

STANDARD CONDITIONS OF PURCHASE

Effective 1st JULY 2016

1. Definitions

Throughout these conditions Lander Automotive Ltd., will be referred to as 'the Company' and 'the Supplier' means the person or company to whom this Purchase Order is addressed. Where the contract is for the provision of services, the words 'the Goods' shall be read, where the contract permits, as meaning the services which the supplier has contracted to provide.

2. Conditions

The Conditions shall form the basis of the contract between the Company and the Supplier to the exclusion of all conditions of the Supplier. A contract is established on acceptance of the Purchase Order. An absence of formal response within 5 days of the Purchase Order release date will deem the conditions accepted. No servant or agent of the Company has power to vary these Conditions orally. The Standard Conditions may be subject to such further Special Conditions as may be prescribed by the Company. In the event that any conflict or apparent conflict between the Special Conditions and the Standard Conditions, the Special Conditions shall prevail.

3. Prices

No variation in the price specified in the relevant Purchase Order will be accepted by the Company unless the Company has expressly accepted in writing such variation. The price specified in the relevant Purchase Order is excluding VAT but inclusive of packaging, packing, labelling, insurance, delivery, installation costs and all other costs incurred by the Supplier in relation to the Goods and their delivery unless otherwise specified in the Purchase Order.

Exchange Rate between Pound Sterling and nominated local currency is fixed at agreed Spot Rate at the point of contract, any deviation of the exchange rate has to be accepted in writing between the Company and the Supplier.

4. Packaging

All goods must be properly packaged to survive transit to such destination as may be specified by the Company and to resist pilferage distortion corrosion or contamination. All goods shall be clearly and legibly labelled and addressed. The Company shall not be liable to pay for, or return to the Supplier any packaging or crating. Any deviation of such packaging has to be authorised by The Company's Logistic Manager and/or Purchasing Manager.

5. Payment

The Company will pay on the terms of 60 days before end of month as specified on the Purchase Order. Payment by the Company in accordance with the stipulated payment terms shall not constitute any admission by the Company as to the performance by the Supplier of its obligations.

6. Delivery or Performance

6.1 The Supplier will deliver and unload the goods to the point of delivery stated in the Company's Purchase Order no later than the date for delivery stated therein. The Supplier recognises that any late delivery may cause the Company consequential loss such as, but without prejudice to the generating thereof, inability on the part of the Company to meet other contractual commitments; and agrees to pay liquidated damages in compensation for any such loss. Where an ex works agreement has been fixed between the Company and the supplier and documented within a project specific supply agreement document, all goods must be available when required in line with the company's communicated schedule needs. In the event of goods not being available when required the supplier recognises that causing late collections may lead to the Company incurring consequential loss such as, but without prejudice to the generating thereof, inability on the part of the Company to meet other contractual commitments;

and agrees to pay liquidated damages in compensation or any such loss. If the Supplier fails to deliver or perform within the agreed time or on the agreed date the Company shall have the right to obtain other supplies from elsewhere, any extra costs and loss of profits incurred by the Company being paid by the Supplier.

International Inbound shipment via Sea or Air to the Company, should any demurrage charges at the port of entry occurred because the Supplier's shipping documentation is not adequate and preventing port customs clearance, the Company shall have the right to charge the total relevant cost back to the Supplier.

6.2 The Company's liability of the Goods is 2 weeks of finished Goods and 6 weeks of raw material at all times, unless otherwise a Material Supply Deviation Agreement is signed and authorised by the Company's logistic Manager and Purchasing Manager.

6.3 In the event of obsolete product, upon receiving notification from the Company, the supplier is obliged to stop any further raw material order for its "Bought-Out" sub-contractual materials at once, report back within 24 hours its finished Goods stock quantity as well as semi-finished Goods in its WIP process, plus any "Bought-Out" sub-contractual materials in transit, the Company has all right to request a copy of Purchase Order to demonstrate that the material was ordered prior to receipt of the Company's obsolesces notification.

6.4 Any over shipment to the Company's logistic schedule, the Company reserve the rights to either reject the excess Goods or only pay for the requested quantity on the original schedule.

