

**GENERAL CONDITIONS OF PURCHASE
OF THE
LOW & BONAR GROUP**

1 General

- 1.1 Any contract for the purchase of goods or services entered into by a company of the Low & Bonar Group (being Low & Bonar plc. and any direct or indirect subsidiary thereof) issuing a purchase order (“**L&B**”) will be governed by these general conditions of purchase (the “**Conditions**”), which, together with L&B’s purchase order (howsoever submitted, including any attachments to, and documents referred to in, such order), form a “**Contract**” between L&B and the seller to which such purchase order is directed (“**Seller**”, together with L&B, the “**Parties**”) and supersede all previous arrangements, agreements and understandings between the Parties with respect to the subject matter of such Contract. Deviations from these Conditions, provided that such deviations are not explicitly stipulated in the mandatory provisions of applicable legal regulations from which Parties cannot deviate, shall only be valid if agreed upon in writing by L&B. Any delivery of goods or the commencement of the provision of services by the Seller shall be proof of its acceptance of the Contract without reservation.
- 1.2 By accepting the purchase order or by beginning to execute the purchase order, the Seller unconditionally accepts the terms of the Contract and waives the application of his own general conditions (of sale) and agrees that arrangements, agreements and understandings of Seller and L&B included in these Conditions apply exclusively and prevail over any and all of Seller’s conditions of quotation, acceptance, sale and/or supply or over any terms which are implied by trade, custom, practice or course of dealing, which are hereby expressly rejected and excluded.
- 1.3 In the context of permanent and successive trade relations, these Conditions shall govern future purchase orders or transactions, even without further reference to these Conditions.

2 Prices and payment

- 2.1 The price of goods or services shall be as stated in the Contract and subject to no variation except with the prior written consent of L&B.
- 2.2 Unless agreed otherwise in writing, all prices in the Contract shall be exclusive of any applicable value added tax and inclusive of all costs and charges for packing, carriage, delivery, insurance or other charges, which are required to comply with the Contract and specifications of the goods or services.
- 2.3 Seller shall invoice L&B on or after delivery of the goods or services. Payment of invoices shall be made within the term mentioned in the Contract. Unless agreed otherwise in the Contract, all invoices shall be paid within sixty (60) days after receipt of the invoice by L&B.
- 2.4 L&B is entitled to set-off any receivable due to Seller against any receivable due from Seller.

3 Delivery of goods and provision of services

- 3.1 Unless otherwise agreed upon in writing by L&B, delivery dates or times specified in the Contract are binding for Seller. The time of delivery of goods or service provision is of the essence of the Contract. Seller shall be liable for any delay except for any delay caused by a force majeure (as defined in clause 11) or as required by clause 4.8 below.
- 3.2 Unless specified otherwise in the Contract, delivery of goods shall be made DDP, place of business of L&B (Incoterms 2010).
- 3.3 L&B shall not be deemed to have accepted any goods or services until it has had a reasonable time to inspect them after delivery. The signing by L&B of any delivery slip, document of completion or performance sheet, the payment of any invoice, the transfer of title or user right over the goods or the use of the services shall not constitute an acceptance of the provided goods or services.
- 3.4 Partial deliveries of goods or partial provision of services are subject to L&B’s prior written consent. If the Seller delivers more or less than the quantity of goods ordered, and L&B accepts the delivery, a pro rata adjustment shall be made to the invoice for the goods. If the Seller: (a) delivers less than 95% of the

quantity of goods ordered, L&B may reject the goods; (b) delivers more than 105% of the quantity of goods ordered, L&B may at its discretion reject the goods or the excess goods.

- 3.5 If L&B rejects any goods they are returnable at the Seller's risk and expense. If the Seller fails to collect rejected goods within a reasonable period after notification of the rejection, L&B may charge the Seller storage costs and sell or dispose of the rejected goods. L&B will account to the Seller for the proceeds of sale (if any) after deducting the purchase price paid for the goods, storage costs and its reasonable costs and expenses in connection with the sale.
- 3.6 If a specified delivery date or date for the provision of services cannot be met by the Seller, the Seller shall immediately notify L&B of the earliest possible date for delivery or provision of service. Notwithstanding such notices and unless a substitute date for the goods or services has been agreed upon by L&B in writing, the Seller's failure to effect delivery of the goods or provision of services on the specified date shall entitle L&B, without prejudice to any other remedy it may have: (i) to deduct from the price or to claim from the Seller by way of liquidated damages for delay 0.5 percent of the total Contract price for every day of delay, up to a maximum of five (5) percent of the total Contract price and/or (ii) to cancel the Contract, whereupon the Seller shall refund any part of the Contract price which has been paid in respect of such goods or services and L&B may, at the Seller's sole expense, return any goods already supplied under the Contract; and/or (iii) to cancel the Contract and (at L&B's option) purchase substitute goods or services from third parties; and (iv) in each case pursuant to (i), (ii) and (iii) L&B may claim from the Seller compensation for any incurred direct, indirect and/or Consequential Losses, costs and liabilities whatsoever, including in the case of (ii) and (iii) without limitation, the cost of any replacement, return or substitution of goods or services. "**CONSEQUENTIAL LOSSES**" means, in relation to any breach of or a claim under a Contract or otherwise, any (i) indirect or consequential loss, (ii) loss of production, (iii) loss of profit, (iv) loss of revenue, (v) loss of contract, (vi) loss of goodwill, (vii) liability under other agreements or (viii) liability to third parties, resulting from such breach or the matter giving rise to a claim, whether or not the Party committing the breach knew (or ought to have known) that any such loss or liability would be likely to be suffered as a result of such breach or the matter giving rise to a claim.

