



FILTRONA GROUP
STANDARD TERMS AND CONDITIONS
PURCHASE OF GOODS
(Version 03 – Jan 2024)

1. INTERPRETATION: In these Conditions:

"Buyer" means the person who purchases Goods from the Seller, as stated in the Order behalf of the **Filtrona Group in Attachment 1**.

"Conditions" means the standard terms and conditions of purchase set out in this document and (unless the context otherwise requires) includes any special terms and conditions agreed in writing between the Buyer and the Seller.

"Contract" means a contract for the sale and purchase of Goods between the Seller and the Buyer in accordance with these Conditions.

"Delivery Address" means the address for delivery stated in the Order.

"Goods" means the goods and/or services (including any instalment of the goods or services, or any part of them) described in the Order.

"Order" means the Buyer's purchase order to which these Conditions are annexed.

"Price" means the price of the Goods calculated in accordance with Condition 4.

"Seller" means the person who accepts (or is deemed to accept) the Buyer's Order, as stated in the Order.

"Specification" includes any plans, drawings, data or other information relating to the Goods.

The words "include" and "including" shall be construed without limitation.

A reference to a law or statute is a reference to it as it is in force for the time being taking account of any amendment, extension, application or re-enactment and includes any subordinate legislation for the time being in force made under it.

Words denoting the singular shall include the plural number and vice versa and words denoting the masculine gender shall include the feminine and neuter genders.

2. BASIS OF PURCHASE

2.1 The Order constitutes an offer by the Buyer to purchase the Goods subject to these Conditions. Acceptance or execution of the Order shall be conclusive proof of the Seller's acceptance of these Conditions.

2.2 These Conditions shall apply to the Contract to the exclusion of any other terms and conditions. Without prejudice to the foregoing, no terms or conditions endorsed upon, delivered with or contained in the Seller's quotation, acknowledgement or acceptance of order, specification, delivery note, invoice or similar documents shall form part of the Contract and the Seller waives any right which it otherwise might have to rely on such terms and conditions.

2.3 Save where the Seller has expressly confirmed to the contrary, the Order will be deemed to be unconditionally accepted by the Seller on the earlier of: (i) the date falling 3 days after the date of the Order; and (ii) the Seller giving express notice of acceptance of (or impliedly by fulfilling) the Order.

2.4 No variation to the Order, these Conditions or the Price shall be binding on the Buyer unless confirmed in writing by an authorized representative of the Buyer.

2.5 An Order can only be capable of acceptance by the Seller once an official written order number is allocated to the Order by the Buyer. The Seller is not entitled to rely upon any verbal orders.

3. SPECIFICATIONS

3.1 The quantity, quality and description of the Goods shall be as specified in the Order and/or in any Specification supplied by the Buyer to the Seller or agreed in writing by the Buyer. No changes shall be made to the Specification without the prior written consent of the Buyer.

3.2 Any materials, equipment, tools, dies, moulds, copyright, design rights or other forms of intellectual property rights (including any Specification) supplied by the Buyer to the Seller, or produced by the Seller for the Buyer shall at all times be and remain the exclusive property of the Buyer. The Seller shall execute all further documents and do all such things as the Buyer shall reasonably require to confer the full benefit of this condition on the Buyer.

3.3 The Seller shall comply with all applicable regulations and all other legal requirements concerning the design, manufacture, delivery and commissioning of the Goods and warrants that at all times it shall have (and maintain) all licences, permissions, authorisations, consents and permits necessary for it to supply the Goods to the Buyer free from any restrictions.

3.4 The Seller shall not unreasonably refuse any request by the Buyer to inspect and test the Goods prior to despatch and, upon request, shall provide the Buyer with reasonable facilities for inspection and testing. Notwithstanding inspection or testing, the Seller shall remain fully responsible for the Goods and any inspection or testing shall not diminish or otherwise affect the Seller's obligations under the Contract.

3.5 If upon inspection or testing of the Goods the Buyer is not satisfied that the Goods comply or 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 immediately take such steps as are necessary to ensure that the Goods comply in all respects with the Contract.

