

1 Definitions and Interpretations

1.1 In these Conditions unless the context otherwise requires:

“**Affiliates**” means as the context shall require the principal or associated subsidiary companies from time to time of Kronospan;

“**Applicable Laws**” means all national, supranational, foreign or local laws (including case law), legislation, European regulations, statutes, statutory instruments, rules, regulations, edicts, by-laws or directions or guidance from government or governmental agencies including any rules, regulations, guidelines or other requirements of relevant regulatory authorities which have the force of law in effect from time to time, including but not limited to competition and antitrust laws;

“**Business Day**” means a day (other than a Saturday or Sunday) on which the banks are ordinarily open for business in the City of London;

“**Conditions**” means these terms and conditions and any special terms and conditions agreed in writing between Kronospan and the Supplier;

“**Contract**” means any contract between Kronospan and the Supplier for the purchase of Goods and/or Services incorporating these Conditions and the Order;

“**Goods**” means the goods (including any part or parts of them) which the Supplier is to provide to Kronospan pursuant to the Order in accordance with these Conditions;

“**Intellectual Property**” means any patent, copyright, trade mark, service mark or trade name, right in software, right in design, right in databases, image right, moral right, right in an invention, right relating to passing off, domain name, right in confidential information (including trade secrets) or right of privacy, and all similar or equivalent rights in each case whether registered or not and including all applications (or rights to apply) for, or renewal or extension of, such rights which exist now or which will exist in the future in the United Kingdom and all other countries in the world in each case whether registered or not and including any application for registration of the foregoing;

“**Kronospan**” means the member of the Kronospan group who places the Order including any one of the following: (1) Kronospan Limited (company number: 00981905); (2) Kronospan Sawmilling Limited (company number: 02168107); (3) Kronospan Property Limited (company number: 02197702); (4) Kronoplus Limited (company number: 03425921); and (5) Eskdalemuir Forestry Limited (company number: 02969064), all of whose registered office is at Maesgwyn Farm, Chirk, Wrexham LL14 5NT;

“**Order**” means any order from Kronospan to the Supplier for the supply of Goods and/or Services in such form as Kronospan may determine from time to time;

“**Services**” means the services which the Supplier is to provide to Kronospan pursuant to the Order in accordance with these Conditions;

“**Specification**” means Kronospan’s specifications or stipulations for the Goods and/or Services notified in writing to the Supplier; and

“**Supplier**” means the person, firm or company to whom the Order is addressed.

1.2 The headings to Conditions are inserted for convenience only and shall not affect the interpretation or construction of these Conditions.

1.3 Words expressed in the singular shall include the plural and vice versa. Words referring to a particular gender include every gender. References to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership or other legal entity.

1.4 The words and phrases “other”, “including” and “in particular” shall not limit the generality of any preceding words or be construed as being limited to the same class as any preceding words where a wider construction is possible.

2 Basis of Contract

2.1 The Contract will be subject to these Conditions to the exclusion of all other terms and conditions including any terms or conditions which the Supplier purports to apply under any quotation, order acknowledgement or confirmations or any other document issued by the Supplier.

2.2 The Order is an offer made by Kronospan to the Supplier and the Contract shall come into effect upon written acceptance of the Order by the Supplier. Unless previously withdrawn by Kronospan, Orders shall be deemed accepted if not rejected by the Supplier by notice in writing within seven (7) days of their date. The Order number must be quoted on all correspondence, advice notes and all invoices relating to the Order.

2.3 No Order shall be capable of acceptance by the Supplier unless it is in writing and is issued by an authorised representative on behalf of Kronospan.

3 Delivery

3.1 The Goods shall be delivered strictly in accordance with Kronospan’s delivery instructions for the Goods as described in the Order, and if none, Delivered Duty Paid (DDP) (Premises nominated by Kronospan) (Incoterms 2010) between 09:00 and 16:00 hours on a Business Day or at such other time as stated in the Order or notified to the Supplier by Kronospan.

3.2 Kronospan shall be under no obligation to accept delivery of the Goods before the specified delivery time, but reserves the right to do so.

3.3 Kronospan shall have the right to change its delivery instructions at any time.

3.4 The Supplier will mark the Goods in accordance with the Order or other instructions notified to the Supplier. A detailed advice note quoting the Order number shall accompany the Goods. Any breach of this Condition 3.4 shall entitle Kronospan to withhold payment of the Contract sum until such time as the breach is remedied.

