

CONDITIONS OF PURCHASE

1. Definition

- 1.1. The "Company" shall mean Cornelius Electronics.
- 1.2. The "Supplier" shall mean the person, firm, company or other organisation to whom the Company's Purchase Order is issued.
- 1.3. The "Goods" shall mean all items including service cover the Company's Purchase Order.
- 1.4. The "Contract" shall mean the agreement between the Company and the Supplier consisting of the Purchase Order, these Conditions of Purchase and any other documents or Conditions specified or referred to in the Purchase Order.

2. General

- 2.1. All Contracts entered into by the Company are subject to governed solely by these conditions which may only be varied by the Company in writing and in any event supply of the Goods by the Supplier shall constitute acceptance of these Conditions.

3. Description

- 3.1. The Goods shall be fit for the purpose intended where made known to the Supplier in writing and of the quality described in and in accordance in all respects with the terms of the Contract and any other relevant details drawn to the Supplier's attention prior to the Contract.
- 3.2. Unless otherwise agreed in writing the Goods shall be strictly in accordance with latest British Standard Specification and/or Codes of Practice.
- 3.3. The Supplier shall ensure that the Goods comply with all relevant requirements and/or Codes of Practice of which it should reasonably be aware including but not limited to those specifically notified to it by the Company in writing as part of the Contract.

4. Delivery, Risk and Title

- 4.1. The date of delivery shall be that specified in the Contract.
- 4.2. Should the Goods or any part of them not be delivered within the time specified in the Contract the Company shall have the right to terminate the Contract either wholly or to the extent of the Supplier's default.
- 4.3. Unless otherwise agreed in writing delivery of the Goods shall be made by the Supplier at the place and in the manner specified in the Contract.
- 4.4. Risk and Title of the Goods shall pass to the Company on delivery.
- 4.5. The Company's order number stated overleaf must be clearly quoted on all despatch documents.

5. Loss or Damage in Transit

- 5.1. The Company shall advise the Supplier of any damage, loss or non-delivery of any part of a properly documented consignment of Goods the subject of any order within seven (7) days of delivery.
- 5.2. The Supplier shall forthwith make free of charge to the Company any loss or damage to the Goods notified under Condition 5.1.

6. Inspection and Rejection

- 6.1. The Company may inspect the Goods during a reasonable period after delivery has been made and shall then have the right to reject any Goods which do not conform with the provisions of Condition 3.1 by written notification to the Supplier.
- 6.2. The Company shall have the right in respect of any Goods rejected under Condition 6.1 to purchase similar Goods elsewhere and return the rejected Goods at the Supplier's risk and expense but without prejudice to any other right the Company may have against the Supplier.
- 6.3. Before exercising its right to purchase elsewhere under Condition 6.2 the Company shall allow the Supplier a reasonable period at its own risk and expense to remove the Goods rejected by the company and replace them with Goods that comply with the provisions of the Contract.

7. Warranties

- 7.1. The Supplier shall warrant that the Goods are free from any defect(s) for a period of twelve months from the date of use whether actual or latent in material, workmanship and design, and the Supplier shall, at the Company's entire discretion, at its own expense forthwith either make good any defect or replace the Goods free of charge. Nothing within this Condition is intended to limit the Supplier's liability with regard to supply of Goods that are fit for purpose or any other performance or quality specification detailed on the order.

8. Price and Payment

- 8.1. The price of the Goods shall be specified in the Contract.
- 8.2. Unless otherwise stated in the Contract or unless the Goods are rejected under Condition 6 payment shall be made as per the Company's standard payment terms of sixty (60) days end of month.
- 8.3. Value Added Tax where applicable shall be shown separately on all invoices.
- 8.4. All invoices need to state the valid Purchase Order number as supplied by the Company.

9. Documents and Information

- 9.1. All specifications, plans, drawings, process information, patterns, designs and other information issued or communicated by the Company to the Supplier in connection with the Contract are confidential and shall not be used by the Supplier except for the purposes of the Contract, nor be copied, reproduced, published or disclosed to any third party without the consent in writing of the Company.
- 9.2. Title to all items referred to in Condition 9.1 shall remain with the Company at all times and such items shall be returned to the Company on fulfilment of the Contract.



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10. Packaging and Labelling

- 10.1. The Supplier shall be responsible at its own expense for the safe and suitable packaging of the Goods.
- 10.2. The Supplier undertakes to observe the requirements of all relevant United Kingdom and internal agreements and regulations relating to the packaging, labelling and carriage of the Goods.
- 10.3. The Supplier shall ensure that all information held by or reasonably available to it regarding hazards known or believed to exist in the transport, handling or use of the Goods shall be received by the Company in writing prior to delivery of the Goods.