7. Quality

Supplies and work to be done covered by the relevant Purchase Order shall:

7.1 Conform to the specifications, drawings, samples or other description furnished, specified or approved by the Company and shall be fit for the purpose intended, satisfactory, in the case of supplies, of good material and workmanship and free from defect.

7.2 Be accompanied with accurate, complete and comprehensive instructions for the treatment, assembly, use and/or storage of the Goods.

7.3 conform to the specification and your instructions.

7.4 Comply with all goods legislation; and

7.5 Comply with any samples that may have been previously provided by the Supplier.

If a standard of performance is specified supplies should be capable of the required performance. The Supplier will be required to provide evidence of statistical process control on critical features.

7.6 Comply with ISO14001 Environmental legislation standards.

7.7 Comply with 89/391/EEC European Health & Safety Legislation Standards

7.8 In the case where machinery is purchased for use in Lander Automotive facilities, a Risk Assessment must be completed and issued to the relevant Engineering contact before shipment.

8. Force Majeure

8.1 If the Company is unable to take delivery of all or some of the goods due to force majeure it shall not be liable for any loss or damage caused thereby and shall have the option to cancel wholly or in part to suspend or delay the delivery or deliveries without incurring liability to the Seller.

8.2 By force majeure is meant all events or circumstances beyond the control of the Company which by their nature could not reasonably have been foreseen by the Company including in such cases but not by way of limitation any law, order, regulation, directive or request of any Government or Purchaser, war or threat of war, insurrection, national emergency, rights, acts of enemies, fire, floods or other catastrophe, strikes, lock-outs or any industrial dispute of the Company, terrorism or any similar cause beyond the control of the

party or if they could have reasonably been foreseen are unavoidable and which prevent or hinder the total or partial performance of any obligation under this contract.

9. Documentation

9.1 All documentation must quote the Company's Order Number.

9.2 Receipt of all orders must be acknowledged in writing to the 'Buyer' at the Company's Registered Office, Woodgate Business Park, Clap gate Lane, Birmingham B32 3ED.

9.3 Invoices must be sent to the Company at Clap gate Lane, aforesaid as soon as is reasonably practicable after despatch or performance.

9.4 Advice and despatch notes must be sent to the Company at Clap gate Lane, aforesaid and shall include details of transport, weight, order number, part number or volume and the point and date of despatch.

9.5 Statements must be sent to the Company at Clap gate Lane, aforesaid

9.6 All invoices and statements must show separately the VAT rate and the amount of VAT charged and the Supplier's VAT Registration Number.

10. Guarantees

In addition to the Company's rights at common law and under statute it shall be a condition of the contract that the goods comply in all respects with the contract description (overleaf) and with any statements or undertakings made by Supplier or his servants or agents verbally as well as written prior to the giving of the Order. The Supplier undertakes that all goods and services supplied by him/ it shall be of first class quality and condition and recognises that the Company has placed the Order relying upon the skill and expertise of the Supplier and any statements and representations made by the Supplier verbally as well as written. If any of the goods supplied shall be defective upon delivery or shall prove to be defective within twelve months of delivery then the Company may call upon the Supplier (but without prejudice to the Company's other rights) to rectify the defects or replace the goods (at the Company's opinion) at the Supplier's own expense. All the obligations in this Condition shall further apply to any such rectified or replacement goods.

The Supplier recognises that any breach of this clause or the Company's rights at common law and statute may cause the Company consequential loss such as, but without prejudice to the generating thereof, inability on the part of the Company to meet other contractual commitments and agrees to pay compensation for any such loss.

11. Passing of Property and Risk

The property and risk in the goods shall pass to the Company on delivery but without prejudice to any right to rejection which may accrue to the Company under these conditions and upon rejections, property and risk shall repossess to the Supplier within forty eight hours of notice of such rejection being given to the Supplier.

12. Termination at option of the Buyer

12.1 Performance of work under any purchase order may be terminated by the Company at its option, in whole or part at any time by written notice to the supplier.

12.2 Immediately upon receipt of any such notice of cancellation the Supplier shall:

(i) cease work under the relevant purchase order;

(ii) Deliver to the Company all completed work which conforms to the quality requirements of such order and does not exceed, in quantity, the amount authorised by the Company.