3.5 Kronospan shall not be obliged to accept quantities of the Goods which vary from those specified in the Specification or the Order.

3.6 The Goods will be properly packed and secured in such a manner as to reach their destination undamaged and in good condition. Kronospan shall not be obliged to return to the Supplier any packaging materials for the Goods.

3.7 The Supplier shall not deliver the Goods in instalments without Kronospan’s prior written consent. Where it is agreed by Kronospan that the Goods are delivered by instalments, they may be invoiced and paid for separately. Kronospan may suspend the delivery of the Goods by instalments on the provision of reasonable notice where, for any reason whatsoever, Kronospan is unable to use the Goods for the purpose(s) for which they are required. Kronospan shall provide reasonable notice to the Supplier where such suspension is to be stopped.

3.8 Failure by the Supplier to deliver any one instalment on time or at all shall entitle Kronospan to the remedies set out at Condition 8.3.

3.9 Kronospan reserves the right to weigh the Goods (and materials appropriated to the Goods or provided as part of the Services) at Kronospan’s premises on delivery and the Supplier shall pay to Kronospan the costs at Kronospan’s prevailing standard rate from time to time plus VAT for use of Kronospan’s weighbridge and/or any other services which Kronospan makes available to the Supplier for the purposes

of weighing the Goods. Kronospan is entitled to deduct such costs from the total sums payable under the Contract.

3.10 Kronospan reserves the right at any time during normal business hours to inspect, check or test (itself or through a nominee) any Goods ordered but not yet delivered and the performance or progress of the Supplier's obligations under the Contract. For this purpose, the Supplier shall provide to Kronospan, or otherwise arrange for, reasonable facilities of access to the Supplier's premises or any other premises. Such inspection, test or check shall not relieve the Supplier of liability under these Conditions nor does it imply acceptance of the Goods.

3.11 The Supplier shall, on demand, identify to Kronospan the name and address of any person other than the Supplier who:

- (a) actually or apparently manufactured the Goods; and/or
- (b) imported the Goods into the European Economic Area.

4 Acceptance

4.1 Kronospan shall not be deemed to have accepted any Goods until it has had a reasonable time to inspect them following delivery or after any latent defect has become apparent. No inspection or testing by Kronospan whether before or after delivery of the Goods nor the signing of any delivery note or other document acknowledging physical receipt of any Goods shall be deemed to constitute or evidence acceptance or approval of the Goods for the purposes of the Sale of Goods Act 1979 (as amended) nor be deemed a waiver of Kronospan's rights either to cancel or return all or any part of the Goods where the Goods are found to be defective or not in accordance with the Contract, Order and Specification.

4.2 Kronospan may return the Goods to the Supplier at the Supplier's risk and expense or may notify the Supplier that the Goods are rejected whereupon the Goods shall be at the Supplier's risk and expense.

4.3 If the Supplier fails to deliver the Goods and/or perform the Services, in whole or in part, by the date and time specified (if no date specified, within three (3) months from the date of the Order), Kronospan shall be entitled to reject Goods not delivered on time or Services not performed on time and/or cancel the Order in respect of any Goods undelivered or Services unperformed and/or return any Goods already delivered which are no longer of use and/or recover from the Supplier any costs incurred by Kronospan as a result of the Supplier's failure to meet delivery obligations and/or recover any monies already paid to the Supplier under the Contract. Such rights in this Condition 4.3 shall be available to Kronospan irrespective of the cause of the delay, without prejudice to Kronospan's right to damages and other remedies against the Supplier for breach of contract.

4.4 The Supplier shall promptly keep Kronospan informed of any matter of which it is or reasonably should, as supplier of the Goods, be aware relating to the storage, transportation, handling, assembly or use of the Goods by Kronospan (including legislation or advice from responsible or professional or legal bodies in respect of raw materials used in the manufacture of the Goods) and the actions it has taken or proposes to take and those that Kronospan should take in relation to such matters.

4.5 Part deliveries may be rejected (in whole or in part) by Kronospan. Should Kronospan agree to accept partial or late deliveries in lieu of a single delivery, the Supplier agrees to pay for the delivery costs of such express delivery service that Kronospan shall reasonably require.