4 Packing, marking, documentation and safety

- 4.1 The Seller shall be fully responsible for the accuracy and completeness of all instructions, data, drawings and information supplied to L&B whether or not approved by L&B unless such inaccuracies or omissions were solely due to instructions, data, drawings or information supplied by L&B upon which it is agreed by L&B that the Seller can rely.
- 4.2 Goods shall be marked in accordance with L&B's instructions (if any) and any applicable regulations and requirements, and properly packed and secured so as to reach the delivery address in good condition and safe for unloading.
- 4.3 If the Seller requires L&B to return any packaging material to the Seller, that fact will be clearly stated on the delivery note. Any such packaging material shall be returned to the Seller at the cost of the Seller.
- 4.4 All supplied goods shall be supplied with L&B's relevant purchase order number made clearly visible and all communications and documentation from Seller relating to any goods or services will make clear reference to L&B's relevant purchase order.
- 4.5 The Seller shall be responsible for obtaining any import licences, permits or other consents necessary for the importation, placing on the market and delivery of goods or services, save where the contrary may be implied from the use of a specific Incoterm used in respect of an order of goods.
- 4.6 The Seller shall supply without charge such reasonable quantity of operation and/or maintenance manuals in English and in the language of the country to which any goods are to be delivered, relating to the goods or services which L&B may require and/or which are necessary for the installation, operation and maintenance of the goods or services.
- 4.7 The Seller agrees on request to supply L&B with any necessary or useful declarations, certificate of origin, quality guarantee/certificate, and any other certificates or documents related to the goods or services. Such certificates, declarations or any other documents will be in English or in other languages as otherwise agreed by L&B. Further, the Seller agrees to promptly respond to any request made by L&B to provide

information on properties of goods supplied to L&B regarding health, safety and any other issues related to product stewardship.

- 4.8 Any representative of Seller involved in the delivery of goods or the provision of services entering any premises of L&B will make themselves available to receive specific safety briefings for each site and shall observe any instructions given by L&B in relation to health & safety matters, including any which apply by virtue of applicable legislation. Safety related directions by authorised L&B personnel have to be followed at all times, even where they may interrupt the delivery of goods or the provision of services in accordance with the Contract.

5 Risk, title and insurance

- 5.1 Risk of loss or damage and title to goods shall pass on delivery in accordance with the applicable Incoterm.
- 5.2 The Seller shall maintain sufficient liability insurance at its own expense for loss and/or damage for which it is responsible. Evidence of the amount of insurance coverage for each occurrence of damage shall be provided to L&B upon first request. The Seller's contractual and legal liability remains unaffected by the extent and amount of its insurance coverage.

6 Transfer and subcontracting

- 6.1 Seller shall not assign, transfer or subcontract any of its rights or obligations under the Contract, without L&B's prior written consent.
- 6.2 Despite any sub-contract made in accordance with clause 6.1, the Seller shall remain responsible for all acts and omissions of its sub-contractors and the acts and omissions of those employed or engaged by the sub-contractors as if they were its own.

7 Warranty

- 7.1 Seller warrants to L&B that the goods sold or services provided to L&B:
- 7.1.1 will be reasonably fit for any purpose expressly or impliedly held out by the Seller or made known by L&B and for use by L&B in the ordinary course of its business;
 - 7.1.2 will conform to any relevant requirements set out in L&B's Health and Safety Standard for Machine and Tools and/or will be supplied in compliance with L&B's Contractor Safety and Housekeeping Roles Program and/or L&B's Manufacturing Systems Network and Remote Access Policy;
 - 7.1.3 will be of good quality and as indicated in relevant quality-related documents provided by the Seller under clause 4.7, free from defects in workmanship, materials and design and goods shall be brand new and shall have not been used;
 - 7.1.4 with regard to services, will be provided with reasonable skill and care and to the standard required of competent professionals;
 - 7.1.5 will correspond in all respects with the specifications, drawings and/or any reference sample requested and approved in writing by L&B;
 - 7.1.6 will not be detrimental to the health or safety of any person using or handling the goods in question for any reasonably foreseeable purpose;
 - 7.1.7 are neither produced, in violation of any applicable laws, regulations or mandatory or recommended industrial standards nor made by prison labour or child labour or by any slave;
 - 7.1.8 will comply with all applicable statutory requirements and regulations; and
 - 7.1.9 will not, directly or indirectly, infringe the intellectual property rights of any third party.
- 7.2 The Seller further warrants that any information or document provided to L&B pursuant to clause 4.7 is true and accurate and that any product or service provided to L&B conforms to such information.
- 7.3 In the event that any goods or services do not comply with any of the warranties in clause 7.1 and without prejudice to any other remedy that L&B may have, L&B shall be entitled at any time during the period of two (2) years following the date of delivery of goods or of completion of the provision of services, and at its sole discretion, to require the Seller, at the Seller's sole expense, to repair or replace any such defective

