

GENERAL CONDITIONS OF PURCHASE

1. GENERAL

- (a) All goods and/or services are purchased subject to the following terms and conditions which unless and to the extent otherwise agreed in writing by our authorised officer (which for the purpose of these terms and conditions shall mean Materials Manager or one of our Directors) shall prevail to the exclusion of all terms and conditions put forward by the supplier which shall be of no contractual effect whatsoever. Acceptance of this order by the supplier after receipt of this document which is consistent with the supplier's confirmation of the relevant transaction shall constitute unqualified acceptance by the supplier of the terms and conditions as specified herein.
- (b) Unless previously agreed in writing by our authorised officer no verbal, written or other addition hereto or variation or waiver hereof shall be effective.
- (c) Where statements have been made, whether orally or in writing, by or on behalf of the supplier, in relation to the goods, we shall be entitled to rely thereon and such statements will be deemed to form part of the contract to which these terms and conditions apply.

2. INSPECTION AND ACCEPTANCE

The goods and/or services supplied must conform in all respects with the requirements contained in the order, including the specification, description, finishes and applicable quality standards, and each consignment must pass our inspection tests to ensure such conformity before we are deemed to have accepted such goods and/or services. We reserve the right to reject part of whole of any batch or consignment of goods which fails these tests and/or where the proportion of defects in goods delivered exceed the limits established by our sampling plan. Goods thus rejected will be returned to the supplier at his expense for immediate replacement by him, in default of which we shall be entitled to cancel the whole order or the balance remaining undelivered without incurring any liability and without prejudice to any other rights we may have.

3. PROPERTY AND RISK

- (a) Property in the goods shall not pass to us until they have been accepted by us as having passed our inspection tests in accordance with Clause 2. Provided however that where the contract includes provision for payment by instalments one or more of which is payable before delivery of the goods, the goods shall vest in us and become our absolute property as from the time of their manufacture and shall thenceforth be in the possession of the supplier for the sole purpose of undertaking the contract and shall not be within the ownership control or disposition of the supplier.
- (b) The goods shall remain in all respects at the supplier's risk until delivery thereof has been acknowledged on our behalf by our authorised officer signing the delivery note provided always that if we have cancelled the contract pursuant to Clause 5, or if we have exercised any right of rejection pursuant to these conditions the risk will remain with the supplier.

4. EARLY DELIVERY

We reserve the right to return, at the supplier's expense, any goods delivered to us more than one week ahead of the current delivery schedule(s) notified by us with regard to the order.

5. DELIVERY

- (a) "Delivery" shall mean delivery at our works or such other place as our authorised officer shall notify in writing to the supplier and delivery to a carrier shall not be delivery to us.
- (b) Time is the essence of the contract and delay in delivery of all or part of the goods subject of this order shall at our discretion constitute cause for cancellation of the balance remaining undelivered without any liability being incurred by us and without prejudice to any rights we might have.
- (c) We reserve the right, without incurring any liability, or giving written notice to the supplier, to order execution of the work to be suspended or to postpone the date for delivery or suspend deliveries of the goods the subject of this order, at any time, and for such a period as in our absolute discretion we may consider expedient. No payment shall be made by us for goods thus delayed until they are accepted by us. In the event that the delivery date is so postponed the provisions of paragraph (b) of this Clause shall apply to such postponed date.

6. ADVICE NOTES

The supplier shall on the same date that the goods are despatched post to us and Advice Note as to such despatch and ensure that a delivery note accompanies the goods. Advice Notes must be dated no earlier than the day upon which goods are despatched and Invoices should follow within three days of despatch. Invoices will not be passed for payment unless the Purchase Order number and the Advice Note number are shown. No liability whatsoever is accepted in respect of goods sent without Advice Note and Invoices.

7. PACKAGING

The supplier shall ensure that all goods shall be delivered to us in perfect condition and packed or otherwise protected in such manner as will ensure that if the goods are stored in the state in which they are delivered they will remain in such perfect condition.

8. INDEMNITY FOR GOODS SUPPLIED

- (a) Any goods which are delivered to the supplier by us or on our behalf for the purpose of this order shall remain our property and the supplier shall indemnify us against any loss or damage to such goods or arising in respect thereof while such goods are in the possession of the supplier or before re-delivery to us at our works.
- (b) All drawings, diagrams, patterns and specifications supplied, or paid for by us, are or, as the case may be, shall be our property and they shall be returned to us in good condition forthwith on request and they and our order shall be treated by the supplier as confidential and shall not be made known, communicated, nor shall copies be supplied to any other person nor used by the supplier other than in connection with our order.