5 Title and Risk

5.1 The Goods shall be at the risk of the Supplier until they are delivered in accordance with the Contract when, without prejudice to any right of rejection which Kronospan may have under the Contract or by law, title to and risk in the Goods shall pass to Kronospan, provided that if Kronospan pays for the Goods prior to delivery, title to the Goods (and materials appropriated to the Goods or provided as part of the Services) shall pass to Kronospan when payment is made.

6 Provision of Services

6.1 If the Contract is for or includes Services to be performed by the Supplier then, the Supplier shall:

- (a) provide the Services with reasonable skill and care;
- (b) co-operate with Kronospan in all matters relating to the Services, and comply with all reasonable instructions of Kronospan;
- (c) use personnel who are suitably skilled and experienced to perform the tasks assigned to them, and in sufficient number to ensure that the Supplier's obligations are fulfilled in accordance with the Contract;
- (d) ensure that the Services will conform with all descriptions and specifications set out in the Order and the Specification, and that any deliverables shall be fit for any purpose expressly or impliedly made known to the Supplier by Kronospan for a period of at least three (3) years from the date of completion of performance of the Services unless stated otherwise in the Order;
- (e) provide all equipment, tools and vehicles and such other items as are required to provide the Services;
- (f) use the best quality goods, materials, standards and techniques, and ensure that all goods and materials supplied and used in the Services or transferred to Kronospan, will be free from defects in workmanship, installation and design;
- (g) obtain and at all times maintain all necessary licences and consents
- (h) comply with all Applicable Laws;
- (i) observe all health and safety rules and regulations and any other security requirements that apply at any of Kronospan's premises; and
- (j) comply with any reasonable instructions and guidelines issued by Kronospan from time to time.

6.2 Time of performance of the Services is of the essence of the Contract.

7 Prices and Payment

7.1 The price (and currency) of the Goods and/or Services shall be stated in the Order (and the currency shall be UK pounds sterling unless stated otherwise in the Order). The price shall be inclusive of all packaging, packing, labelling, insurance and delivery costs and all other costs incurred by the Supplier in relation to the Goods and their delivery unless otherwise specified in the Order.

7.2 All sums payable under the Contract are exclusive of VAT which shall be added if appropriate at the rate prevailing at the relevant tax point but inclusive of any other applicable tax or duty payable upon such sums. VAT, where applicable, shall be payable by Kronospan subject to the submission of a valid VAT invoice to Kronospan by the Supplier.

7.3 The Supplier may only invoice Kronospan on or after delivery of the Goods or completion of the performance of the Services and invoices submitted early shall be deemed received on the date of delivery of the Goods or date of completion of the performance of the Services. Invoices shall be in such form as Kronospan specifies from time to

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time and shall be addressed to the Accounts Department at the address for Kronospan set out in the Contract. Kronospan's Order number shall be quoted clearly on each invoice and on all invoices, correspondence and advice notes.