goods or to correct or re-perform any services not properly performed within fourteen (14) calendar days or such other period as is specified by L&B or agreed between the parties and to reimburse L&B with all costs incurred in recovering and returning such goods. Such warranty on the goods will also be applicable on repaired or replaced goods or services for the same warranty period as the initial warranty period.

- 7.4 If the Seller fails to repair or replace any goods or provide further services within fourteen (14) calendar days or such other period as is specified by L&B in accordance with clause 7.23, L&B shall have the right to purchase replacement goods or procure relevant services from another source and any sum paid by L&B in obtaining replacement goods or services shall be fully reimbursed by the Seller to L&B.
- 7.5 L&B has the right to inspect and test the goods at any time before delivery upon reasonable notice to the Seller and at reasonable times during normal business hours. If following such inspection or testing L&B considers that the goods do not conform or are unlikely to comply with the Seller's undertakings in clause 7, L&B shall inform the Seller and the Seller shall take such remedial action as is necessary to ensure compliance. Notwithstanding any such inspection or testing, the Seller shall remain fully responsible for the goods and any such inspection or testing shall not reduce or otherwise affect the Seller's obligations under the Contract (including the time(s) for delivery/performance of goods or services and the price payable therefor by L&B), and L&B shall have the right to conduct further inspections and tests after the Seller has carried out its remedial actions.
- 7.6 The remedies and warranties provided for in this clause 7 shall be in addition to those implied by or available at law and shall continue in force notwithstanding acceptance by L&B of all or part of the goods or services in respect of which such warranties and remedies are available.

8 Compliance with laws

In performing its obligations under the Contract, the Seller shall comply with all applicable laws, statutes, and regulations from time to time in force. L&B may immediately terminate the Contract for any breach of this clause 8. In particular, the Seller shall inform itself about and comply with all relevant trade regulations related to the supply of goods and export control (including export licensing) and is solely responsible for, and shall at all times comply with its obligations under, economic sanctions law relevant to the manufacture and/or supply of goods or the performance of services applicable to any Contract.

9 Liability

- 9.1 The Seller shall indemnify and hold harmless L&B, its agents, employees, officers, subsidiaries, affiliates and assigns in full against any liability whatsoever, including, without limitation, for losses, damages, costs and expenses (including attorney's fees) awarded against or incurred or paid by L&B (whether to its own customers or any third party) indirectly or directly arising from or as a consequence of or in connection with (i) breach of any warranty given by the Seller in relation to the goods or services; (ii) any claim that the goods or services, the importation, use or resale of goods, infringe on patents, copyrights, design rights, trademarks or other intellectual property rights of any other person; and (iii) any act or omission of the Seller or its employees, agents or subcontractors in performing its obligations under the Contract.
- 9.2 The Seller shall at the request of L&B, assign to L&B the benefit of all warranties, indemnities or other covenants received by the Seller from any third party in connection with the goods.

10 Termination

- 10.1 L&B may terminate a Contract unilaterally at any time, provided that it compensates the Seller for what has already been delivered or performed properly and for Seller's proven costs as a direct result of such termination. Products whole or partially produced at the time of termination will be turned over to L&B upon its request. L&B is not obligated to take delivery of what has been whole or partially produced at the time of termination. Without prejudice to applicable law, however, no compensation shall be paid for any Consequential Losses arising from termination or arising from any other breach of a Contract by L&B.
- 10.2 L&B may terminate a Contract with immediate effect and without any liability, if one of the following events occur: (i) a material change in Seller's management, business, assets or shareholdings; (ii) bankruptcy, moratorium, receivership, liquidation of the Seller or any kind of composition between the Seller and its creditors; or (iii) any circumstances which are, in the opinion of L&B, likely to affect materially Seller's ability to carry out its obligations under the Contract.

