

GENERAL CONDITIONS OF PURCHASE OF BODYCOTE (“the Conditions”)

1 GENERAL

a. In these Conditions “Buyer” means Bodycote plc or any of its Affiliates ordering the Goods and/or Services from the Supplier; “Supplier” means the supplier indicated on the Order; “Goods” means the goods or other materials stated on the Order and any necessary ancillary goods or materials; “Services” means the services stated on the Order and any necessary ancillary services; “Affiliate” means an entity directly or indirectly controlled by Bodycote plc whether by shares or voting rights; “Contract” means the contract (incorporating these Conditions) made between the Buyer and the Supplier for the sale and purchase of the Goods and/or the Services; “Order” means the Buyer’s order for the Goods and/or the Services from the Supplier; “Supplier’s Warranties” means those warranties as set out in clauses 5a and 5b.

b. Except as may otherwise be negotiated and agreed by the Supplier and the Buyer, these Conditions apply to the Contract and govern the Contract to the entire exclusion of all other terms or conditions (including any terms or conditions which the Supplier purports to apply under any brochure, price list, acknowledgement of order or similar document). Any variation to the Order or these Conditions shall have no effect unless expressly agreed in writing. These Conditions do not affect the Buyer’s statutory and other legal rights.

2 DELIVERY OF GOODS/PROVISION OF SERVICES

a. The Supplier shall deliver the Goods or complete the provision of the Services by the delivery or completion date(s) stated on the Order. If no dates are so specified, delivery of the Goods or completion of the Services will be within twenty eight (28) days of the date of the Order or by such later date as may be agreed by the Buyer and the Supplier in writing. Time for delivery of the Goods or completion of the Services shall be of the essence of the Contract. Without prejudice to any other rights the Buyer may have under the Contract or any other legal grounds, the Supplier shall inform the Buyer in writing without delay if circumstances become apparent which indicate that the agreed time for delivery of Goods or performance of Services will not be met.

b. Delivery of the Goods and provision of the Services to the Buyer shall be made at the place(s) specified in the Order and by the method(s) specified on the Order (or, if none specified, using such method as accords with best accepted industry practices).

c. The Supplier shall deliver the quantity of Goods and Services stated on the Order, with no minimum purchase obligation. The Buyer may accept a quantity variation and pay pro-rata for the actual quantity delivered.

d. Goods shall be properly packed and stored during transit so as to reach their destination in an undamaged condition. All containers and other packaging shall be included in the price and non-returnable unless otherwise stated on the Order.

e. In the event of any matter which may affect the timely delivery of the Goods, the Supplier shall inform the Buyer in writing as soon as possible. If the Supplier does not deliver Goods on the agreed time of delivery the Buyer is entitled to liquidated damages as from the agreed delivery date (unless the delay is caused by the Buyer) subject to a reasonable margin of error with regard to the volume of deliveries provided for in the Contract and/or the Order, which may be agreed by the parties on a case-by-case basis. The liquidated damages amount to two (2) percent of the total order sum per week or fraction of a week of the delay. The liquidated damages cannot amount to more than ten (10) percent of the total order sum. The Supplier reserves the right to prove that the actual damage incurred by the Buyer is lower. The liquidated damages shall fall due for payment at the Buyer’s written demand. Part deliveries shall not exempt the Supplier from liability pursuant to this provision. The Supplier’s payment of liquidated damages due to delay does not exclude the right of the Buyer to claim compensation for any loss in excess of the liquidated damages amount. This obligation on the Supplier to compensate the Buyer’s loss shall exist irrespective of whether the Buyer chooses to terminate the Contract or not. In the event of delay of Goods, the Buyer may request the Supplier to deliver the Goods by the fastest means of transport. If the Buyer’s request is reasonable based on the potential implication on the Buyer, the Supplier shall meet the Buyer’s request. Any additional delivery charges in excess of those that would apply for the usual means of delivery shall be borne by the Supplier.

f. The Supplier shall comply with all applicable import and export laws. The Supplier shall assist the Buyer in minimizing the costs of international transactions by providing documentation to support claims. The Supplier is responsible for all costs associated with import and export compliance, including obtaining and paying for licenses or authorizations, certificates of origin and proper documentation for any import, export, or preferential duty claim. Any credits or refunds including tax, export or trade credits belong to the Buyer insofar as they correspond to costs that have been borne by the Buyer.

g. Unless in case of emergency subject to providing reasonable notice and at reasonable times, the Buyer or its representatives shall have the right to inspect and test the Goods and inspect the provision of the Services, and the Supplier irrevocably grants the Buyer the right to enter its premises for these purposes. If as a result of such inspection or testing the Buyer is not satisfied that the Goods or the Services comply with the Contract and the Buyer so informs the Supplier then the Supplier shall take all necessary steps to ensure compliance. No inspection or testing shall imply any acceptance by the Buyer.

h. The Buyer may at any time make changes in writing relating to the Order (as long as any such changes are not unreasonable taking into account the legitimate interests of the Supplier and the concerned Goods have not been delivered or the concerned Services have not been performed) including, without limitation, changes in the specification of the Goods or the method of performance of the Services, quantities, packing or time or place of delivery of the Goods or performance of the Services. Where possible, the implementation of such changes shall be subject to a reasonable prior notice. If such changes result in an increasing cost of, or time required for, the delivery of the Goods and/or the performance of the Services, an equitable adjustment shall be made to the price and/or the schedule for the delivery of the Goods or the performance of the Services. Any claim for adjustment by the Supplier must be approved by the Buyer in writing before the Supplier proceeds with such changes.

i. The Buyer shall be entitled to cancel the Order in whole or in part by giving notice to the Supplier at any time prior to delivery of the Goods or performance of the Services, in which event the Buyer’s sole liability shall be to pay to the Supplier reasonable compensation for work-in-progress at the time of cancellation but such compensation shall not include loss of anticipated profits or any consequential loss.

