



FAIRLINE PURCHASE ORDER TERMS AND CONDITIONS

ANY SUPPLY OF GOODS OR SERVICES WILL BE DEEMED TO BE ON THESE TERMS AND CONDITIONS UNLESS THEY ARE SPECIFICALLY EXCLUDED IN WRITING AND SIGNED BY FAIRLINE.

IT IS AGREED AS FOLLOWS:

1. DEFINITIONS

"Agreement" means a legally binding agreement between the Parties consisting of these Purchase Terms and Conditions, Order and any other terms agreed in writing between the Parties from time to time.

"Business Day" means a day other than a Saturday, Sunday or public holiday in United Kingdom when banks in United Kingdom are open for business.

"Fairline" means Fairline entity indicated on the Purchase Order.

"Parties" mean the parties to the agreement being, Fairline and the Supplier.

"Premises" means the premises where the Goods and/or Services are being delivered, supplied, or performed.

"Goods" means the total of all or part of the products to be supplied under a Purchase Order as per the time, place and price specified in the Purchase Order.

"Purchase Order" or "Order" means a completed purchase order form issued by Fairline for the supply of goods and/or services as set out in the Purchase Order.

"Requirement" means any standards or specifications for the Goods or Services specified by Fairline in the Order.

"Services" means the provision of the services and obligations as detailed and define in the Purchase Order.

"Supplier" means the person or company indicated on the Purchase Order.

"Terms and Conditions" means the terms and conditions set out in this Purchase Terms and Conditions document.

2. CONSTRUCTION

In these Terms and Conditions, the following rules apply: (i) a person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality); and (ii) a reference to a party includes its personal representatives, successors or permitted assigns and reference to a statute or statutory provision is a reference to such statute or provision as amended or re-enacted.

3. BASIS OF AGREEMENT

These Terms and Conditions apply to the Agreement to the exclusion of any other terms that Supplier seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing. The Order constitutes an offer by Fairline to purchase the Goods and/or Services in accordance with these Terms and Conditions. The Order shall be deemed to be accepted on the earlier of: (i) the Supplier issuing a written acceptance of the Order; or (ii) the Supplier doing any act consistent with fulfilling the Order; (iii) Fairline will issue Order with quantity, price, and delivery dates. Fairline expect the Supplier to confirm price, quantity, and delivery dates on the Order within 3 working days of receiving the Order. All the above will be deemed to be accepted if no communication to the contrary is received.

4. WARRANTIES

The Supplier shall ensure and warrant that the Goods shall: (i) be owned by Supplier on the date of shipment free and clear of any liens and encumbrances of any kind; (ii) correspond with their description and any applicable Requirement and that the Supplier has good and unencumbered title to the Goods; (iii) be of satisfactory quality and fit for any purpose held out by the Supplier or made known to the Supplier by Fairline expressly or by implication, and in this respect, Fairline relies on the skill and judgement of the Supplier; (iv) be free from defects in design, material and workmanship and remain so for thirty six (36) months after delivery; (v) not infringe any third-party intellectual property rights; (vi) not cause any environmental issues when used accordance to the documentation; (vii) comply with all Requirements and applicable laws in England and EU, and all relevant OEM specifications; and (viii) shall be new and shall only contain genuine original OEM parts (if applicable).

The Supplier shall ensure and warrant that the Services shall: (i) be performed in a professional manner with reasonable skill and care in accordance with generally recognised commercial practices, applicable laws and standards; (ii) be of satisfactory quality and fit for any purpose held out by the Supplier or made known to the Supplier by Fairline expressly or by implication, and in this respect Fairline relies on the skill and judgement of the Supplier; (iii) be free from defects in design, material and workmanship and remain so for thirty six (36) months after delivery.

The Supplier shall ensure that at all times it has and maintains all the licences, permissions, authorisations, consents and permits that it needs to carry out its obligations under the Agreement. Where the data contains any personal information, the Supplier warrants that it has the necessary authority and consent from all relevant data subjects to share such information with the Client for the Client to use and process in accordance with this Agreement.

The Supplier warrants that it has obtained and kept updated the current and all relevant documentation and testing certificates necessary to show full compliance of the Goods and Services with all applicable laws (the "Documentation") and shall promptly supply all such Documentation on demand to Fairline (and in no event no later than seven (7) days after such Documentation having been so requested).

