

Hale Hamilton Valves Ltd - General Conditions of Purchase

1. **FORMATION OF CONTRACT:** These general conditions of purchase applicable to Hale Hamilton Valves Ltd "**Hale Hamilton**" issuing a purchase order "**Order**" together with any terms appearing on an Order, including quality requirements, mandatory flow down conditions or legislation together called "**Purchasing Conditions**" are the only conditions on which Hale Hamilton procures goods and /or services "**Goods**". Any additional terms included in the Supplier's acceptance of an Order are rejected and the Parties acknowledge that these Purchasing Conditions govern the procurement of Goods under an Order; any terms other these Purchasing Conditions will be null and void. The supplier means a supplier who has accepted an Order by commencing work on the Order or by confirming its acceptance "**Supplier**". The Supplier is requested to return the Order acknowledgement form within two Business Days of receipt of the Order. "**Business Days**" shall mean a day other than Saturday and Sunday or public holiday when banks in London are open for business.
2. **TITLE:** Title to Goods will pass to Hale Hamilton upon receipt at Hale Hamilton's designated facility.
3. **DELIVERY:**
 - 3.1. Timely delivery in accordance with the Order is a material condition of the Purchasing Conditions. Unless otherwise provided for on the Order, Goods will be delivered to Hale Hamilton's facility DDP Incoterms 2020 during normal working hours. If the delivery times cannot be met the Supplier will provide prompt information to Hale Hamilton as to the cause and the mitigation action it proposes to take. Failure to deliver Goods in accordance with the Order shall constitute a material breach which, without prejudice to its other rights and remedies, allows Hale Hamilton to terminate an Order in whole or in part, and to recover its costs for any losses it has incurred.
 - 3.2. Hale Hamilton may reject any Goods delivered which are not in accordance with the Order and require the Supplier to recollect the Goods at the Suppliers risk and expense.
4. **PRICE, INVOICE AND PAYMENT:**
 - 4.1. The price stated on an Order is inclusive of all duties, levies, and taxes in the country of origin of the Goods excluding value added tax or equivalent tax.
 - 4.2. The Price for the Goods will include all charges associated with packaging, shipping, carriage, and insurance.
 - 4.3. The Supplier will submit an invoice to the Hale Hamilton address stated on the Order on the day on which the Goods are despatched or completed. The invoice will include the Order number.
 - 4.4. Hale Hamilton will make payment within 60 (sixty) days from the date of the invoice or 60 (sixty) days from receipt of Goods, whichever is earlier, provided that the Supplier has supplied the Goods in accordance with the Purchasing Conditions and the Suppliers invoice is accurate and was received by Hale Hamilton's finance department within seven days of despatch of the Goods.
- 4.5. Without prejudice to Hale Hamilton's other rights and remedies, Hale Hamilton may deduct from any payment due to the Supplier the amount of any bona fide contra accounts or other claims that Hale Hamilton may have against the Supplier.
5. **ORDER AMENDMENT:** Hale Hamilton reserves the right to amend the general scope of an Order, including but not limited to, changes to 1) the drawings, designs, specifications, or technical requirements of the Goods; method of shipping or packaging; 2) place of inspection, acceptance and point of delivery and 3) quantities and delivery schedules specified on the Order. Should the drawings, designs or technical requirements be amended, Supplier must request an equitable adjustment under this Clause within 5 (five) Business Days from receipt of a written change order from Hale Hamilton. Based on this equitable adjustment request, the Parties shall agree an equitable adjustment to the agreed price of the Goods. Nothing in this Order Amendment clause shall excuse the Supplier from proceeding without delay in the performance of the Order as amended.
6. **QUALITY:**