- 7.4 Unless otherwise stated in the Order, Kronospan shall pay the price of the Goods and/or Services within ninety (90) days of the date of receipt by Kronospan of a correctly rendered invoice to a bank account nominated in writing by the Supplier.
- 7.5 Any delay by the Supplier in providing a correctly rendered invoice for any reason shall not prejudice Kronospan's right to an early payment discount or other preferential payment terms agreed between Kronospan and the Supplier.
- 7.6 Notwithstanding Condition 7.5 above, unless agreed otherwise between the parties three (3) per cent shall be discounted from the total amount of the invoice where Kronospan pays the price of the Goods and/or Services:
- (a) on or before the 15th day of a month where the correctly rendered invoice is received on or before the 15th day of the preceding month; or
 - (b) on or before the last day of a month where the correctly rendered invoice is received after the 15th day of the preceding month.
- 7.7 If Kronospan fails to pay any amount properly due and payable by it under the Contract, the Supplier shall have the right to charge interest on the overdue amount at the rate of two (2) per cent per annum above the base rate for the time being of HSBC Bank plc accruing on a daily basis from the due date up to the date of actual payment, whether before or after judgment. This Condition shall not apply to payments that Kronospan disputes in good faith.
- 7.8 The prices charged by the Supplier to Kronospan shall not exceed those prices charged by the Supplier to any other customer purchasing the same or similar goods and/or services in the same or smaller quantities and Kronospan shall be entitled to any discount for prompt payment, bulk purchase or volume of purchase customarily granted by the Supplier.
- 7.9 If the price is stated in the Order to be on a "time and materials" or "cost plus" basis or similar the Supplier shall give Kronospan access to all documents and information in the Supplier's possession or under its control to enable Kronospan to satisfy itself that the amount charged by the Supplier is properly and correctly charged in accordance with the Contract and in default Kronospan shall be entitled to withhold payment in whole or in part until such default is rectified to the satisfaction of Kronospan.
- 7.10 If any sums are due to Kronospan from the Supplier, then Kronospan shall be entitled to exercise the right to set-off such sums against any payments due to the Supplier from Kronospan under or in relation to this or any other Contract. The Supplier shall not be entitled to apply any amount due to Kronospan under the Contract in or towards payment of any sum owing by Kronospan to the Supplier in relation to any matter whatsoever.
- 7.11 Any money paid by Kronospan to the Supplier in respect of any Goods rejected under these Conditions together with any additional expenditure over and above the price specified in the Order reasonably incurred by Kronospan in obtaining other goods in replacement of any rejected Goods shall be paid by the Supplier to Kronospan within fourteen (14) days of the date of Kronospan's notice demanding the same or, at Kronospan's sole option, shall be deducted from the money still to be paid by Kronospan to the Supplier in relation to such Goods.

8 Warranties

- 8.1 Where Goods or Services are supplied with the benefit of specific warranty in the Order, such warranty shall apply in

addition to the warranties set out in Condition 6.1 and Condition 8.2.

- 8.2 The Supplier undertakes, represents and warrants to Kronospan that the Goods to be provided by the Supplier shall:
- (a) be accompanied with accurate, complete and comprehensible instructions for the treatment, assembly, use and/or storage of the Goods;
 - (b) conform to the Specification and with any instructions of Kronospan, and shall otherwise meet the requirements of the Order and this Contract;
 - (c) be of satisfactory quality, free from defects in materials and workmanship and fit for their intended purpose (whether such purpose is implied or expressly stated in the Specification, Orders or Contract) for a period of three (3) years from the date of delivery to Kronospan unless stated otherwise in the Order;
 - (d) be free from design and other inherent defects (save to the extent that the Goods have been supplied in accordance with designs of Kronospan) for a period of three (3) years from the date of delivery to Kronospan unless stated otherwise in the Order;
 - (e) comply with all Applicable Laws;
 - (f) conform strictly as to quality, quantity and description with any samples provided by the Supplier for the purpose of supply of Goods of that type.
- 8.3 The Supplier shall use its best endeavours to transfer or assign to Kronospan or otherwise obtain for the benefit of Kronospan any guarantee, warranty or other confirmation of quality, title or fitness for purpose given by any manufacturer of the Goods in respect of the Goods (or part thereof) to the extent that the same is capable of such transfer or assignment to Kronospan or otherwise providing such benefit for Kronospan.
- 8.4 The Supplier shall comply with all Applicable Laws in performing its obligations under this Contract.
- 8.5 Where there is any breach of the Supplier's warranty in the Order, Condition 6.1 or Condition 8.2 above or if any obligation, warranty or requirement imposed by, given or stated in the Contract in respect of the Goods or Services is not complied with, or the Goods or any instalment of the Goods are not delivered at the specified time or the Goods delivered are damaged Kronospan shall be entitled at its sole discretion without liability to the Supplier (arising out of such action) and without prejudice to any other right or remedy Kronospan may have to take one or more of the following actions to:
- (a) cancel the Contract and treat the Contract as having never been entered into by the Supplier;
 - (b) reject the relevant Goods (in whole or in part) and any Goods already delivered which cannot be effectively and commercially used by reason of the non delivery of any undelivered Goods;
 - (c) refuse to accept any subsequent delivery of the Goods;
 - (d) recover from the Supplier any costs reasonably incurred by Kronospan in obtaining substitute goods or services from another supplier;
 - (e) require the Supplier at its sole cost to replace, repair the Goods or carry out such work as is necessary within fourteen (14) days so that the Goods conform to the Contract, Order and Specification whereupon the Supplier's warranty in the Order and Condition 8.2 shall continue to apply;
 - (f) require the Supplier at its sole cost to re-execute the Services in accordance with the Contract, Order and