(iii) At the Company's request, deliver work in progress (but not in excess of amounts authorised by the Company) and materials produced or acquired in the course of performance of the work terminated which are a type and quality suitable for producing supplies which conform to the requirements of the relevant purchase order.

(iv) Return to the Company all goods belonging to it and in the possession of the Supplier for purposes of the Contract.

(c) The Company shall pay for all supplies delivered pursuant to paragraph (b) (ii) above, at such Rate as may be reasonable but the Company shall have no further liability to the Supplier as a Result of such termination

The company shall be entitled to cancel an Order at any time by giving written notice to the Supplier. If the Company exercises its right of cancellation it shall be bound to pay a reasonable price for any work already completed to the relevant schedule but shall otherwise be free from liability.

13. Indemnity

The Supplier shall keep the Company fully and effectively indemnified against:

13.1 all action suits claims demands by any Company Corporation or person in respect of death of or injury to any persons or loss of or damage to any property.

13.2 Loss or damage to the Company's property and any consequential loss which the Company may suffer as a result of such loss or damage arising out of or in connection with the supplies or work to be done provided always that nothing herein shall render the Supplier liable for any such action or damage which arises by reason only of the negligence of some person employed by the Company.

13.3 In such case that the Supplier fails to protect the Company's Intellectual Property Rights then the Company will recover expenses such as legal and professional fees, economic loss including loss of profit (whether direct or indirect), loss of future revenue, reputation, goodwill or anticipated savings.

14. Bankruptcy

If the Supplier shall become bankrupt or insolvent or have a Receiving Order made against him or compound with his creditors or being a corporation commenced to be wound up not being a Member's Voluntary Winding up for the purpose of reconstruction or amalgamation, or carry on its business under a Receiver for the benefit of its creditors or any of them, or have an Administration Order made against it, the Company shall be at liberty to:

14.1 Terminate the contract forthwith in writing to the Supplier or to the Receiver or Liquidator or Administrator or to any person in whom the contract may become vested or

14.2 To give such receiver liquidator administrator or other person the option of carrying out the contract subject to the provision of a guarantee for the due and faithful performance of the contract.

15. Inspection

The Company shall be entitled to make reasonable visits to any or all of the Supplier's premises for the purpose of inspecting work in progress and shall give not less than 48 hours' notice verbally or in writing of such visit.

15.1 All suppliers and work done shall be subject to inspection and test by the Company who shall have the right at the Supplier's expense to reject such supplies or work done as shall be defective in materials and workmanship, or otherwise fail to meet the requirements of the relevant Purchase Order.

15.2 By agreement, the Company will be entitled to inspect and test supplies during manufacture, processing and storage and shall be entitled to give notice to the Supplier that the supplies do not comply with the relevant Purchase Order whereupon the Supplier shall take such steps as may be necessary to ensure such compliance.

15.3 Any inspection or testing by the Company whether before or after delivery of the Goods shall not be deemed to constitute or evidence acceptance or approval of the Goods or be deemed to be a waiver of the Company's rights to cancel or return the Goods where the Goods are found at a later date to be defective or not in accordance with the Contract, Purchase Order and specification.

16. Confidentially

All information transferring from the Company to the Supplier under the contract should be considered Confidential Information.

17. Law

English law shall be the proper law for the contract and all claims under the contract shall be settled by reference to the English legal system. All disputes between the parties shall be resolved by arbitrator to be agreed by the parties or in default or agreement to be appointed by the President of the Birmingham Law Society.

18. Damage or Loss in Transit

The Supplier will replace or repair free of charge supplies damaged or lost in transit and in the case of damaged delivery shall not be deemed to have taken place until replacement or repaired supplies have been delivered unless an ex-works (EXW) arrangement exists.

18. Inventory

It is necessary that the Supplier, upon our request, gives a certified statement of an amount or value as we may require on any of our property which might lie in his custody.

19. Intellectual Property Rights

Save to the extent that the supplies or work to be done specified in the relevant orders are designed by the Company the Supplier warrants that such supplies and their sales or use will not infringe any UK or foreign patents, database rights, moral rights, design rights, registered designs, service marks, domain names, know how, utility models, unregistered designs, trademarks or copyright and will indemnify the Company and anyone selling or using any of the Company's products against all judgements, costs and expenses resulting from any infringement or alleged infringement and the Supplier shall, at the Company's request, assist in the defence of any proceedings which may be brought against the Company or those selling or using the Supplier's products. Parts and materials to our design may only be manufactured under authority of an order issued by us or by other special authority, which must be over the signature of a member of the Board of Directors of this Company.