Order received will be checked on receipt for quantity and in some cases for quality. A delivery note may be signed indicating that quantity is accepted. Quality acceptance will follow the criteria below: (i) for any defective materials found at inbound inspection, the Supplier shall replace the parts (at its own cost of materials and freight with the most urgent form of transport), failing which Fairline will at its discretion rework the parts and the costs shall be charged to the Supplier; or (ii) Fairline may reject the parts at no cost and purchase from an alternative source. Due to the nature of some materials, it may not be possible to check all the deliverables on delivery. Except for breakages or losses caused by Fairline, any defects found on the line will be treated as above following good faith and after reasonable efforts being taken.

5. DELIVERY AND INSPECTION

The Supplier shall ensure that: (i) the Goods are properly packed and secured in such manner as to enable them to reach their destination in good condition; (ii) each delivery of the Goods is notified two (2) days prior to Fairline and is accompanied by a delivery note which shows the date of the Order, the Order number (if any), the type and quantity of the Goods (including the code number of the Goods, where applicable), special storage instructions (if any) and, if the Goods are being delivered by instalments, the outstanding balance of Goods remaining to be delivered; and (iii) if the Supplier requires Fairline to return any packaging material to the Supplier, that fact is clearly stated on the delivery note. Any such packaging material shall be returned to the Supplier at the cost of the Supplier.

The Supplier shall deliver the Goods on the date specified in the Order, or, if no such date is specified, within seven (7) calendar days of the date of the Order. Unless otherwise specified in the Order, all shipments are to be made in accordance with **Incoterms 2020 Delivery Duty Paid (DDP)** to the premises of Fairline at such location as set out in the Order, or as otherwise instructed by Fairline prior to delivery ("Delivery Location"); and during the normal business hours of Fairline, unless otherwise instructed by Fairline. Delivery of the Goods shall be completed on the completion of unloading the Goods at the Delivery Location.

The Goods shall be adequately packed and protected against damage or deterioration in transit or storage and the Supplier will otherwise comply with all arrangements for packaging as may be in Fairline's Requirements. For parts delivered for aftermarket purposes, Fairline part numbers are required to be visible on individual part packaging or on the parts themselves. Fairline shall have no responsibility for packing materials or cases except as agreed in writing between the parties.

Goods rejected by Fairline shall be collected by the Supplier within thirty (30) days of notice of rejection being despatched by Fairline. Pending collection, the Goods shall be held at the expense and risk of the Supplier. The Supplier shall be charged an administration fee of £100 for each inspection report generated following rejection of Goods and the Supplier shall also pay all expenses incurred by Fairline in packing, handling and sorting rejected Goods and, if applicable, removing and replacing any rejected Goods which have been incorporated into machines, equipment, parts or attachments of Fairline or any other member of Fairline group of companies. If the Supplier fails to collect the rejected Goods, Fairline reserves the right, at the Supplier's expense, to destroy or otherwise dispose of the rejected Goods in any manner Fairline thinks fit without liability.

Fairline reserves the right, at any time, to request a change to the specifications applicable to the Goods, in the method of packing of the Goods or in the place for delivery and/or in Fairline's Requirements for Services and/or time for completion of Services, and the parties shall discuss the same in good faith. Fairline reserves the right to reduce the quantity of Goods or scope of the Services under each Order subject to written notification.

If the Supplier delivers less than 95% of the quantity of Goods ordered, Fairline may reject the Goods; or delivers more than 100% of the quantity of Goods ordered, Fairline may at its discretion reject the excess Goods and any rejected Goods shall be returnable at the risk and expense of the Supplier. If the Supplier delivers less than the quantity of Goods ordered, and Fairline accepts the delivery, a pro-rata adjustment shall be made to the invoice for the Goods.

The Supplier shall not deliver the Goods in instalments without the prior written consent of Fairline. Where it is agreed that the Goods are to be delivered by instalments, they may be invoiced and paid for separately. However, failure by the Supplier to deliver any one instalment on time or at all or any defect in an instalment shall entitle Fairline to the remedies set out in Clause 6.

Following delivery, Fairline shall inspect the Goods, and shall within thirty (30) calendar days of receipt, notify the Supplier of any Goods which do not meet the Requirements, and such rejected Goods shall be returnable at the risk and expense of the Supplier within sixty (60) calendar days of delivery to Fairline.