The Supplier will provide and maintain a quality control system to an industry recognised quality standard and in compliance with any other quality requirements of Hale Hamilton as set out on an Order, specification and/or in the Supplier Quality Manual published on the Hale Hamilton website. The Supplier will inspect and release Goods subject to such quality documents and standards and records of all quality control inspection work by the Supplier will be kept complete and available to Hale Hamilton and its customers.
7. **WARRANTY:**
 - 7.1. The Supplier warrants that all Goods will strictly conform to the Purchasing Conditions and be free from defects in material, workmanship, and if the Supplier has responsibility for design, the Supplier warrants that all Goods will be free from defects in design.
 - 7.2. If the Goods do not conform to the requirements stated within Clause 6 and Clause 7.1 above, and without prejudice to Hale Hamilton's other rights and remedies, the Supplier, at Hale Hamilton's option will promptly replace, repair or reperform such non-conformance at its own expense within such timeframe as required by Hale Hamilton, but not to exceed 30 (thirty) days from receipt of the notice of non-conformance. Hale Hamilton will be entitled to equitably adjust the purchase price of the Goods to reflect the damages and the costs that it has incurred with respect to the non-conforming items. If replace, repair or reperform is not timely, Hale Hamilton reserves the right to reperform, repair or replace the non-conforming Goods at the Supplier's expense. All warranties will continue to be valid for Hale Hamilton.
8. **INDEMNITY:**The Supplier will defend, indemnify and hold harmless Hale Hamilton, its officers, directors, employees, agents, affiliates, successors, permitted assigns and customers from and against all losses, costs, claims, causes of action, damages, liabilities and

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expenses, including attorney fees, all expenses of litigation and/or settlement and court fees, arising from the negligent act or wilful omission of the Supplier, its officers, employees, agents, suppliers or sub-contractors at any tier, in the performance of its obligations under an Order.

9. **PROPERTY:** Any property which Hale Hamilton loans or bails to the Supplier for the completion of the Goods shall remain the property of Hale Hamilton and will only be used to fulfil the Order. The Supplier shall be liable for all damage caused to such property excluding fair wear, and tear. The Supplier shall maintain Hale Hamilton's property in good condition and return such property on Hale Hamilton's written instruction.

10. **TERMINATION:**

10.1 Without prejudice to Hale Hamilton's other rights and remedies, Hale Hamilton may terminate an Order with immediate effect, in whole or in part, by giving the Supplier notice in writing "Notice of Termination". All work in relation to the terminated Order or part of the Order will cease on the date on which the Notice of Termination is issued. If Hale Hamilton has issued Notice of Termination for its convenience it will pay to the Supplier, in full and final settlement of all monies owed, the price of all Goods justifiably produced, work in progress and the costs of settling any subcontractors that have been contracted up until the Notice of Termination. The Supplier will mitigate its costs as far as it is able by taking action such as returning all subcontractor goods to its supply chain where possible. In no event will the Suppliers claim exceed the original value of the terminated Order or part of the Order. The Supplier will submit its claim and reasonable documented evidence supporting such claim within 30 (thirty) days from receipt of the Notice of Termination. Subject to the settlement amount being agreed between the Parties, Hale Hamilton will make payment to the Supplier in accordance with Clause 4. The Supplier will immediately deliver the Goods and all work in progress to the address provided by Hale Hamilton. In the event that Hale Hamilton's customer terminates an order or programme that Goods under an Order are intended to support with no liability to Hale Hamilton, Hale Hamilton may terminate an Order, in whole or in part, with no liability to the Supplier.

10.2. If Hale Hamilton has reasons to believe that the Supplier will be unable to fulfil its obligations under the Purchasing Conditions, Hale Hamilton may request evidence of the Suppliers ability to complete the work. Should the Supplier fail to provide such evidence within 14 (fourteen) days of Hale Hamilton's request, Hale Hamilton may treat the Suppliers actions as a material breach of contract and terminate the Order in whole or in part without any liability to the Supplier.

10.3. Without prejudice to Hale Hamilton's other rights and remedies Hale Hamilton has the right to terminate an Order if the Supplier commits a material breach of its obligations under the Purchasing Conditions which it fails to rectify within 30 (thirty) days of written notification of that breach. No notice period will apply if the Supplier

makes an arrangement with its creditors or is unable to carry on paying its debts, enters into liquidation whether compulsory or voluntary, or has an administrator or administrative receiver appointed over its assets.

11. **FORCE MAJEURE:** Any delay or failure of either Party to perform its obligations hereunder will be excused if, and to the extent that it is caused by an event or occurrence not reasonably foreseeable and beyond the reasonable control of the affected Party and without its fault or negligence, such as, by way an example and not by way of limitation, acts of God, actions by any government authority (whether valid or invalid) fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage; provided that written notice of such delay (including the anticipated duration of the delay) and the reason for the delay is given by the affected Party to the other Party, including a clear and formulated plan on how to mitigate the impacts of such force majeure event, as soon as possible but no later than 5 (five) days after becoming aware of the delay. During the period of such delay or failure to perform by the Supplier and after prompt notice to Hale Hamilton of the occurrence of such an event, Hale Hamilton may at its discretion purchase Goods from other sources and reduce its requirement from the Supplier without liability to the Supplier or have the Supplier procure the Goods from an alternative source without any increase to the price stated on the Order. If the delay lasts for 30 (thirty) days or more Hale Hamilton will be entitled to cancel the Order without liability. The Supplier will make all reasonable efforts to mitigate the effects of the delay.