20. Drawings, Specifications etc.

All specifications, patterns, drawings, samples and information provided by the Company to the Supplier shall remain the property of the Company to whom they shall be returned on completion of the order and the Supplier shall not disclose them to any third party without the express written consent of the Company.

21. Tooling

21.1 General Terms

- (a) All tools, jigs, dies, fixtures, moulds, patterns, plant and or other equipment (hereinafter called "tooling") supplied or paid for by terms of a purchase order shall remain the Company's property.
- (b) All tooling shall be maintained and kept in good repair and replaced when necessary by the Supplier and shall not be used by the supplier except to manufacture in accordance with the relevant purchase order from the Company except with the written consent of the Company.
- (c) Payment for tooling will be met in full once Lander Automotive have received tooling funds from the customers & PPAP Approval has been given by Lander SQE.
- (d) Photographic evidence of the tooling displaying the identification of ownership plate must be submitted before funds are released.

21.2 Tooling Disposal Terms

21.2.1 Tooling and Fixture:

The fixtures and tooling located at Supplier's facilities wherever located which are utilized to produce parts for The Customer are referred to herein as the "Lander Automotive Ltd Automotive Ltd Tooling." All fixtures and tooling located at sub-suppliers which are used exclusively to produce parts for Lander Automotive Ltd are referred to herein at the "Offsite Tooling." The Supplier acknowledges and agrees that Lander Automotive Ltd has purchased from third parties, or Supplier has purchased from third parties with funds provided by Lander Automotive Ltd, the

Lander Automotive Ltd Tooling and Offsite Tooling. To the extent that the Supplier has utilized funds received from Lander Automotive Ltd to purchase from third parties the Lander Automotive Ltd Tooling or the Offsite Tooling, Supplier hereby, in consideration of the receipt of such funds from Lander Automotive Ltd, assigns all right, title and interest in and to such Lander Automotive Ltd Tooling and Offsite Tooling to Lander Automotive Ltd. Supplier acknowledges and agrees that the Lander Automotive Ltd Tooling and Offsite Tooling are owned by Lander Automotive Ltd, free and clear of all liens and encumbrances, security interests and claims of Supplier and Supplier's creditors. Supplier hereby releases any interest it may have or claim to have in such Lander Automotive Ltd Tooling and Offsite Tooling. It is mandatory that any Production Tooling is required to be kept in its original condition for at least 15 years from date of PPAP approval and is accepted by the Customer in the terms of its Purchase Order.

Should Design Change is inevitable, whether or not the original tooling is modifiable or to be replaced, the same rule in this guide line applies.

21.2.2 Identification of Lander Automotive Ltd Tooling

The Supplier is required to label & register with Lander Automotive Ltd Asset Identification Number of all Lander Automotive Ltd Tooling conspicuously indicating Lander Automotive Ltd ownership per the directions listed in the Lander Automotive Ltd Standard Purchase Terms and Condition Edition 2015; and agrees that Lander Automotive Ltd shall have the right to enter into Supplier's facilities and immediately take possession of the Lander Automotive Ltd Tooling at any time.

21.2.3 Tooling Inventory

The Supplier is required to maintain and keep up to date and ongoing inventory list of all tooling that is owned by Lander Automotive Ltd in the Supplier's possession or that is located at and in the possession of a Sub-Supplier.

21.2.4 Tooling Storage and Insurance

Supplier is required to maintain adequate storage to insure that all of Lander Automotive Ltd owned tooling is stored in useable condition and in such a location or facility to insure against theft and damage. Supplier also agrees to maintain adequate insurance coverage for the replacement cost of the tooling in the event of the tooling being damaged or destroyed for whatever reason.

21.2.5 Tooling Disposal

Supplier is required to notify Lander Automotive Ltd in writing to request permission to scrap out any tooling owned by Lander Automotive Ltd and will not scrap out any tooling until authorized by Lander Automotive Ltd. The request is to be made by using the "**Request for Tool Disposal**" form and sent to the appropriate Lander Automotive Ltd Purchasing Agent. Once the request has been approved by Lander Automotive Ltd, it will be forwarded back to the Supplier granting the authorization to scrap out the requested tool. The Request Form for Tooling Disposal is available on request.

