

Porvair Filtration Group Ltd.

CONDITIONS OF PURCHASE

2016

1. DEFINITIONS in these Conditions

In these Conditions of Purchase:-

"Buyer" means Porvair Filtration Group Limited;

"Contract" means the contract for the sale and purchase of the Goods and/or the supply and acquisition of the Services;

"Goods" means the goods (including any instalment of the goods or any part of them) described in the Purchase Order;

"Price" means the price of the Goods and/or the charge for the Services;

"Purchase Order" means the purchase order for Goods and/or Services submitted to the Seller by the Buyer incorporating these Conditions;

"Seller" means the individual, firm or company selling the Goods and/or supplying the Services;

"Services" means the services (if any) described in the Purchase Order.

2 BASIS OF PURCHASE

2.1 The Purchase Order constitutes an offer by the Buyer to purchase the Goods and/or acquire the Services subject to these Conditions.

2.2 These Conditions shall apply to the Contract to the exclusion of any other terms and conditions on which any quotation has been given to the Buyer or subject to which the Purchase Order is accepted or purported to be accepted by the Seller.

2.3 The Purchase Order will lapse unless unconditionally accepted by the Seller in writing by the Seller within 14 days of its date unless the Buyer otherwise agrees.

2.4 No variation to the Purchase Order or these Conditions shall be binding unless agreed in writing by the authorised representatives of the Buyer.

3 SPECIFICATIONS AND INTELLECTUAL PROPERTY

3.1 The quantity, quality and description of the Goods and the Services shall, subject as provided in these Conditions, be as specified in the Purchase Order.

3.2 Any specification supplied by the Buyer to the Seller or specifically produced by the Seller for the Buyer in connection with the Contract together with the copyright, design rights or any other intellectual property rights in the specification shall be the exclusive property of the Buyer and the Seller assigns with full title guarantee to the Buyer all such copyright, design rights and other intellectual property for no further consideration, subject only to payment of the Price.

The Seller shall not disclose to any third party or use any such specification except to the extent that it is or becomes public knowledge through no fault of the Seller or as required for the purpose of the Contract.

3.3 Where the Seller is required to provide Services or develop new Products for the Buyer as specified within the Buyer's Purchase Order, any copyright, design rights or any other intellectual property rights in the course of providing the Services or in the course of developing the new Products under this Contract shall be the exclusive property of the Buyer and the Seller assigns with full title guarantee to the Buyer all such copyright, design rights and other intellectual property for no further consideration, subject only to payment of the Price.

3.4 The Buyer may, upon reasonable prior notice, inspect and test the Goods during manufacture, processing or storage at the premises of the Seller or any third party prior to despatch and the Seller shall provide the Buyer with all facilities reasonably required for inspection and testing.

3.5 If as a result of inspection or testing the Buyer is not satisfied that the Goods will comply in all respects with the Contract and the Buyer so informs the Seller within 14 days of inspection or testing the Seller shall take such steps as are necessary or as the Buyer may reasonably direct to ensure compliance.

3.6 The Goods shall be marked in accordance with the Buyer's instructions and any applicable regulations or requirements of the carrier and properly packed and secured so as to reach their destination in an undamaged condition in the ordinary course.

4 PRICE

4.1 The Price of the Goods and the Services shall be stated in the Purchase Order and unless otherwise so stated shall be exclusive of any applicable value added tax (which shall be payable by the Buyer subject to receipt of a VAT invoice) and inclusive of all charges for packaging, packing, shipping, carriage, insurance and delivery of the Goods and any duties, imposts or levies other than value added tax.

4.2 No increase in the Price may be made (whether on account of increased material, labour or transport costs, fluctuation in rates of exchange or otherwise) without the prior consent of the Buyer in writing.

5 TERMS OF PAYMENT

5.1 The Seller may invoice the Buyer on or at any time after delivery of the Goods or performance of the Services, as the case may be, and each invoice shall quote the number of the Purchase Order.

5.2 Unless otherwise stated in the Purchase Order the Buyer shall pay the Price of the Goods and/or the Services within 60 days after the end of the month of receipt by the Buyer of a proper invoice.

5.3 The Buyer shall be entitled to set off against the Price any sums owed to the Buyer by the Seller.

5.4 The Seller shall be entitled to charge interest on late payments at a rate of 2 per cent per annum above the base rate of Barclays Bank plc from time to time.

6 DELIVERY

6.1 The Seller shall deliver the Goods to, and the Services shall be performed at, the delivery address and on the date, or within the period, stated in the Purchase Order, in either case, during the Buyer's usual business hours. If no delivery address is specified, the Seller shall deliver the Goods DDP to the Buyer's premises in the UK (Incoterms 2010).

6.2 The time of delivery of the Goods and of performance of the Services is of the essence of the Contract.

6.3 If the Goods are to be delivered or the Services are to be performed by installments the Contract will be treated as a single contract and not severable.

6.4 The Buyer shall be entitled to reject any Goods delivered which are not in accordance with the Contract and shall not be deemed to have accepted any Goods until the Buyer has had a reasonable time to inspect them following delivery or, if later, within a reasonable time after any latent defect in the Goods has become apparent.