12. **INTELLECTUAL PROPERTY:**

12.1. Intellectual Property "IP" includes any and all inventions whether or not patentable, utility models, trademarks, component designs or manufacturing processes and any improvements or enhancements thereto, copyrights and moral rights, database rights, trade secrets and know-how, in each case registered and unregistered and also including identified technical and non-technical or business related information such as specifications, computer programs, drawings and data-sheets.

12.2. If any allegation or claim is made or asserted against Hale Hamilton that any act done or proposed to be done in relation to the Goods constitutes a violation or infringement of any IP held by a third party, the Supplier will indemnify Hale Hamilton and hold Hale Hamilton and Hale Hamilton's customer harmless against any costs, loss, expense or damage arising directly or indirectly out of such allegation or claim unless the allegation or claim has resulted as a direct result of the Supplier following a design or process supplied by Hale Hamilton.

12.3. Any and all Hale Hamilton IP owned or licenced which may be supplied to the Supplier pursuant to any Order will remain the sole and undivided property of Hale Hamilton and/or its licensors. The Supplier will use such IP only for performing its obligations under the Purchasing Conditions and will require its employees,

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- subcontractors and agents to sign all paperwork and take such action to protect Hale Hamilton IP.
- 12.4. Any IP arising from the Order shall belong to the Party that created it. The Supplier will procure or grant to Hale Hamilton a worldwide, perpetual, irrevocable, non-exclusive, royalty free licence to use the Suppliers IP and any arising IP to use, modify, and sell the Goods.
13. **PROPRIETARY INFORMATION:**
- 13.1. **"Proprietary Information"** means all commercial, financial, technical, or operational information, and any IP not publicly known or available, which by its nature is confidential, and such information that has been or may be disclosed or otherwise made available in whole or in part to a receiving Party or any Representative in any form or medium. **"Representative"** means any one or more directors, officers, temporarily contracted personnel, or Affiliate of a Party. **"Affiliates"** means any entity that controls, is controlled by, or is under common control with either Party, and "control" means (a) an ownership interest, directly or indirectly, of more than fifty percent (50%) in such entity or Party, or the maximum percentage permitted under local laws or regulations in those countries where more than fifty percent (50%) ownership by a foreign entity is not permitted, or (b) the ability to direct the management or policies of such entity or Party, whether through ownership, contract, or otherwise. The Parties agree to exchange and disclose to each other certain of their Proprietary Information. Such information may include hardware, software, component design, manufacture, inspection, repair and overhaul, business information relating to supplies, pricing, costs, profits, business plans and strategies, customer or vendor lists and legal or financial advice. Documents containing Proprietary Information should be marked as "Proprietary," and for non-US purposes the term "Confidential" may be used instead however, the Parties agree that such information will be considered Proprietary Information, even if it is inadvertently not marked as such. Proprietary Information will be disclosed only as necessary and only for the purpose of fulfilling an Order. Title to any Proprietary Information will not be affected by any such exchange or disclosure.
- 13.2. Any Proprietary Information disclosed by one Party to the other in connection with an Order or a proposed Order will be treated in confidence and will not be copied or disclosed to any third party without the prior written consent of the disclosing Party. The receiving Party may only disclose Proprietary Information to its Representatives on a need-to-know basis in connection with these Purchasing Conditions. The receiving Party will, at its sole cost and expense, ensure that the nondisclosure obligations of these Purchasing Conditions are complied with by its Representatives. The receiving Party will be liable for any and all breach of confidence by its Representatives. These provisions do not apply to Proprietary Information that: (i) is in the public domain at the time of receipt by the receiving Party through no fault of the receiving Party; (ii) is lawfully received by the receiving Party from a third party who is without an obligation of nondisclosure; (iii) is developed by the receiving Party independently of the Proprietary Information, or (iv) is known by the receiving Party at the time of receipt.
- 13.3. The receiving Party will make only such copies or duplicates of any Proprietary Information as are necessary for the purposes of completing the Order. All copies will be maintained in confidence in the same manner as the originals from which the copies were made. Upon expiry or termination of an Order, the receiving Party will destroy, or return upon request, any Proprietary Information, including all copies, belonging to the other Party disclosed in relation to that Order. The receiving Party acknowledges that it has no rights of use in or to such Proprietary Information after the return date or date of destruction.
- 13.4. If the receiving Party or any of its Representatives believes it is required by law or is otherwise obliged to disclose any Proprietary Information to any third party for any reason, the receiving Party will provide the disclosing Party with immediate written notice of such requirement or obligation (together with a copy of any relevant access request, court order, or other evidence giving rise to such belief) to enable the disclosing Party to seek appropriate protective relief or to take steps to resist or narrow the scope of any required disclosure. The receiving Party will co-operate with the disclosing Party with respect to such matters and will in any event disclose only such Proprietary Information as it has ascertained, after taking legal advice, it is legally compelled to disclose, and will ensure to the best of its ability that all Proprietary Information so disclosed is accorded confidential treatment. The receiving Party will always notify the disclosing Party in writing of the means, content, and timing of such disclosure prior to such disclosure being made.
- 13.5. Notwithstanding the Supplier's obligation to obtain Hale Hamilton written permission to disclose Hale Hamilton Proprietary Information to a third party, the Supplier will procure that all Hale Hamilton Proprietary Information supplied by Hale Hamilton under any Order that is in the possession of the Supplier's sub-tier suppliers, sub-contractors and agents will be held in confidence and that it will take all necessary steps and actions to ensure that any such third party complies with all confidentiality provisions herein. The Supplier will indemnify and hold Hale Hamilton harmless in the event of any breach of such provisions by any such third parties. Furthermore, the Supplier will notify Hale Hamilton immediately on becoming aware of a breach or a potential breach and will inform Hale Hamilton of what actions it is taking to prevent or remedy such breach or potential breach to ensure risks to Hale Hamilton are mitigated. Hale Hamilton reserves the right to take its own action against any such third party that misuses or