Specification within seven (7) days whereupon the Supplier's warranty in the Order and Condition 6.1 shall continue to apply;

- (g) treat this Contract as discharged by the Supplier's breach and:
- (i) delay payment of the price for the Goods and Services until the requirements of this Contract, Order and any Specification are entirely fulfilled,
 - (ii) refuse to make payment of the price of the Goods or Services; or
 - (iii) require the repayment of any part of the price of the Goods or Services which Kronospan has paid whether or not Kronospan has previously required the Supplier to repair the Goods, supply any replacement Goods or re-execute the Services; and/or
- (h) claim such damages as may have been incurred by Kronospan as a result of the Supplier's breach of the Contract.

8.6 If Kronospan claims that an Order has not been fulfilled or has been incorrectly fulfilled the Supplier shall be deemed to accept the validity of the claim unless it serves written notice on Kronospan disputing the said claim and stating the reasons for its dispute within seven (7) days of the date of the said claim.

8.7 If Kronospan exercises any right under these Conditions Kronospan may at its absolute discretion require the Supplier to collect the relevant Goods forthwith or return the Goods to the Supplier at the Supplier's cost.

8.8 Kronospan's rights under these Conditions are in addition to any statutory remedies available to Kronospan.

9 Product Recall

9.1 The Supplier shall immediately notify Kronospan in writing providing all relevant details if it discovers that there is:

- (a) any defect in the Goods which have been delivered to Kronospan at any time; or
- (b) any error or omission in the instructions for the use and/or assembly of the Goods;

(whether or not any such defect, error or omission represents a breach of the warranty in Condition 8.2 or any other Condition) which causes or may cause any risk of death, injury or damage to property.

9.2 Kronospan may at its discretion and at the Supplier's own cost:

- (a) recall any Goods or any other products into which the Goods have been incorporated already sold by Kronospan to its customers (whether for a refund, credit or replacement which shall in each case be undertaken by the Supplier at Kronospan's option); and/or
- (b) issue any notification whether in writing or otherwise to its customer about the manner of use or operation of any Goods or any other products into which the Goods have been incorporated already sold by Kronospan to its customers;

in each case on the basis of the identification whether by Kronospan, its customers or any third party of any defect in the relevant Goods or any error or omission in the instructions for their use or assembly (whether or not that defect, error or omission represents a breach of the warranty in Condition 8.2 above or any other Condition) which Kronospan reasonably concludes affects or may affect

any of the Goods supplied which causes or may cause any risk of death, injury or damage to property.

10 Indemnity

10.1 Without prejudice to Kronospan's other rights and remedies the Supplier shall indemnify and keep Kronospan indemnified in full against all actions, claims, demands, proceedings, liabilities, costs, expenses, damages and losses (whether direct or indirect), including any interest, fines, legal and other professional fees and expenses awarded against or incurred or paid by Kronospan as a result of or in connection with:

- (a) any claim made against Kronospan by a third party for death, personal injury or damage to property arising out of, or in connection with, defects in Goods or Services, to the extent that the defect in the Goods is attributable to the acts or omissions of the Supplier, its employees, agents or subcontractors;
- (b) any claim made against Kronospan by a third party arising out of, or in connection with, the supply of the Goods or Services, to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of the Contract by the Supplier, its employees, agents or subcontractors;
- (c) any claim made against Kronospan for actual or alleged infringement of a third party's Intellectual Property Rights arising out of, or in connection with, the manufacture, supply or use of the Goods, or receipt, use or supply of the Services;
- (d) the employment or termination of employment of any employee(s) of Kronospan or persons providing services similar to the Services whose employment may transfer to the Supplier in connection with the commencement or termination of the Contract or who claim that their employment or such claims so transfer;
- (e) the termination of employment of any employee(s) of the Supplier or their subcontractors arising from the termination of the Contract (or a person who would have been an employee of the Supplier or their subcontractors but for such termination).

10.2 The Supplier shall provide all facilities, assistance and advice required by Kronospan or its insurers for the purpose of contesting or dealing with any action, claim or matter arising out of the Supplier's performance, or purported performance of, or failure to perform, the Contract.