22. Breach

Any breach of the relevant purchase order by the Supplier either regarding time of delivery or otherwise shall (whether or not the Company has accepted the supplies or part thereof) entitle the Company to treat the order as repudiated and/or to claim damage therefore.

23. Assignment or Sub-Contracting

The Supplier shall not assign, sub-contract, delegate, transfer, charge or other disposal of rights and responsibilities under the Contract without previous written consent of the Company but the Company shall be entitled to assign the whole or part of its rights and obligations hereunder to any company which is at the time of such assignment a subsidiary as defined in Sections 736 and 736A of the Company Act 1985.

24. Work on Company's Premises

Where the order provides for work to be done on the Company's premises and extended to all liabilities the Supplier has under the Contract the following conditions shall apply:-

- (a) The Supplier Together with any authorised sub-contractor) or any person employed by or carrying out work on its behalf shall
 - (i) not commit any act on the Company's premises which will render the Company liable at common law or by virtue of any statute;
 - (ii) Observe the Code of Safe Working Practice for Supplies issued by the Company and all statutory provisions and regulations relating to the safety of persons using the Company's premises. The Code of Safe Working Practice shall be available for inspection by the Supplier who shall be deemed to have knowledge of its contents.
- (b) The Supplier authorised sub-contractor (if any) or any person employed by or carrying out Work on their behalf.
 - (i) Shall comply with all requirements as to security on entering or leaving the Company's premises.
 - (ii) Shall not commence the contract work until authorised to do so in writing by the Person made known by the Company to the Supplier as having authority to authorise the commencement of the contract work;
 - (iii) shall comply with any instruction by the Company or its authorised representative Pertaining to the carrying out of the contract work.
- (c) (i) The Supplier or authorised sub-contractor shall insure and keep insured during the Continuance of the contract against all liabilities mentioned in clause 8 above and the indemnity provided by such insurance shall be for a sum of not less than £500,000 or such other sum as may be specified by the Company for any one accident.
 - (ii) The Supplier shall maintain an employer's liability insurance for a minimum of £2 million for any one occurrence.
 - (iii) The Supplier shall provide a certificate completed by their insurance broker or Insurance company confirming details of Public Liability and employers insurance held prior to commencement of any contract work.
 - (iv) The Supplier shall be responsible for new works being installed or erected at the Company's premises and will maintain insurance to cover loss or damage to such works until completion of the contract.
 - (v) All building work shall be completed by the times stated in accordance with the Bill of Quantities and/or the plans agreed without deviation and the Contractor or authorised Sub-contractor shall be entitled to payment only after the production of a certificate signed by our Architect, Surveyor or Engineer that the work is satisfactory.

25. Modern Slavery Act 2015

Lander Automotive forbid the use of forced labour, child labour and physically abusive disciplinary practices. We reserve the right to terminate our relationship with any supplier if issues in non-compliance with our policy to ensure adherence to the Modern Slavery Act 2015 are discovered.

<http://www.legislation.gov.uk/ukpga/2015/30/contents/enacted>

(v) Notices

Any notice under the relevant purchase order shall be given by post addressed to the address stated on the order for the Company and Supplier or such address as either may notify to the other in writing for the purpose. Any notice so served shall be deemed to be received in the ordinary course of post.

(vi) Price – VAT

Where goods are subject to Value Added Tax or any similar impost the amount legally demanded shall be shown as a separate item on the invoice and the Seller shall if required by the Company, produce evidence of the amount paid by the Seller in respect thereof.

(vii) Product Recall

Should the Company's products be subject to a recall campaign and the responsibility lies with the Supplier then the Company will notify the Supplier immediately once information is available and will subsequently charge the Supplier to the value of all costs associated with the concern.

(viii) Contract Terms

The Contract is specific to the two parties referenced and does not include for action by a third party to enforce the terms of the Contract.

(ix) Lien

The Company reserves the right to retain goods for which charges have been incurred such as sorting of parts, 3rd party activity and warranty failures until those charges have been paid.