The Supplier shall use commercially reasonable efforts to complete the performance of Services within the time period(s) specified in the Order. Acceptance of Services shall occur upon Fairline issuing a written acceptance after completion of the performance of such Services and subsequent review/acceptance check by Fairline. In the event that any deficiency in the Services becomes evident, such deficiency shall be immediately corrected by the Supplier. The cost of the remedial or corrective action shall be borne by the Supplier.

If the Goods constitute parts used by Fairline to manufacture or assemble Fairline's plant, machines, equipment or attachments, then in the event that such a part is no longer required for production of the Fairline's original plant machines, equipment or attachments, the Supplier shall ensure that it is able to continue supplying Fairline, as required, with such part for at least ten (10) years following the date on which the relevant part is no longer supplied for production. This shall not apply to Goods which are not used by Fairline to manufacture or assemble Fairline's plant or equipment. This Clause shall survive completion or termination of the Agreement.

6. REMEDIES

If the Goods and/or Services are not delivered on the date they are due, or do not comply with the undertakings set out in Clause 4 and 5, then, without limiting any of its other rights or remedies, Fairline shall have the right to any one or more of the following remedies, whether or not it has accepted the Goods and/or Services: (i) to terminate the Agreement; (ii) to reject the Goods (in whole or in part) and return them to the Supplier at the risk and expense of the Supplier; (iii) to require the Supplier to repair or replace the rejected Goods or Services, or to provide a full refund of the price of the rejected Goods or Services (if paid); (iv) to refuse to accept any subsequent delivery of the Goods or Services which the Supplier attempts to make; (v) to recover from the Supplier any costs incurred by Fairline in obtaining substitute goods or services from a third party; and (vi) to claim damages for any other costs, loss or expenses incurred by Fairline which are in any way attributable to the failure of the Supplier to carry out its obligations under the Agreement. These terms shall apply to any repaired or replacement Goods or Services supplied by the Supplier.

The Supplier shall keep Fairline indemnified in full against all costs, expenses, damages, and losses (whether direct or indirect), including any interest, penalties, and legal costs (on a full indemnity basis) and other professional fees and expenses awarded against or incurred or paid by Fairline as a result of or in connection with: (i) any claim made against Fairline for actual or alleged infringement of a third party's intellectual property rights arising out of, or in connection with, the supply or use of the Goods or Services; (ii) any claim made against Fairline by a third party arising out of, or in connection with, the supply of the Goods or Services; (iii) any claim made against Fairline by a third party for death, personal injury or damage to property arising out of, or in connection with, defects in Goods or Services, and such other product liability; (iv) any breach of warranty given by the Supplier in relation to the Goods or Services; and (v) any act or omission of the Supplier, its employees, agents or

sub-contractors in connection with the supply of Goods or performance of the Services. This clause 6 shall survive termination of the Agreement. The rights and remedies of Fairline under these Terms and Conditions are in addition to its rights and remedies implied by statute and common law.

7. TITLE AND RISK

Title and risk in the Goods and deliverables shall pass to Fairline on completion of delivery or, if an Incoterm is specified for the delivery of the Goods, until delivery to Fairline is complete in accordance with the Incoterm. Any transfer of title or risk will be without prejudice to Fairline's right to refuse to accept the Goods and deliverables in case of non-conformity with the requirements of the Agreement.

8. PRICE AND PAYMENT

Unless otherwise expressly stated in the Order, the price of the Goods and/or Services shall be the price set out in the Order. The price of the Goods or Services is exclusive of amounts in respect of the value added tax ("VAT"), but includes the costs of packaging, insurance and carriage. No extra charges shall be effective unless agreed in writing and signed by Fairline. Fairline shall, on receipt of a valid VAT invoice from the Supplier, pay to the Supplier such additional amounts in respect of VAT as are chargeable on the supply of the Goods or Services. The Supplier may invoice Fairline within fourteen (14) days after the completion of delivery of the Goods or acceptance of the Services. Unless otherwise expressly stated in the Order, Fairline shall pay correctly rendered invoices within sixty (60) days of receipt of the invoice. The Supplier agrees to provide a discount of three percent (3%) of the invoiced amount if invoices are paid within thirty (30) days of receipt of the invoice.