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- that might reasonably misuse its Proprietary Information and to direct the Supplier to take certain actions.
- 13.6. The receiving Party will maintain and reproduce on all copies (including electronic documents), the proprietary markings and other legends contained on the Proprietary Information, and the receiving Party will not add any further markings to such Proprietary Information without the prior written consent of the disclosing Party. In addition, the Supplier will not without the prior written consent of Hale Hamilton, use any Hale Hamilton Proprietary Information to manufacture, supply, design, develop, sell, or provide goods, work, or services to any third party.
14. **INDEPENDENT CONTRACTOR:** Neither Party will represent itself as an agent or partner of the other Party nor do anything (or omit to do anything) which might imply or result in any person believing that such Party has the authority to contract or enter into commitments on behalf of, or in the name of, the other Party.
15. **NOTICES:** All notices to be served under an Order must be in writing and addressed to the Party at its corresponding address stated on the Order. Such notices may be delivered by hand or recorded delivery post.
16. **SEVERABILITY:** If any provision of the Purchasing Conditions becomes invalid, unenforceable or illegal it shall not affect the legality, validity or enforceability of the remaining provisions and the affected provision shall be struck out accordingly.
17. **REPRESENTATIONS:** The Parties agree that they have not contracted on the basis of any oral or written warranty, representation, statement, communication, agreement or undertaking "**Representations**". The Parties agree that they will have no right or remedy in respect of any Representations made by either Party except of those that are expressly written into the Purchasing Conditions. This clause in no way has the intention of permitting any fraudulent behaviour of either of the Parties.
18. **CONFLICT:** If there is a conflict of the Purchasing Conditions, the order of precedence shall be 1) any mandatory legislation flow down including government flow down terms and conditions, 2) terms appearing on the Order, 3) any statement of work or technical requirements document, 4) these General Conditions of Purchase.
19. **WAIVER AND REMEDY:** A waiver of any right shall only be effective if it is provided in writing and signed by the affected Party. The rights of a Party may be exercised as many times as a Party deems necessary, are cumulative and are in addition to any other rights or remedies available at law or provided under equity.
20. **PERSONAL INFORMATION:** During the Purchasing Conditions Hale Hamilton may have to disclose to the Supplier personal information belonging to its employees or contractors. The Supplier will at all times during and after the contract period, indemnify Hale Hamilton against all costs, losses, damages and expenses (Including legal fees) it incurs or is awarded as a result of the Supplier's breach of the relevant laws regarding the protection of personal information.
21. **PUBLICITY:** Neither Party will use or make reference to the other Party's name or trademarks without the other Party's express written permission.
22. **SURVIVAL:** The provisions of Clause 1, 6 - 12, 14, 15, 17 - 20, 22 - 31 shall survive any expiry or termination of an Order.
23. **TRANSFER AND THIRD-PARTY RIGHTS:** The Supplier will not assign or transfer its rights or obligations to any third party without the express written permission of the non assigning Party. Nothing in these Purchasing Conditions shall create any rights in respect of any third parties and the Contracts (Rights of Third Parties) Act 1999 is hereby excluded.
24. **AUDIT RIGHTS AND RECORD RETENTION:**
- 24.1. Hale Hamilton and its customer's reserves the right to perform inspections and/or audits on the Supplier from time to time to review its processes, procedures and technical information and after a period of reasonable prior notice inspect any element of the work being performed under these Purchasing Conditions. Unless stated otherwise, the Supplier shall retain all records relating to the Order for a period of seven years commencing after final payment. Such information shall include but not be limited to pricing data, invoices, inventory records and test and quality data.
25. **EXPORT CONTROL:**
- 25.1. Any information that the Supplier receives from Hale Hamilton may be subject to export control laws and regulations including without limitation England and Wales Export Control Act 2002, United States Department of State International Traffic in Arms Regulations "ITAR" and the United States Department of Commerce Export Administration Regulations "EAR". The Supplier agrees that it will comply with all applicable requirements under such laws and regulations.
- 25.2. The Supplier warrants and undertakes that it will not use or permit the use of, export or transfer (by any means) any information of Goods which are subject to export control laws and regulations without complying with all applicable export control laws and regulations.
- 25.3. The Supplier agrees to indemnify Hale Hamilton with respect to all losses, damages, claims, fines, judgements or compensation awards (including legal