9. WARRANTY

- (1) Supplier warrants and represents that for a period of one (1) year after the delivery by Supplier of Products, or such longer period as may be specified in any product warranty covering Products sold hereunder ("Warranty Period"), all Products sold hereunder will conform to specifications, samples, drawings, designs or other requirements approved or adopted by TDK-Lambda UK Limited, be of merchantable quality, free from all defects in design, workmanship and materials, and will be fit for the particular purpose for which they are purchased. Supplier further warrants that all Products sold hereunder will be free of any lien, encumbrance or claim of any nature by any third party.
- (2) If TDK-Lambda UK Limited finds defects in material, workmanship specification of Products, or other issues not in conformity with the requirements of the Purchase Order and this Agreement (hereinafter called "Defect") during the Warranty Period, TDK-Lambda UK Limited in addition to such other rights, remedies and choices as it may have by contract or by law, at its option and sole discretion may:
 - (a) reject and return such Products at Supplier's expense;
 - (b) require Supplier to repair or replace any non-conforming Products with Products that conform to this Agreement; or
 - (c) require Supplier to credit TDK-Lambda UK Limited's account for such Products which are returned by TDK-Lambda UK Limited.
- (3) In addition to the foregoing, TDK-Lambda UK Limited may recover damages arising out of Supplier's non-compliance with or breach of this Agreement.
- (4) Even if the Warranty Period has elapsed, Supplier shall be obligated to repair and replace Products that have any material breach of this article (1), at Supplier's own cost and expenses.

10. PRODUCTS RECALL

If TDK-Lambda UK Limited or its customers recall the whole or any part of Products, or any Products incorporating Products, due to any Defect or Supplier's non-compliance with or breach of this Agreement, TDK-Lambda UK Limited may recover against Supplier all expenses arising from such recall (including but not limited to the expense of collection, inspection, repair, replacement, adjustment, removal, disposal or other necessary measures).

11. PRICES

Prices shall not be increased without our express agreement in writing by way of an official order amendment. Any invoice including such increased price, prior to our signing such an amendment, will not be accepted for payment.

Prices will be for "goods delivered to our works" and no additional amounts will be paid for packing and/or carriage unless specifically specified on our order.

12. PATENT INDEMNITY

The supplier warrants that neither the sale nor the use of the goods will infringe any British or foreign patent, trade mark, trade name or registered design, and the supplier shall indemnify us from all actions, costs, claims, demands, expenses and liabilities whatsoever resulting from any actual or alleged infringement and at the expense of the supplier shall defend or assist in the defence or any proceedings which may be brought in that connection.

13. INDEMNITY FOR CLAIMS

The supplier shall indemnify us from all actions, costs, claims, demands, expenses and liabilities whatsoever in respect of personal injury to or the death of any person or in respect of any loss or destruction of or damage to property not attributable directly to any act or neglect of ourselves or of any person for whom we are responsible, but which shall arise directly or indirectly in connection with any work executed by the supplier against this order or shall be alleged to be attributable to some defect in the goods.

14. PROPRIETARY INFORMATION

TDK-Lambda UK Limited and Supplier shall treat any information received from one another as proprietary information of the disclosing party and not disclose such information to third parties or use the information for its own benefit or the benefit of third parties without the prior written consent of the disclosing party, except that TDK-Lambda UK Limited shall be permitted to disclose such information to a Related Company on the strict need-to-know basis

15. DEFAULT

In the event that the order is not executed by the supplier in accordance with the terms of order and these conditions and our related delivery schedule(s), then the supplier shall be deemed to be in default of the contract. Under such circumstances we reserve the right to cancel or rescind the order and reject all or any part of the goods and to purchase a like quantity of goods of similar specification and quality from an alternative source in which event the supplier will be liable to reimburse to us immediately all additional expenditure (including increased price) incurred by us in the cancellation and replacement of goods and any loss (including loss of profit) suffered by us as a result of delays in production or lost contracts.

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16. TERMINATION

- (a) If the supplier shall fail to observe or perform any of its obligations to us under the terms of the contract or these conditions or if any distress or execution shall be levied on the supplier or if the supplier shall enter into any agreement or composition with its creditors or commit any act of bankruptcy or if any petition in bankruptcy shall be presented against it or, if any resolution is proposed or petition presented to wind up the supplier or if a receiver of the suppliers assets or undertaking or any part thereof shall be appointed, we shall be entitled to determine forthwith any contract then subsisting without prejudice to any other claim or right we might make or exercise.
- (b) Without prejudice to sub-clause (a) above we reserve the right to terminate the order at any time by giving one month's notice in writing. In the event of such termination our liability; shall be limited to the acceptance of such goods as represent our total requirements for the period of notice at the rate specified on the order or current delivery schedule. Any deliveries already made in advance of our express written requirements will be treated as forming part or all, as the case may be, of all requirements over the period of notice.