3.6 The Goods shall be marked in accordance with the Buyer's instructions and properly packed and secured so as to reach their destination in an undamaged condition.

3.7 The Seller shall keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives relating to the Goods which are of a confidential nature and have been disclosed to the Seller by or on behalf of the Buyer and any other confidential information concerning the Buyer's business, its customers or its products which the Seller may obtain in any way. Without prejudice to the foregoing, the Seller shall not disclose to any third party or use the Specification except to the extent that it is or becomes public knowledge through no fault of the Seller, or as required by law or for the purpose of the Contract. The Seller shall not dispose of the Buyer's property other than in accordance with the Buyer's written instructions.

4. PRICE OF GOODS

4.1 The Price shall be as stated in the Order or as otherwise agreed in writing between the Seller and the Buyer and, unless otherwise so stated, shall be:

4.1.1 exclusive of any applicable Value Added Tax or other similar Sales Tax ("Tax") (which shall be payable by the Buyer subject to receipt of a valid Tax invoice); and

4.1.2 inclusive of all charges for packaging, packing, shipping, carriage, insurance and delivery of the Goods to the Delivery Address and any duties, imports or levies other than Tax's.

4.2 If the Seller seeks to impose an increase in the Price or the price is not otherwise agreed between the Seller and the Buyer, the Buyer may, without liability, terminate and/or cancel the Order and/or the Contract.

4.3 The Buyer shall be entitled to any discount customarily granted by the Seller to its customers, whether or not shown on any Order.

5. TERMS OF PAYMENT

5.1 The Seller shall be entitled to invoice the Buyer on or at any time after delivery or, where appropriate, commissioning of the Goods.

5.2 Unless otherwise stated in the Order, the Buyer shall pay the Price within 90 days after the end of the month in which the Buyer receives a valid invoice or, if later, within 90 days after the end of the month in which the Buyer accepts the Goods. Invoices submitted by the Seller shall be in the currency identified in the Order.

5.3 The Supplier shall quote the Buyer's Order number on the invoice. The Buyer may refuse to make payment in respect of any invoice which does not clearly identify the Buyer's relevant Order number and the specific Goods for which payment is claimed or where the Buyer disputes the amount invoiced.

5.4 Without prejudice to its other rights and remedies, the Buyer shall be entitled to set off against the Price any sums owed to the Buyer by the Seller.

6. DELIVERY

6.1 The Goods shall be delivered to the Delivery Address on the date(s) stated in the Order during the Buyer's usual business hours. Unless otherwise agreed by the Buyer and the Seller, the Seller will be responsible for off-loading the Goods.

6.2 Where the date for delivery of the Goods is to be specified after the placing of the Order, the Seller shall give the Buyer at least 5 days prior written notice of the delivery date.

6.3 The time for delivery of the Goods is of the essence of the Contract.

6.4 If it has been agreed by the Buyer that the Goods are to be delivered by instalments, the Contract will be treated as a single contract and not severable.

6.5 The Buyer shall be entitled to reject any Goods which do not comply 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.

6.6 The Seller shall supply the Buyer with all information required to enable the Buyer to properly consider acceptance of the Goods and to be able to properly store and use the Goods.

6.7 The Buyer shall not be obliged to return to the Seller any packaging or packing materials for the Goods.

6.8 If the Goods are not delivered on the due date then, without prejudice to the Buyer's other rights and remedies, the Buyer shall be entitled, without liability, to exercise any one or more of the following:

6.8.1 deduct from the Price or, if the Buyer has paid the Price, to claim from the Seller, by way of liquidated damages for delay 1 per cent of the Price for every week's delay, up to a maximum of 25 per cent;

6.8.2 cancel the Contract in whole or in part;

6.8.3 refuse to accept any subsequent delivery of the Goods which the Seller attempts to make;

6.8.4 recover from the Seller any expenditure incurred by the Buyer in obtaining substitute goods from a third party; and/or

6.8.5 claim damages for any additional costs, losses or expenses incurred by the Buyer which are attributable to the Seller's failure to deliver the Goods on the due date.