7 RISK AND PROPERTY

7.1 Risk of damage to, or loss of, the Goods shall pass to the Buyer upon delivery to the Buyer in accordance with the Contract.

7.2 The property in the Goods shall pass to the Buyer upon delivery unless payment for the Goods is made prior to delivery when it shall pass to the Buyer once payment has been made and the Goods have been appropriated to the Contract.

8 WARRANTIES AND LIABILITY

8.1 The Seller warrants to the Buyer that the Goods:-

8.1.1 will be of satisfactory quality (within the meaning of the Sale of Goods Act 1979, as amended) and fit for any purpose held out by the Seller or made known to the Seller in writing at the time the Purchase Order is placed;

8.1.2 will be free from defects in design, material and workmanship;

8.1.3 will correspond with any relevant specification or sample; and

8.1.4 will comply with all statutory requirements and regulations relating to the sale of the Goods.

8.2 The Seller warrants to the Buyer that any Services will be performed:-

8.2.1 by any time and/or date limits contained in the Purchase Order (or agreed between the Buyer and Seller in writing); and

8.2.2 by appropriately qualified and trained personnel with due care and diligence and to such high standard of quality as it is reasonable for the Buyer to expect in all the circumstances.

8.3 Without limiting any other remedy, if any Goods or Services are not supplied or performed in accordance with the Contract then the Buyer shall be entitled:-

8.3.1 to require the Seller to repair the Goods or to supply replacement Goods or Services in accordance with the Contract within 7 days; or

8.3.2 at the Buyer's sole option and whether or not the Buyer has previously required the Seller, to repair the Goods or to supply any replacement Goods or Services and to treat the Contract as discharged by the Seller's breach, to require the repayment of any part of the Price which has been paid.

8.4 The Seller shall indemnify the Buyer in full against all liability, loss, damages, costs and expenses (including legal expenses) awarded against or incurred or paid by the Buyer as a result of or in connection with:

8.4.1 breach of any warranty given by the Seller in relation to the Goods or the Services;

8.4.2 any claim that the Goods infringe or their importation, use or resale infringes the patent, copyright, design right, registered design, trade mark or other intellectual property rights of any other person (except to the extent that the claim arises from compliance with any specification supplied by the Buyer);

8.4.3 any act or omission of the Seller or its employees, agents or sub-contractors in supplying, delivering and installing the Goods;

8.4.4 any delay in the delivery of the Goods; and

8.4.4 any act or omission of any of the Seller's personnel in connection with the performance of the Services.

9 TERMINATION

9.1 The Buyer may cancel the Purchase Order in respect of all or part only of the Goods and/or the Services by giving notice to the Seller at any time prior to delivery or performance, in which event the Buyer's sole liability shall be to pay to the Seller the price for the Goods in respect of which the Buyer has exercised its right of cancellation less the Seller's net saving of cost arising from cancellation.

9.2 The Buyer may terminate the Contract without liability to the Seller by giving notice to the Seller at any time if the Seller

9.2.1 commits a material breach of the Contract and fails to remedy such breach within 14 days of being requested to do so; or

9.2.2 makes any voluntary arrangement with its creditors (within the meaning of the Insolvency Act 1986); or (being an individual or bankrupt) becomes bankrupt or (being a company) becomes subject to an administration order or goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction); or an encumbrancer takes possession or a receiver or administrative receiver is appointed of any of the property or assets of the Seller; or the Seller ceases or threatens to cease to carry on business.

10 CONFIDENTIALITY

Any information which the Buyer discloses relating to the Goods and/or Services which is not in the public domain at the time of disclosure shall be confidential and shall not be disclosed by the Seller to any third party or used for any purpose other than for the supply of the Goods and/or Services pursuant to the Contract.

11 GENERAL

11.1 In the absence of proof of earlier receipt, any notice served in accordance with the Contract shall be deemed to be served in the case of an inland letter 24 hours, in the case of any airmail letter 72 hours, after proof of posting and in the case of e-mail or facsimile transfer at 9:00 a.m. on the next business day following its despatch.

11.2 Any indulgence granted by the Buyer to the Seller and any failure by the Buyer to insist upon strict performance of these Conditions shall not be deemed a waiver of any of the Buyer's rights or remedies nor be deemed a waiver of any subsequent default by the Buyer.

11.3 The invalidity, illegality, voidness, unenforceability or unreasonableness in whole or in part of any clause in these Conditions shall not affect the validity of the remainder of such clause or these Conditions.

11.4 The Contract is not assignable by the Seller without the written consent of the Buyer and is between the Seller and the Buyer as principals but the Buyer may, without consent, assign or sub-contract all or any of its rights and obligations hereunder.

11.5 The parties to the Contract do not intend that any terms of the Contract will be enforceable by virtue of the Contract (Rights of Third Parties) Act 1999 by any person that is not a party to it.

11.6 The interpretation and application of these Conditions shall be in accordance with English Law and both parties agree to submit to the non-exclusive jurisdiction of the English Courts.

World Class Filtration Solutions