11. Assignment and Sub-Contracting

- 11.1. The Contract shall not be assigned by the Supplier nor sub-contracted either in whole or in part except with the Company's written consent. This shall not be necessary in the case of sub-contracts for materials, or minor items, or for any part of the work so specified in the Contract.
- 11.2. The Supplier shall be responsible for all work done or Goods supplied by any sub-contractor but shall ensure that the Company has the right to approach the sub-contractor direct and to inspect the Goods at the sub-contractor's premises at all reasonable time.

12. Indemnities

- 12.1. Except to the extent that any claim arises as a result of the negligence of the Company or the manufacture of the Goods in accordance with the design or instruction furnished by the Company:
- 12.2. Warrants that the sale and use of the Goods by the Company does not infringe any patent or other intellectual property rights of any third party and undertakes to indemnify the Company in respect any loss, expense or damage the Company may incur as a result of a breach of the warranty.
- 12.3. Undertakes to indemnify the Company in respect of any loss, expense or damage that the Company may incur of the use to which the Goods are put constitutes a breach of United Kingdom or overseas safety legislation.
- 12.4. Undertakes to indemnify the Company and hold it harmless against and assume the defence of any product liability and other third party claims resulting for Goods supplied under the Contract.

13. Force Majeure

- 13.1. Neither party shall be liable for any failure to fulfil any term or condition of the Contract if fulfilment has been delayed, hindered or prevented by circumstances beyond its reasonable controls (force majeure).
- 13.2. During any period of force majeure (or the consequence thereof) the party affected shall at all times use its reasonable endeavours to minimise the adverse effects on the other party.
- 13.3. If an event of force majeure exceeds a reasonable period either party shall have the right to terminate that Contract upon fourteen (14) days written notice to the other.



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14. Insolvency

14.1. If the Supplier becomes bankrupt or makes any arrangement with its creditors or being a company goes into liquidation or has a Receiver or Administrator appointed or any equivalent of these occurrences under foreign law the Company may without compensation forthwith terminate the Contract by notice to the Supplier without prejudice to any other rights or remedies the Company may have.

15. Change Control

15.1. The Supplier must inform the Company at the earliest opportunity of any change in the manufacturing process or raw materials required to produce the Goods. Any such change must not be implemented until such time as the Supplier received written agreement from the Company.

16. Miscellaneous

- 16.1. The failure by the Company to enforce its right under the Contract shall not be construed as a waiver of any such right.
- 16.2. Employees, agents and representatives of the Supplier visiting any of the Company's sites shall be subject to such safety and security regulations as may be in force on that site.
- 16.3. The Company shall have the right to set off any amounts owed by it to the Supplier against unpaid invoices due for the Supplier to the Company.
- 16.4. In the event of any inconsistency between these Conditions of Purchase and any additional Conditions forming part of the Contract the additional Conditions shall prevail.

17. Ethical Trade Initiative (ETI)

- 17.1. There is no forced, bonded or involuntary prison labour.
- 17.2. Workers are not required to lodge "deposits" or their identity paper with their employer and are free to leave their employer after reasonable notice.

18. Freedom of association and the right to collective bargaining are Respected.

- 18.1. Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively. The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 18.2. Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 18.3. Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

19. Working conditions are safe and hygienic

- 19.1. A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- 19.2. Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- 19.3. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 19.4. Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 19.5. The company observing the code shall assign responsibility for health and safety to a senior management representative.

20. Child labour shall not be used

- 20.1. There shall be no new recruitment of child labour. Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child; "child" and "child labour" being defined in the appendices.
- 20.2. Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- 20.3. These policies and procedures shall conform to the provisions of the relevant ILO standards.

21. Living wages are paid

- 21.1. Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.
- 21.2. All workers shall be provided with written and understandable Information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- 21.3. Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.



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22. Working hours are not excessive

- 22.1. Working hours must comply with national laws, collective agreements, and the provisions of 22.2 to 22.6 below, whichever affords the greater protection for workers. Sub-clauses 22.2 to 22.6 are based on international labour standards.
- 22.2. Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.*
- 22.3. All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular recommended to be not less than 125% of the regular rate of pay.
- 22.4. The total hours worked in any seven day period shall not exceed 60 hours, except where covered by clause 22.5 below.
- 22.5. Working hours may exceed 60 hours in any seven day period only in exceptional circumstances where all of the following are met:
- this is allowed by national law;
 - this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
 - appropriate safeguards are taken to protect the workers' health and safety; and the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.
 - Workers shall be provided with at least one day off in every seven day period or, where allowed by national law, two days off in every 14 day period. * International standards recommend the progressive reduction of normal hours of work, when appropriate, to 40 hours per week, without any reduction in workers' wages as hours are reduced.

23. No discrimination is practised

- 23.1. There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

24. Regular employment is provided

- 24.1. To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
- 24.2. Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

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25. No harsh or inhumane treatment is allowed

25.1. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. The provisions of this code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying this code are expected to comply with national and other applicable law and, where the provisions of law and this Base Code address the same subject, to apply that provision which affords the greater protection.

26. Governing Law

26.1. This Contract shall be governed by and construed in accordance with the laws of England and Wales.