6.9 If the Goods are delivered to the Buyer in excess of the quantities ordered the Buyer shall not be bound to pay for the excess and any excess shall be and remain at the Seller's risk and shall be returnable at the Seller's expense.

6.10 Where delivery is effected by a carrier then such carrier shall be deemed to be the responsibility/agent of the Seller.

7. RISK AND PROPERTY

7.1 Risk of damage to or loss of the Goods shall pass to the Buyer upon completion of delivery of the Goods (including off-loading) or, where appropriate, commissioning in accordance with the Contract.

7.2 Ownership of the Goods shall pass to the Buyer upon delivery of the Goods, unless payment for the Goods is made prior to delivery, when ownership shall pass to the Buyer upon payment but risk in the Goods remains with the Seller until delivery in accordance with condition 7.1.

8. WARRANTIES AND LIABILITY

8.1 The Buyer's rights under these Conditions are in addition to any conditions implied in the Buyer's favour by any statute or common law in force from time to time.

8.2 Without prejudice to condition 8.1, the Seller warrants to the Buyer that the Goods:

8.2.1 will be of merchantable quality and fit for any purpose held out by the Seller or made known to the Seller at the time the Order is placed (or for such purpose agreed by the Buyer and the Seller after the Order is placed);

8.2.2 will be free from defects in design, material and workmanship and will remain so for a period of 24 months after delivery;

8.2.3 will correspond with any relevant Specification or sample; and

8.2.4 will comply with and conform to any and all applicable laws, codes of practice, rules, guidance, decisions, regulations, orders, rules of court, bye-laws, directives, statutes, statutory instruments, standards, codes of conduct or other instruments having the force of law from time to time relating to the design, manufacture, delivery, commissioning, sale or provision of the Goods.

8.3 The Seller warrants to the Buyer that any services provided under the Contract will be performed by appropriately qualified and trained personnel, with due care and diligence and to a high standard of quality as it is reasonable for the Buyer to expect in all the circumstances.

8.4 Without prejudice to any other remedy, if any Goods are not supplied in accordance with the Contract, then the Buyer shall be entitled, without liability, to exercise any one or more of the following:

8.4.1 to rescind the Order;



