

## APPENDIX 1

### KROMEK LIMITED: STANDARD TERMS AND CONDITIONS OF PURCHASE

#### 1. DEFINITIONS AND INTERPRETATION

In these terms and conditions of purchase, the following words shall have the following meanings:

"Buyer" means Kromek Ltd

"Confidential Information" means any secret or proprietary information relating directly to the Buyer's business, including, but not limited to, products, customer lists, pricing policies, operational methods, product development techniques or plans, methods of manufacture, technical processes, designs and design projects, inventions and research programs, trade secrets and know how, user manuals, systems documentation, and other business affairs of the Buyer.

"Delivery" means that the Buyer has the goods delivered to his premises or made available for collection on the date agreed upon.

"Intellectual Property Rights" means patents, trade marks, service marks, registered designs, copyrights, database rights, design rights, confidential information, and any similar right recognised from time to time in any jurisdiction, together with all rights of action in relation to the infringement of any of the above

"Purchase Order" means the contract between the Buyer and Seller for the purchase and sale of the Products, incorporating these terms and conditions;

"Products" means any products or services agreed in the Purchase Order to be provided to the Buyer by the Seller (including any part thereof);

"Seller" means person(s), firm or company (as defined in the Purchase Order) who provides the products to the Buyer;

#### 2. APPLICATION

These terms and conditions shall apply to any Purchase Order for the purchase of Products by the Buyer. These terms and conditions represent the entire agreement between the parties on the subjects covered and supersede any prior or contemporaneous communications, representations, or agreements, whether oral or written, with respect to such subject matters. They apply to the exclusion of any other terms and conditions referred to in orders or contracts issued by the Seller or implied by trade practice or custom, unless changes have been agreed to in writing by the Buyer.

#### 3. ACCEPTANCE

Any order or acceptance of a quotation for the products by the Buyer shall be deemed to be an offer by the Buyer to purchase the Products, subject to these terms and conditions. This would lead to an acceptance of the order which shall be effective when acknowledged in writing by the Seller.

#### 4. ASSIGNMENT

The rights, duties and obligations of the Seller herein shall not be assigned or transferred unless first agreed in writing by the Buyer, such agreement not to be reasonably withheld.

#### 5. CANCELLATION AND RETURNS

Orders may not be cancelled by the Seller after acceptance by the Buyer without the Buyer's prior written agreement. Cancellation or changes may be accepted on the basis that the Buyer is reimbursed for all costs, damages, expenses, and loss of profit incurred as a result of the cancellation or changes. If products are returned because of a manufacturing error, there will be no restocking charge.

#### 6. CONFIDENTIALITY

Information or data supplied by the Buyer to the Seller, that is not in the public domain, including but not limited to Confidential Information supplied by the Buyer to the Seller, shall be kept in confidence. On termination of the contract, the Seller shall return any Confidential Information to the Buyer.

#### 7. CREDIT

If the Seller enters into insolvent liquidation or has a receiver, manager or administrator appointed over any or all of its assets, or becomes insolvent, the Buyer may elect to cancel any unfulfilled order.

#### 8. DELIVERY

It is agreed that Time is of the Essence in the fulfilment of any Purchase Order issued by the Buyer to the Seller.

#### 9. PRICE

The price of each of the Products sold shall be the price identified in the Purchase Order at the time the order is accepted unless or otherwise agreed by the Buyer in writing and by amendment to the Purchase Order. Price, unless agreed otherwise in the Purchase Order, includes value added and other applicable taxes, or any costs for transportation, special packaging, tariffs, permits and special inspections. Delivery terms are as stated on the order acknowledgement and invoice.

#### 10. PASSING OF RISK

Risk passes from the Seller to the Buyer on delivery. Any Products returned from the Buyer's premises to the Seller's premises will be returned at the Seller's risk unless the products in question are carried by the Buyer or its agent.

#### 11. PASSING OF PROPERTY

Title to, and property in, the Products in each consignment will transfer to the Buyer upon delivery by the Seller in accordance with the Purchase Order.