11 Insurance

11.1 The Supplier shall at its own cost (and shall ensure that subcontractors of the Supplier shall at their own cost) effect and keep in place with reputable insurers such insurance policies as are appropriate and adequate having regard to its obligations and liabilities under the Contract including but not limited to product liability, public liability, employers liability and professional indemnity insurance.

11.2 The Supplier shall (and shall ensure that subcontractors of the Supplier shall) on the written request of Kronospan from time to time provide Kronospan with reasonable details of the insurance maintained in force in accordance with this Condition 11. The Supplier shall (and shall ensure that its subcontractors shall) do nothing to invalidate any of the policies maintained in force in accordance with this Condition 11. The aggregate amount of the insurances required from the Supplier (and the Supplier's subcontractors (as the case may be)) pursuant to Condition 11.1 above shall be no less than £10,000,000 at any one time.

12 Confidentiality

12.1 The Supplier shall keep and procure to be kept secret and confidential all information disclosed or obtained as a result of the relationship of the parties under the Contract and shall not use nor disclose the same save for the purposes of

the proper performance of the Contract or with the prior written consent of Kronospan.

12.2 The obligations of confidentiality in this Condition 12 shall not extend to any information which the Supplier can show is in, or has become part of, the public domain other than as a result of a breach of the obligations of confidentiality under these Conditions; was in its written records prior to entering into the Contract and not subject to any confidentiality obligations; was independently disclosed to it by a third party entitled to disclose the same or is required to be disclosed under any applicable law, or by order of a court or governmental body or authority of competent jurisdiction.

12.3 The Supplier shall not make any announcement or otherwise publicise the existence of or disclose to any person the provisions of the Contract without the prior written consent of Kronospan.

13 Intellectual Property

13.1 All materials including tools, jigs, special tackle, patterns, plates, designs and any Specifications supplied by Kronospan, and any copies made by or for the Supplier shall be the property of Kronospan, shall remain Kronospan's property, shall only be used for the purposes of this Contract, shall be treated by the Supplier as strictly confidential and shall be returned by the Supplier as strictly confidential and shall be returned by the Supplier immediately on request to Kronospan at the Supplier's sole risk and cost and in the case of items for which Kronospan has provided only part of the cost, upon payment of the remainder of such cost. The Supplier shall indemnify and keep Kronospan indemnified against any loss or damage to materials supplied by Kronospan whilst in the Supplier's possession.

13.2 Any and all Intellectual Property created or acquired in the course of or as a result of any work carried out by the Supplier under or in pursuance of the Contract, shall, from the date of their creation or acquisition by the Supplier and otherwise promptly upon request by Kronospan, belong exclusively, throughout the world, to Kronospan.

13.3 The Supplier shall grant or procure the grant of an adequate licence or sub-licence to Kronospan at no extra cost, of any Intellectual Property which the Supplier does not own, incorporated or utilised in any work done by the Supplier for Kronospan in pursuance of the Contract sufficient to enable Kronospan to make full use of such work and to repair, update or maintain the work in which such results are incorporated.

13.4 The Supplier hereby agrees and undertakes promptly at the request of Kronospan, but at its own cost, to do all such acts or deeds and execute all such documents as may be required by Kronospan to give effect to the provisions and intentions of this Condition 13.

14 Termination

14.1 Kronospan may immediately terminate the Contract without payment of compensation or other damages caused to the Supplier solely by such termination by giving notice in writing to the Supplier if any one or more of the following events happens:

- (a) the Supplier commits a material breach of any of its obligations under the Contract which is incapable of remedy;
- (b) the Supplier fails to remedy, where it is capable of remedy, or persists in any breach of any of its obligations under the Contract after having been required in writing to remedy or desist from such breach within a period of seven (7) days;
- (c) the Supplier commits a breach of any Applicable Law;
- (d) the Supplier:

(i) suspends, or threatens to suspend, payment of its debts (whether principal or interest) or is deemed to be unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986;

(ii) calls a meeting, gives a notice, passes a resolution or files a petition, or an order is made, in connection with the winding up of that party (save for the sole purpose of a solvent voluntary reconstruction or amalgamation);

(iii) has an application to appoint an administrator made or a notice of intention to appoint an administrator filed or an administrator is appointed in respect of it or all or any part of its assets;