- 8.4.2 to reject the Goods (in whole or in part) and return them to the Seller at the risk and cost of the Seller on the basis that a full refund for the Goods so returned shall be paid forthwith by the Seller;
- 8.4.3 to refuse to accept any further deliveries of the Goods;
- 8.4.4 to require the Seller to repair the Goods or to supply replacement goods in accordance with the Contract without delay;
- 8.4.5 whether or not the Buyer has previously required the Seller to repair the Goods or supply replacement Goods, to treat the Contract as discharged by the Seller's breach and require the repayment of any part of the Price which has been paid; and/or
- 8.4.6 to recover from the Seller any expenditure incurred by the Buyer in obtaining substitute goods from a third party.
- 8.5 The Seller shall at its own expense, defend, indemnify and hold harmless the Buyer in full against any and all direct, indirect or consequential liabilities (all three of which include loss of profit, loss of business, depletion of goodwill and like loss), loss, damages, injury, costs and expenses (including legal and other professional fees and expenses) awarded against, suffered, incurred or paid by the Buyer as a result of or in connection with:
- 8.5.1 breach of any express or implied warranty given by the Seller in relation to the Goods;
- 8.5.2 any claim or allegation that the Goods infringe or their importation, use, manufacture or resale infringes the intellectual property rights of any other person (except to the extent a claim directly relates to compliance with any Specification supplied by the Buyer);
- 8.5.3 any liability under any applicable consumer or product liability legislation in respect of the Goods;
- 8.5.4 any act or omission of the Seller and/or its employees, agents or sub-contractors in supplying, delivering and/or commissioning the Goods; and
- 8.5.5 without prejudice to the foregoing, any other claim made against the Buyer in respect of any liability, loss, damage, injury, cost or expense sustained by the Buyer's employees, agents or sub-contractors or by any customer or third party to the extent that such liability, loss, damage, injury, cost or expense was caused by, relates to or arises from the Goods as a consequence of a direct or indirect breach or negligent performance or failure or delay in performance of the terms of the Contract by the Seller.
- 8.6 The Seller must have and maintain both during the term of the Contract and for a period of three years after delivery of the Goods, insurance cover sufficient to cover any and all loss or costs that may be incurred and/or for which the Seller is liable in connection with the supply of the Goods, including, as appropriate, Product Liability, Public Liability and Professional Indemnity insurance. The Seller must provide evidence of such insurance upon request from the Buyer from time to time.
- 8.7 Neither the Seller nor the Buyer shall be liable to the other or be deemed to be in breach of the Contract by reason of any delay in performing, or any failure to perform, any of its obligations in relation to the Goods if the delay or failure was beyond that party's reasonable control. If the period or failure to perform continues for 30 days or more then the party who is not suffering the force majeure event may terminate the Contract by giving written notice to the affected party.
- 9. TERMINATION**
- 9.1 The Buyer shall be entitled to terminate and/or cancel all or any part of an Order or the Contract by giving thirty (30) days written notice to the Seller at any time prior to delivery in which event the Seller shall discontinue any further work on the Order and the Buyer's sole liability shall be to pay to the Seller the Price for the Goods already delivered.
- 9.2 Without prejudice to its other rights and remedies, the Buyer shall be entitled to terminate the Contract in whole or in part without liability, by the Buyer giving notice to the Seller at any time in the event that:
- 9.2.1 the Seller (depending on his/its status) dies, has a bankruptcy order made against him or makes an arrangement or composition with his/its creditors, or takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, or convenes a meeting of creditors (whether formal or informal), or enters into liquidation (whether voluntary or compulsory) except a solvent voluntary liquidation for the purpose only of reconstruction or amalgamation, or has a receiver and/or manager administrator or administrative receiver appointed over its undertaking or any part thereof, or documents are filed at court for the appointment of an administrator of the Seller or notice of intention to appoint an administrator is given by the Seller or its directors or by a charge holder, or a resolution is passed or a petition presented to any court for the winding-up of the Seller or for the grant of an administration order in respect of the Seller, or any proceedings are commenced relating to the insolvency or possible insolvency of the Seller or, if the step or action is taken in another jurisdiction, in connection with any analogous procedure in the relevant jurisdiction; or
- 9.2.2 the Seller (depending on his/its status) suffers or allows any execution, whether legal or equitable, to be levied on its property or obtained against him/it, or fails to observe or perform any of its obligations under the Contract or these Conditions or any other contract between the Seller and the Buyer, or the Seller is unable to pay its debts as they fall due or ceases, or threatens to cease, to carry on business; or
- 9.2.3 the Buyer reasonably believes that any of the events mentioned in this Condition 9 is about to occur.
- 10. NOTICES**
- 10.1 This Condition 10 shall not apply to the service of any proceedings or other documents in any legal action.
- 10.2 Notices and communications served in respect of the Contract shall be in writing and:
- 10.2.1 addressed to the registered office or the principal place of business of the notified party or to a fax number or email address notified by a party to the other for the purpose of the service of such notices and communications;
- 10.2.2 delivered in person, by registered post, by message or by email;

- 10.2.3 deemed served: (i) where delivered personally upon delivery; (ii) where delivered by registered post at the time reported by the relevant postal agent; (iii) where delivered by facsimile message at the time shown on the sender's written 'message sent' confirmation; and (iv) where delivered by email and provided no 'message undelivered' email is received by the sender before being deemed to have been served, the earlier of: (a) receipt of a delivery confirmation email; (b) receipt of an acknowledgement from the recipient; and (c) one Business Day (being a day (other than a Saturday, Sunday or public holiday) when banks in London are open for business) of being sent.