17. GOVERNMENT CONTRACTS

If goods or services, the subject of this order, are to be used in carrying out, otherwise in connection with a government contract or sub-contract as stated overleaf on this order, the such goods shall be subject to the standard contract conditions stipulated by the government department concerned, details of which will be supplied by us on request, provided however that these terms and conditions shall continue to apply except in so far as they are inconsistent with such standard contract conditions stipulated.

18. GENERAL

These terms and conditions shall not affect any condition or warranty (express or implied) or other right or remedy to which we may be entitled in respect of the goods or services, the subject of this order, by virtue of any statute or custom or any general law or regulation all of which shall be in addition to our rights hereunder.

19. NOTICES

Any notice to be given by us shall be deemed to be given upon its being posted or sent telex, cable or telegram to the supplier's registered office.

20. ASSIGNMENT

The supplier shall not assign or transfer or purport to assign or transfer any contract to which these terms and conditions apply or the benefit thereof, to any other person whatsoever.

21. LAW

The construction validity and performance of this order shall be governed by the Law of England and the parties submit to the jurisdiction of the English Courts.

22. PAYMENT TO THE SUPPLIER

Shall be made 60 days from the date of invoice or the later of receipt of goods.

23. PRODUCT CHANGE NOTIFICATION (PCN's)

The supplier undertakes to notify TDK-Lambda UK Limited of any product change relating to the finished product sold to TDK-Lambda UK Limited including any samples supplied within the last twelve months. **Suppliers must notify TDK-Lambda UK Ltd any changes in the use of consumable materials prior to change implementation**

24. DISCONTINUITY

If Supplier intends to discontinue the manufacture or sale of any Products, Supplier shall provide TDK-Lambda UK Limited with written notice at least one (1) year prior to the date of such discontinuation. In case TDK-Lambda UK Limited received such notice from Supplier, TDK-Lambda UK Limited and Supplier shall promptly discuss with each other a last time buy, substitution of an alternative product or the advice of an alternative supplier.

25. PRODUCT ENVIRONMENTAL COMPLIANCE

All products sold by the Seller to TDK-Lambda will comply with the following environmental Regulations and Directives.

- RoHS DIRECTIVE 2011/65/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 8th June 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment and any subsequent amendments and / or updates including but not limited to 2015/863
- Dodd-Frank Wall Street Reform and Consumer Protection Act 2010 relating to disclosure of conflict minerals and any subsequent amendments and / or updates.
- REGULATION (EC) No 1907/2006 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18th December 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and any subsequent amendments and / or updates

26. SUPPLY CHAIN SECURITY

The supplier shall Implement such controls on its operations and supply chain to meet the requirements of the US C-TPAT or EU AEO or other related security program recognised under these programs.

Shall complete questionnaires and provide supportive evidence of compliance with the above requirements as requested by TDK- Lambda UK Limited, and immediately notify TDK- Lambda UK Limited of any situation that occurs where the security of shipped product is suspected of being compromised.

27. SOCIAL & ETHICAL RESPONSIBILITY

The supplier shall support and comply with Social and Ethical responsibilities as defined in ISO 26000. We require our suppliers to not use any type of forced, involuntary or exploitative, indentured bonded (including debt bondage) trafficked or slave labor.

28. IDENTIFICATION AND TRACEABILITY

The Supplier shall have an established and maintained system that provides for the identification of the Product, during all stages of material procurement, production, storage, delivery and service/repair, as applicable. This system shall define the Product, the actual acceptance or rejection status at all stages within the process, as well as the required data for traceability of source materials, components and processes used to affect the supply to TDK-Lambda UK Limited. Traceability records shall be maintained as defined in the applicable procedures or work instructions and retained for a minimum of 4 years following delivery to TDK-Lambda UK Limited, unless specified in a separate contractual agreement.

29. QUALITY AND ENVIRONMENTAL SYSTEMS

The Supplier undertakes to apply and maintain a quality system that will, as a minimum, meet the requirements of ISO 9001 but IATF 16949 is preferred. The Supplier undertakes to immediately advise TDK-Lambda UK Limited of any significant changes to their Quality systems, approvals, status or any key QA personnel. **The Supplier must also inform TDK-Lambda UK Limited if there have been any changes with their suppliers.**