(iv) has a receiver or administrative receiver appointed over all or any part of its assets or a person becomes entitled to appoint a receiver or administrative receiver over such assets;

(v) takes any steps in connection with proposing a company voluntary arrangement or a company voluntary arrangement is passed in relation to it, or it commences negotiations with all or any of its creditors with a view to rescheduling any of its debts;

(vi) or any partner in the Supplier appears on reasonable grounds to be unable to pay its debts within the meaning of section 268 of the Insolvency Act 1986 or presents its own or has presented against it a bankruptcy petition or a bankruptcy order is made against it;

(vii) or any partner in the Supplier proposes a voluntary arrangement within the meaning of section 1 or section 253 of the Insolvency Act 1986 or an interim order is made in relation to the other party under section 252 of the Insolvency Act 1986, or any other steps are taken or negotiations commenced by the other party or any of its creditors with a view to proposing any kind of composition, compromise or arrangement involving the other party and any of its creditors;

(viii) has any steps taken by a secured lender to obtain possession of the property on which it has security or otherwise to enforce its security;

(ix) has any distress, execution or sequestration or other such process levied or enforced on any of its assets which is not discharged within fourteen (14) days of it being levied;

(x) or any partner in the Supplier dies or becomes a patient under any mental health legislation or is subject to a term of imprisonment whether or not suspended;

(xi) where has any proceeding taken, with respect to it in any jurisdiction to which it is subject, or any event happens in such jurisdiction that has an effect equivalent or similar to any of the events in this Condition 14.1(d); and/or

(e) ceases, or appears in the reasonable opinion of Kronospan likely or is threatening to cease, to carry on all or a substantial part of its business.

14.2 The termination of the Contract shall be without prejudice to the rights and remedies of either party which may have accrued up to the date of termination.

14.3 Upon termination of the Contract for any reason whatsoever:

- (a) (subject to Condition 14.2 above) the relationship of the parties shall cease save as (and to the extent) expressly provided for in this Condition 14.3;
- (b) any provision which expressly or by implication is intended to come into or remain in force on or after termination shall continue in full force and effect;
- (c) the Supplier shall immediately return to Kronospan (or if Kronospan so requests by notice in writing, destroy) all of Kronospan's property in its possession at the date of termination including all confidential information, together with all copies of such confidential information and shall certify that it has done so, and shall make no further use of such confidential information; and
- (d) all Contracts and Orders outstanding are terminated unless Kronospan expressly states otherwise in writing.

15 Assignment, Sub-Contracting and Third Party Rights

15.1 The Contract is personal to the Supplier. The Supplier shall not assign, delegate, sub-contract, transfer, charge or otherwise dispose of all or any of its rights and responsibilities under the Contract without the prior written consent of Kronospan.

15.2 If any such consent is given it shall not relieve the Supplier from any obligation under the Contract and the Supplier shall be responsible for all acts and omissions of any sub-contractor, assignee, transferee or charge as if they were the acts or omissions of the Supplier.

15.3 Kronospan may assign, delegate, sub-contract, transfer, charge or otherwise dispose of all or any of its rights and responsibilities under the Contract at any time without the prior written consent of the Supplier.

15.4 Kronospan's Affiliates may enforce the provisions of the Contract. Any other person who is not a party to the Contract (including any employee, officer, agent, representative or subcontractor of either party) shall not have the right to enforce any provision of the Contract. The rights of the parties to terminate, rescind or agree any variation, waiver or settlement under the Contract are not subject to the consent of any person that is not a party to the Contract.

16 Health and Safety

16.1 The Supplier shall comply with, and shall ensure its employees, agents and sub-contractors comply with, all applicable policies, site regulations, instructions and safety rules of Kronospan and with all Applicable Laws. All such personnel working on Kronospan's premises must first report to Kronospan's engineer or production manager (as identified to the Supplier) before the commencement of any work. Failure to comply with this Condition 16.1 shall entitle Kronospan to deduct (as a genuine pre-estimate of loss) up to 2.5% of the price payable for the Goods and/or Services pursuant to Condition 7.1, provided at all times that such deduction equates to no less than £500. Such deduction is without prejudice to Kronospan's other rights and remedies.

16.2 The Supplier warrants that the Goods or materials to be supplied in accordance with the Order shall be safe and without risk to health or environment when properly used and the Supplier shall provide all necessary information in connection with the design, testing and use of them (whether or not such information has been requested by Kronospan).