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fees) incurred by Hale Hamilton as a result of any of the Suppliers breaches associated with this Clause 25.

liabilities that may arise under or in connection with the Order, and shall, on Hale Hamilton's request, produce both the insurance certificate giving details of cover and the receipt for the current year's premium in respect of each insurance.

26. ENTIRE AGREEMENT AND AMENDMENTS:

- 26.1. These Purchasing Conditions represent the entire agreement of Hale Hamilton and the Supplier and shall supersede any and all prior agreements, understanding or communications related to its subject matter.
- 26.2. The Purchasing Conditions will only be amended by way of a written agreement signed by an authorised signatory of the Parties which expressly states of the intention to amend these Purchasing Conditions.

27. **LAW & JURISDICTION:** These Purchasing Conditions shall be governed by and interpreted in accordance with the laws of England and Wales. Any dispute will be referred to the exclusive jurisdiction of the English courts. Until final resolution of any dispute the Supplier will diligently proceed with the performance of the Order as directed by Hale Hamilton.

28. **CODE OF CONDUCT:** The Supplier will ensure it, its employees, its subcontractors and its supply chain comply with Hale Hamilton's Code of Conduct) found on its website including but not limited to compliance with all health and safety legislation and anti-bribery and corruption legislation. Copies of such policies are available on request.

29. COMPLIANCE WITH LAWS AND POLICIES

29.1 In performing its obligations under the Order, the Supplier shall and shall procure that each member of its supply chain comply with all applicable laws, statutes, regulations and codes from time to time in force including Hale Hamilton's Code of Conduct referenced above.

29.2 Breach of clause 29.1 shall constitute a material breach of these Purchasing Conditions, which is irremediable under Clause 10.

30. WORK PERFORMED AT HALE HAMILTON PREMISES

30.1 The Supplier's employees, agents and representatives shall abide by such regulations, including security and health and safety regulations, as are applicable at the Hale Hamilton site. A copy of those policies shall be available on request.

30.2 Hale Hamilton reserves the right to remove or refuse entry to its premises of anyone disobeying such regulations or who Hale Hamilton considers is unsuitable.

30.3 The Supplier shall indemnify Hale Hamilton for all costs, damages, expenses or losses it causes as a result of the Suppliers negligent acts or omissions whilst on a Hale Hamilton, customer, supplier or a subcontractor site.

31. **INSURANCE;** During the term of the Order and for a period of one year thereafter, the Supplier shall maintain product liability insurance and public liability insurance in force, with a reputable insurance company, to cover the