#### 12. TERMS OF PAYMENT

The Buyer's standard terms of payment are sixty (60) days from acceptance of Products and receipt of Seller's invoice. Payment shall

generally be made in pounds sterling unless otherwise agreed in writing by the Buyer.

#### 13. SHORTAGES

Any claims for shortages will be made by the Buyer within twenty five (25) days after receipt of the Products.

#### 14. FREE ISSUE MATERIAL

(i) The Buyer may provide free issue materials of any kind to the Seller for use under the Purchase Order. The materials remain the property of the Buyer and must be insured against loss or damage howsoever caused at the Sellers premises. The Buyer shall have the right to reduce and set off invoices against any amount payable hereunder any indebtedness or other claim which the Buyer may have against the Seller, however and whenever arising. Any surplus materials shall be disposed of at the Buyers discretion. Waste of free issue materials shall be made good at the Sellers expense.

(ii) Delay to delivery of defects relating to free issue materials shall be notified in writing by the Seller to the Buyer who shall assess the effect on the delivery date and the Purchase Order value and notify the Seller accordingly.

#### 15. TERMINATION

The Buyer shall have the right to terminate Purchase Order by providing thirty days (30) notice period in the event that the Seller fails to perform any of its obligations with respect to said sale of the Products. Such right of termination shall be in addition to and without prejudice to any rights or remedies which the Buyer may have in law or in equity. The Buyer will have an immediate right to terminate sales contracts on the occurrence of any insolvency event of the Seller

#### 16. WAIVER

Waiver by the Buyer of a breach of any of the terms or conditions of the Purchase Order between the Buyer and Seller shall not be construed as a waiver of any other items and conditions of this contract.

No delay or omission by the Buyer in exercising any right under these terms and conditions will impair that right or be construed as a waiver of that right, nor will any single or partial exercise of any such right preclude any further exercise of that right or exercise of any other rights. The rights and remedies provided in these Conditions are cumulative and not exclusive of any rights or remedies provided by English Law, or by any other agreement or document.

#### 17. WARRANTY AND SUPPORT

All Products purchased by the Buyer from Seller shall be fit for purpose and shall be provided with warranty of 12 months from date of acceptance by the Buyer.

#### 18. INTELLECTUAL PROPERTY RIGHTS

All copyright and any intellectual property developed under or as a result of this order will become the property of and vest in Kromek Ltd.

#### 19. QUALITY

The Goods shall be of sound material and workmanship and conform as to quantity, quality and description with the detail stated in the order and/or specification. Goods supplied against samples or patterns shall be equal in all respects to the samples or patterns. If a standard of performance is specified, the goods shall be capable of the required standards. Goods shall comply with all relevant statutory industry standards and any rules applicable to the premises where the goods are to be delivered.

#### 20. INSPECTION

The Buyer reserves the right at any reasonable time to inspect the goods, whether complete or in manufacture, but such inspection shall not relieve the Seller of any obligations under the order.

#### 21. DAMAGE IN TRANSIT

The Seller shall notify the Buyer within 10 days of any apparent damage to Goods whilst in transit.

#### 22. REJECTION

By notice in writing to the Seller the Buyer may reject any or all of the goods if:

- (i) the goods have been damaged in transit; or the goods fail to comply with Clause 19, and the Seller shall collect the rejected goods within one month from the date of notice.
- (ii) if the Seller fails to collect the goods, the Buyer may dispose of them or return them at the Sellers expense.

#### 23. PROVISIONS SEVERABLE

Every provision contained in these conditions is severable from every other provision, and if at any time one or more of such provisions is, or becomes, invalid.

#### 24. GOVERNING LAW

These terms and conditions are subject to English law and the parties submit to non-exclusive jurisdiction of English courts. The Seller and Buyer do not intend that any term of the Contract shall be enforceable by virtue of the Contract (Rights of Third Parties Act) 1999, by any person who is not party to it.

#### 25. NOTICE

Notice to the Seller must be in writing and shall be deemed given when it is received by the Seller.