Fairline reserve the right to charge for direct damages due to the late delivery of parts beyond the confirmed delivery date of the Supplier. Fairline may at its discretion cancel Order for late deliveries where the delay is unacceptable and have the option to source from alternative suppliers. Fairline may, without limiting any other rights or remedies it may have, set-off any amount owed to it by the Supplier against any amounts payable by it to the Supplier. Any changes in pricing must be notified with a prior written notice of sixty (60) days and shall be mutually agreed in good faith with justification.

9. INSURANCE

During the term of the Agreement and for a period of twelve (12) months thereafter, the Supplier shall maintain in force, with a reputable insurance company, professional indemnity insurance and product liability insurance for up to five (5) million GBP per claim and public liability insurance to cover such heads of liability as may arise under or in connection with the Agreement, and shall, on the request of Fairline, produce both the insurance certificate giving details of cover and the receipt for the current year's premium in respect of each insurance. Such insurance limit may vary for different events if required.

10. CONFIDENTIALITY AND PRIVACY

Each party will maintain the confidentiality of the other party's Confidential Information and shall not, without the prior written consent of the other, use, disclose, copy or modify the other party's Confidential Information other than as necessary for the performance of its rights and obligations under the Agreement. "Confidential Information" shall mean in relation to the other party, information (whether in oral, written or electronic form) belonging or relating to that party, its business affairs or activities which is not in the public domain and which: (a) marked as confidential or proprietary; (b) the receiving party is advised is of a confidential nature; or (c) due to its character or nature, a reasonable person in a similar position under similar circumstances would treat as confidential.

Both parties undertake to comply in all respects with the provisions of the applicable data protection laws and regulations including UK Data Protection Act 2018, UK General Data Protection Regulation ("UK GDPR") and General Data Protection Regulation (EU) 2016/679 ("EU GDPR") with respect to processing any personal data. The Supplier shall process any personal data only on the written instructions of Fairline unless required otherwise by the law. The Supplier shall not transfer any personal data outside of the UK or European Economic Area unless the requirements under the UK GDPR and/or EU GDPR, as applicable, are complied with in respect of such transfer.

11. INTELLECTUAL PROPERTY RIGHTS

The Supplier hereby grants to Fairline a non-exclusive, perpetual, royalty free licence to use anything created or produced as a result of any Services (any work performed shall be considered "work made for hire") provided under this Agreement for any purpose Fairline deems appropriate. All rights (including ownership and intellectual property rights) in any specifications, instructions, plans, drawings, patterns, models, designs, or other material provided or made available to the Supplier by Fairline pursuant to the Order shall remain vested solely in Fairline. Except to the extent necessary for the implementation of the Order, the Supplier shall not, without prior approval, use or disclose any such specifications, plans, drawings, patterns, models or designs or other material which the Supplier may obtain pursuant to the Order. All products designed for Fairline, and related technical drawings and materials will be exclusive property of Fairline. The Supplier will send all technical drawings and materials to Fairline upon completion of the designs or upon demand.

If as part of the Order, the Goods and/or Services are to be imaged to bear the name and/or trademark "Fairline" or the "Fairline" logo, the Supplier is granted a fully paid-up, non-exclusive, non-transferable right to use such name and/or trademark for the purposes of the Order only, but otherwise the Supplier shall not have any rights in the name or trademark "Fairline" or the "Fairline" logo. Fairline grants to the Supplier a fully paid-up, non-exclusive, non-transferable licence to use Fairline's Intellectual Property Rights which may be made available to the Supplier by Fairline in connection with the Agreement only to the extent necessary and for the purpose of providing the Goods and/or Services to Fairline and performing the Supplier's other obligations under the Order and for no other purpose whatsoever.

12. TERMINATION

Fairline may terminate the Agreement in whole or in part at any time before delivery with immediate effect by giving the Supplier written notice, whereupon the Supplier shall discontinue all work under the Agreement. In the event of termination of this Agreement, Fairline shall pay the Supplier for all Goods delivered and Services performed up to the date of termination. Either party may terminate the Agreement immediately upon giving notice in writing to the other party if: (i) the other party commits a breach of this Agreement and shall have failed to cure such breach within thirty (30) days of receipt of a request in writing from the notifying party to do so; (ii) the other party ceases doing business for any reason or threatens to cease to conduct business or to properly give effect to this Agreement; or (iii) the other party enters into bankruptcy, liquidation or other type of insolvency. Termination of the Agreement, however arising, shall not affect any of the parties' rights and remedies that have accrued as at termination. Clauses which expressly or by implication survive termination of the Agreement shall continue in full force and effect.