17 Anti Bribery

17.1 The Supplier undertakes that it:

- (a) has not committed an offence under the Bribery Act 2010 ("**Bribery Offence**");

- (b) has not been formally notified that it is subject to an investigation relating to an alleged Bribery Offence or prosecution under the Bribery Act 2010; and

- (c) is not aware of any circumstances that could give rise to an investigation relating to an alleged Bribery Offence or prosecution under the Bribery Act 2010.

17.2 The Supplier agrees that it:

- (a) has in place, and shall maintain until termination of the Contract, adequate procedures designed to prevent persons associated with the Supplier (including an employee, sub-contractor, agent or other third party working on behalf of the Supplier (an "**Associated Person**") from committing a Bribery Offence;

- (b) shall comply with the Bribery Act 2010 and shall not, and shall procure that no Associated Person shall, commit any Bribery Offence or any act which would constitute a Bribery Offence;

- (c) shall not do or permit anything to be done which would cause Kronospan or any of Kronospan's employees, sub-contractors or agents to commit a Bribery Offence or incur a Bribery Offence or incur a liability in relation to the Bribery Act 2010; and

- (d) shall notify Kronospan immediately in writing if it becomes aware or has any reason to believe that it has, or any of its Associated Persons have, breached or potentially breached any of the Supplier's obligations under this Condition, such notice to set out full details of the circumstances concerning the breach or potential breach of the Supplier's obligations.

18 Non-solicitation

18.1 The Supplier shall not directly or indirectly solicit or entice away (or attempt to solicit or entice away) from the employment of Kronospan or any of its Affiliates or any of Kronospan's key suppliers other than the Supplier insofar as they relate to the provision of the Goods and/or Services, any employee of such party. The Supplier shall not be in breach of this Condition 18.1 as a result of running a bona fide advertising campaign open to all comers and not specifically targeted at any of the employees of the parties listed in this Condition 18.1.

19 General

19.1 The Supplier shall not exercise any right of lien, general or otherwise and howsoever arising, over any Goods or any other property of Kronospan in the Supplier's possession, in respect of any sums owed by Kronospan to the Supplier under the Contract or otherwise.

19.2 Nothing in the Contract shall create, or be deemed to create, a partnership or joint venture or relationship of employer and employee or principal and agent between the parties and no employee of the Supplier shall be deemed to be or have become an employee of Kronospan.

19.3 No purported alteration or variation of the Contract or these Conditions shall be effective unless it is in writing, refers specifically to the Contract and is signed by a duly authorised representative of each of the parties to the Contract.

19.4 The waiver by either party of any breach of the Contract shall not prevent the subsequent enforcement of that provision and shall not be deemed to be a waiver of any subsequent breach of that or any other provision. Any waiver of any breach of the Contract shall be in writing.

19.5 If at any time any part of the Contract is held to be or becomes void or otherwise unenforceable for any reason under any applicable law, the same shall be deemed omitted from the Contract and the validity and/or enforceability of

the remaining provisions of the Contract shall not in any way be affected or impaired as a result of that omission.

19.6 Any notice or other communication required to be given to a party under or in connection with this Contract shall be in writing.

19.7 Notices may be served in the ways set out below at the addresses set out in the Contract or at such other address as the relevant party may give notice to the other party for the purpose of service of notices under the Contract and, the following table sets out the respective deemed time and proof of service:

Manner of Delivery	Deemed time of delivery	Proof of Service
Personal delivery	On delivery, provided delivery is between 9.00am and 5.00pm on a Business Day	properly addressed and delivered
Prepaid first class recorded domestic postal service	9.00am on the second Business Day after posting	properly addressed prepaid and posted
Prepaid international air postal service	9:00am on third Business Day after posting	properly addressed prepaid and posted

20 Law and Jurisdiction

20.1 The Contract, these Conditions and any issues, disputes or claims arising out of or in connection with either of them (whether contractual or non-contractual in nature such as claims in tort, from breach of statute or regulation or otherwise) shall be governed by, and construed in accordance with, the laws of England and Wales.

20.2 All disputes or claims arising out of or relating to the Contract shall be subject to the exclusive jurisdiction of the English and Welsh Courts to which the parties irrevocably submit.