11. EXPORT CONTROLS

- 11.1 The Seller shall comply fully with any applicable sanctions, export control, restrictions on funds transfer and related laws and regulations of the United States of America, the United Kingdom, the European Union, Switzerland and the United Nations, or to which Supplier or the Buyer is subject from time to time, including, without limitation, the US Export Administration Regulations, the US International Traffic in Arms Regulations, the US Department of Treasury Office of Foreign Asset Control's economic sanctions regulations, sanctions programs maintained by the United Kingdom's Her Majesty's Treasury and any applicable European Union restrictive measure that has been implemented pursuant to any European Council or Commission Regulation or Decision adopted pursuant to a Common Position in furtherance of the European Union's Common Foreign and Security Policy) ("Export Controls").
- 11.2 The Seller shall, notify the Buyer: (i) upon receipt of the Order if the Goods are subject to any Export Controls or contain US origin content or technology; or (ii) as soon as it becomes aware that the Goods are subject to Export Controls or contain US origin content or technology.
- 11.3 The Seller shall provide the Buyer with certificates of origin for the Goods prior to shipping the Goods to the Buyer.
- 11.4 The Seller warrants that, so far as it is aware, performance of the Contract and the purchase and use of the Goods by the Buyer will not expose the Buyer or its banking partners to the risk of breaching any Export Controls.

12. GENERAL

- 12.1 The Buyer may at any time assign, transfer, charge, sub-contract or deal in any other manner with any or all of its rights or obligations under the Contract.
- 12.2 The Contract is personal to the Seller and the Seller shall not assign, sub-contract or otherwise dispose of or deal with any of its rights or obligations under the Contract.
- 12.3 No waiver by the Buyer of any breach of the Contract by the Seller shall be considered as a waiver of any subsequent breach of the same or any other provision.
- 12.4 Each right or remedy of the Buyer under the Contract is without prejudice to any other right or remedy of the Buyer whether under the Contract or otherwise.
- 12.5 If any provision of the Contract is found by any court or other body of competent jurisdiction to be wholly or partly illegal, invalid, voidable, unenforceable or unreasonable, it shall to the extent of such illegality, invalidity, voidness, unenforceability or unreasonableness be deemed severable and the remaining provisions of such provision and the Contract shall continue in full force and effect.
- 12.6 Clauses which expressly or by implication survive termination of this Contract or delivery of the Goods pursuant to the relevant Order shall continue in full force and effect.
- 12.7 The Contract shall be exclusively governed by the laws of the country and/or federal state in which the Buyer's registered offices are located and the parties hereby submit to the exclusive jurisdiction of the courts of the country and/or federal state in which the Buyer's registered offices are located in relation to any disputes or claims arising in relation to the Contract. The provisions of the United Nations Convention on Contracts for the International Sale of Goods ("The Vienna Convention") are hereby excluded from the Contract.

13. RELEVANT REQUIREMENTS

- 13.1 Supplier shall: (i) comply with all other applicable laws, statutes, regulations, and codes relating to (but not limited to) the prevention of the facilitation of tax evasion, bribery and corruption, human trafficking, slavery and child labor, money laundering and counterfeiting (the "Relevant Requirements"); (ii) not engage in any activity, practice or conduct which would constitute an offence under the Relevant Requirements; and (iii) have and shall maintain in place throughout the term of the Order its own policies and procedures to ensure compliance with the Relevant Requirements, and will enforce them where appropriate.
- 13.2 Supplier shall ensure that any person associated with the Supplier (including any subcontractor) who is providing goods, software, data, information or other materials in connection with the Order does so only in compliance with the Relevant Requirements. Supplier shall be responsible for the compliance with the Relevant Requirements by such persons and shall be directly liable to Buyer for any breach by such persons of any of the Relevant Requirements.

*END

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Attachment 1

The Filtrona Group consist of the following Buyers:

- Filtrona Group Holdings Limited
- Filtrona Filters Inc
- Filtrona Tapes Inc
- Filtrona do Brasil Ltda
- Filtrona Products S.A.
- Filtrona Filters Kft
- Filtrona FZE
- TAPEFILT (INDIA) PRIVATE LIMITED
- ITC Filtrona Limited
- Filtrona Pte. Ltd
- China Tobacco Filtrona (Xiamen) Filters Co Ltd
- PT Filtrona Manufacturing Indonesia
- PT Filtrona Trading Indonesia
- Filtrona Ltd