13. GENERAL

Assignment and Subcontracting: Fairline may at any time assign, transfer, charge, subcontract, or deal in any other manner with all or any of its rights or obligations under the Agreement. The Supplier may not assign, transfer, charge, subcontract, or deal in any other manner with all or any of its rights or obligations under the Agreement without the prior written consent of Fairline and shall in any event remain liable for the proper and timely performance of the obligations of the Supplier pursuant to this Agreement.

Notices: Any notice or other communication given to a party under or in connection with the Agreement shall be in writing, addressed to that party's principal place of business or such other address as that party may have specified to the other party in writing in accordance with this clause, and shall be delivered personally, sent by pre-paid first-class post or commercial courier. A notice or other communication shall be deemed to have been received: if delivered personally, when left at the address; if sent by pre-paid first-class post or recorded delivery, at 9.00 am on the second Business Day after posting; if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed.

Record Retention and Audit Rights: The Supplier shall keep and maintain complete and accurate records relating to the Goods and Services provided under this Agreement. Fairline retains the right to inspect or audit the Supplier's facilities and records upon reasonable prior notice for ensuring the compliance or investigating a non-compliance.

Compliance with Laws: The Supplier shall comply with all applicable laws, statutes, regulations, ordinances, rules, permits, licences, authorisations, codes of conduct and directions and requirements of any relevant governments or regulatory authorities from time to time in force. The Supplier shall: (i) ensure that all Goods and Services are safe and without risk to health (ii) ensure that it complies with all applicable laws, statutes, regulations, ordinances, rules, permits, licences, authorisations, codes of conduct and directions and requirements of any relevant governments or regulatory authorities (including, where applicable to the Goods, the Registration Evaluation and Authorisation of Chemicals (REACH) regime, the Waste Electrical and Electronic Equipment (WEEE) regime, the Batteries Directive, the Restriction of Hazardous Substances in Electronic and Electrical Equipment (RoHS) regime, Classification Labelling and Packaging of Substances and Mixtures (CLP) regime or any replacement, substantially similar or equivalent legislation).

Additional Compliance: The Supplier shall comply with Fairline's Supplier Code of Conduct available at https://fairline.com/legal/supplier_code_of_conduct. The Supplier shall not and shall procure that its Associated Persons (as defined in the Bribery Act 2010) will not, commit or be involved in committing a prohibited act in connection with the provisions of the Agreement. The Supplier and its Associated Persons shall comply with UK Bribery Act 2010 and any equivalent anti-bribery and anti-corruption legislation in relevant countries. The Supplier shall comply with the Modern Slavery Act 2015 including ensuring that neither the Supplier nor any of its officers, employees or other persons associated with it is engaged in slavery or human trafficking. The Supplier represents and warrants that neither the Supplier nor any of its officers, employees or other persons associated with it: (i) has been convicted of any offence involving slavery and/or human trafficking; and (ii) to the best of its knowledge, has been 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 and/or human trafficking.

Severance: If any court or competent authority finds that any provision of the Agreement (or part of any provision) is invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed to be deleted, and the validity and enforceability of the other provisions of the Agreement shall not be affected.

Waiver: A waiver of any right or remedy under the Agreement is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default. No failure or delay by a party to exercise any right or remedy provided under the Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy.

Independent Contractor: This Agreement does not create any joint venture, partnership, agency, or employment relationship between the parties.

Third Party Rights: A person or entity who is not a party to the Agreement shall not have any rights under or in connection with it.

Variation: Except as set out in these Terms and Conditions, any variation to the Agreement, including the introduction of any additional terms and conditions, shall only be binding when agreed in writing and signed by a duly authorised officer of Fairline.

Export Control Laws: The Goods and Services may be subject to the export control laws and regulations of various countries, including without limitation, the laws and regulations of United Kingdom, United States, European Union or United Nations. The Supplier agrees that it will not submit the Goods and Services to any government agency for licensing consideration or other regulatory approval without Fairline's prior written consent and will not export the Goods and Services to countries, persons or entities prohibited by such laws and regulations.

Governing Law and Jurisdiction: The Agreement, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with the laws of England and Wales, and the Parties irrevocably submit to the exclusive jurisdiction of the courts of England.

Entire Agreement: This Agreement, together with any other documents incorporated herein by reference, and related Order Form, exhibits and schedules, constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter.

Counterparts: This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

End of document.