content an equivalent result.

G. FORCE MAJEURE

19.1 "Force Majeure" shall mean all events which are beyond the control of the parties, and which are unforeseen, unavoidable or insurmountable, and which were not known at the acceptance of an order and which prevent total or partial performance by either party. Such events shall include earthquakes, typhoons, flood, war, epidemics, civil disturbances, and any other event which cannot be foreseen, prevented or controlled. For the avoidance of doubt, strikes, lock-outs or other industrial action or disputes solely related to the SUPPLIER and/or its subcontractors or agents shall not be deemed as events of force majeure.

19.2 If an event of force majeure occurs, a party's contractual obligations affected by such an event shall be suspended during the period of delay caused by the force majeure and the period of performing such obligations shall be extended, without penalty, for a period equal to such suspension. The BUYER has also the right to cancel the order.

19.3 The party claiming force majeure shall promptly inform the other parties in writing and shall furnish within ten (10) days thereafter evidence of the occurrence and expected duration of such force majeure.

H. APPLICABLE LAWS

20 Applicable law & disputes

20.1 These Terms and Conditions (including any non-contractual matters and obligations arising therefrom or associated therewith) shall be governed by, and construed in accordance with, the laws of England and Wales.

20.2 Any dispute, controversy, proceedings or claim between the Parties relating to these Terms and Conditions (including any non-contractual matters and obligations arising therefrom or associated therewith) shall fall within the jurisdiction of the courts of England and Wales.