11 Force majeure

- 11.1 In the event of force majeure, either party shall be released and not bound to fulfil its obligations to the other party under the Contract for the duration of the force majeure event, provided that the non-performing party gives written notice to the other party of the force majeure event promptly after becoming aware of it. The non-performing party shall exercise all reasonable efforts to eliminate the force majeure event and to resume performance of its affected obligations as soon as practically possible.
- 11.2 Neither Party is liable for any damage that is a direct or indirect consequence of a breach of the Contract due to a force majeure event.
- 11.3 As events of 'force majeure' shall be considered: circumstances or events beyond a party's reasonable control, which hinder or prevent such party from fulfilling its obligations towards the other party, including but not limited to war, rebellion, fire, flood, decisions or interventions of governments. Breakdown of plant or essential machinery, emergency repair or maintenance or default of any subcontractor of Seller shall not be considered as events of 'force majeure'.
- 11.4 If the force majeure event lasts longer than sixty (60) calendar days, either party is entitled to terminate the Contract without any court intervention being required, and without any compensation due to the other party. In such event, any sums paid by L&B will be refunded save to the extent that a fair sum shall be paid to the Seller in recognition of work done to the point of termination.

12 Publicity and Confidentiality

- 12.1 Seller will not publicly announce or disclose the existence of the Contract or its terms and conditions, or advertise or release any publicity regarding the Contract without the prior written consent of L&B.
- 12.2 Seller shall keep any proprietary information of L&B, including but limited to product specifications, production methods, product recipes, information on turnover, margins, profit, business strategies and customers ("CONFIDENTIAL INFORMATION"), **STRICTLY CONFIDENTIAL AND SHALL USE CONFIDENTIAL INFORMATION EXCLUSIVELY IN SO FAR AS IS NECESSARY FOR THE PERFORMANCE OF A CONTRACT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER SHALL NOT INCLUDE ANY CONFIDENTIAL INFORMATION IN ANY PATENT OR TRADEMARK APPLICATION OR APPLICATION FOR ANY OTHER INTELLECTUAL PROPERTY RIGHT WITHOUT PRIOR EXPRESS WRITTEN AUTHORISATION BY L&B.**

13 Severability

If any provision of the Contract (including these terms and conditions) or the application thereof to any person or circumstance, is held invalid, illegal or unenforceable, such invalidity, illegality or unenforceability will not affect any other provision which can be given effect without the invalid, illegal or unenforceable provision or its application and to this end the remaining provisions hereof will remain unaffected. The invalid, illegal or unenforceable provision shall be replaced by such valid, legal or enforceable provision which comes closest to the intention of the Parties as at the conclusion of the Contract.

14 Applicable law and dispute resolution

- 14.1 The Contract and any dispute or claim arising out of or in connection with it or its subject matter or its conclusion (including non-contractual disputes or claims), shall be governed exclusively by the laws of the country of incorporation of L&B, with the exclusion of the rules on conflicts of laws and the UN Convention on Contracts of the International Sale of Goods dd. 11 April 1980.
- 14.2 The courts of the place where L&B is incorporated will have exclusive jurisdiction for any dispute between Parties, provided that L&B shall, at its sole discretion, be entitled to initiate legal proceeding either in the courts of the place where L&B is incorporated or the place where the Seller is incorporated.

15 Compliance with Anti-Slavery and Human Trafficking Laws and Policies

- 15.1 In performing its obligations under a Contract, the Seller shall:
- 15.1.1 not engage in any activity, practice or conduct which would constitute, amount to or promote, whether directly or indirectly, any form of slavery, forced labour, bonded labour or human trafficking in any manner ("**Slavery**");

- 15.1.2 comply with all applicable anti-slavery and human trafficking laws, statutes, regulations and mandatory codes in force from time to time applicable to it;
- 15.1.3 not take any action which would be incompatible with L&B's Anti-Bribery Policy (see <https://investors.lowandbonar.com/corporate-governance/anti-bribery-policy> as amended from time to time), and
- 15.1.4 not take any action which would be incompatible with L&B's Anti-Slavery Policy (see <https://investors.lowandbonar.com/~media/Files/L/Low-And-Bonar-IR/content-pdfs/modern-slavery-act-statement.pdf>, as amended from time to time); and
- 15.1.5 inform L&B if the Seller or any of its officers, employees or other persons associated with it is convicted of any offence involving Slavery and/or is the subject of any investigation, inquiry or enforcement proceedings by any governmental, administrative or regulatory body regarding any offence or alleged offence of or in connection with Slavery.

16 Relationship between the Parties

Nothing in these Conditions shall be deemed to constitute any partnership, agency, association, joint venture or other co-operative enterprise between the Parties and the Seller has no powers to commit or bind L&B in any way or to incur any liability or obligations for or on behalf of L&B.

17 GDPR

L&B's privacy policy, which will govern the conditions under which it may collect and process personal data of the Seller, are set out at <https://www.lowandbonar.com/privacy-policy/>.