3 PRICE AND PAYMENT

a. Unless otherwise stated on the Order the price for the Goods and the Services is fixed for the term of the Contract and exclusive of VAT/GST or similar tax (“Sales Tax”) separately stated on the Supplier’s invoice but inclusive of all other duties, fees, taxes, tariffs, cost of storage, handling, delivery, carriage, packing or provision to the Buyer, and shall not be subject to adjustment without the Buyer’s prior written consent.

b. If no price is stated on the Order, a price must be agreed in writing with the Buyer before the Order is acted upon by the Supplier.

c. The Supplier’s invoices shall not be paid by the Buyer unless they show the Order number, Sales Tax rate, amount of Sales Tax charged and the Supplier’s applicable Sales Tax registration number. Unless otherwise stated on the Order, payment shall be due from the Buyer ninety (90) days from the end of the month in which the Buyer receives the Supplier’s invoice or according to the maximum payment term allowed by the applicable law. The Supplier may not invoice the Buyer until delivery of the Goods to the Buyer or completion of the Services unless otherwise stated on the Order.

d. Payment by the Buyer shall be without prejudice to any claims or rights which the Buyer may have against the Supplier and shall not constitute any admission by the Buyer as to satisfaction of the Supplier’s obligations under the Contract. The Buyer may withhold payment of any sums due under the Contract in the event of any dispute with or claim against the Supplier by the Buyer or any Affiliate.

e. The Buyer may, by notice in writing to the Supplier, set off any or all of the monies owing by the Buyer to the Supplier for the Goods or the Services against any amount owing from the Supplier to Bodycote plc or any Affiliate (without prejudice to any other remedies of the Buyer in respect of any default by the Supplier).

f. In case of the Services, the Buyer shall notify the Supplier of any health and safety hazards at the Buyer’s premises of which it is or becomes aware. The parties shall cooperate in implementing any measures required to prevent and protect against workplace risks associated with the performance of the Services and prepare any documentation required by law to this end, which will be attached to the relevant Contract.

4 RISK AND TITLE

a. Risk in and title to the Goods shall pass to the Buyer on delivery to the Buyer (or, if appropriate, on receipt of the Goods by the Buyer’s carriers) provided that where the Goods are transferred to the Buyer in connection with the Services, risk and title shall pass to the Buyer on substantial incorporation into or onto the premises or the property of the Buyer or on completion and acceptance of the Services (whichever is earlier).

b. Where the Buyer supplies to the Supplier materials and/or equipment on a free issue basis for use in the manufacture of the Goods for supply to the Buyer under the Contract, such materials and/or equipment shall at all times remain in the ownership of the Buyer but shall be at the Supplier’s risk from point of receipt by the Supplier. The Supplier shall only use such materials and/or equipment for the purpose of manufacturing the Goods under the Contract, shall not subject such materials and/or equipment to any charge, lien or encumbrance and shall where reasonably practical keep such materials and/or equipment separate and clearly identified as the Buyer’s property.

c. Title to all items provided to the Supplier for or in connection with the provision of the Services shall remain at all times with the Buyer and the Supplier shall not exercise, assert or purport to exercise or assert any right of

whatever nature in connection with such items and risk in them shall remain with the Supplier until completion of the Services and redelivery to the Buyer (when risk shall revert to the Buyer).

5 WARRANTY AND LIABILITIES

a. In the case of the Goods the Supplier warrants to the Buyer that:

- The Goods as delivered shall comply with all specifications and/or drawings supplied by the Buyer to the Supplier or, if none, with the Supplier’s standard specifications and with any description or sample;
- The Goods shall be of satisfactory quality, sound design, materials and workmanship and fit for any purpose held out by the Supplier or specified by the Buyer or as may be reasonably inferred from the Contract or dealings between the parties and the Supplier shall hold as bailee and treat with the highest degree of care and skill accepted within the trade all items or other materials of the Buyer (if any) provided to the Supplier for or in connection with the supply of the Goods; and
- The Goods shall comply with all applicable laws, rules, standards and regulations (and with any collection, quantity or other requirements stated on the Order) concerning the manufacture, packaging, labelling, and delivery of the Goods, and with all relevant Health, Safety and Environmental regulations, and with best accepted industry standards.

b. In the case of the Services the Supplier warrants to the Buyer that:

- The Services shall, on completion of their provision to the Buyer, comply with the agreed specification or, if none, with the Supplier’s standard specification and with any description or demonstration and shall otherwise be the best of their kind provided in the trade and be to the Buyer’s reasonable satisfaction;
- The Services shall be provided with the highest standards of care, skill and workmanship accepted within the trade and the Supplier shall hold as bailee and treat with the highest degree of care and skill accepted within the trade all items or other materials of the Buyer (if any) provided to the Supplier for or in connection with the provision of the Services;
- The Services shall be provided in accordance with all applicable standards, laws, rules, regulations and/or legal requirements, and best accepted industry practices; and
- In the case of the Services provided on or at premises of the Buyer, the Supplier shall comply with all the Buyer’s site regulations in force from time to time and with other reasonable requests of the Buyer.

c. If the Buyer finds that the Goods and/or the Services (or any of them) fail to comply with any of the Supplier’s Warranties the Buyer may, by giving notice to the Supplier and to the extent permitted by applicable law:

- reject any of the Goods or any part thereof, and/or require the immediate refund of any monies already paid and/or cancel the Order and for the avoidance of doubt, such right shall still be available to the Buyer even if the Buyer has re-sold or otherwise dealt with the Goods; and/or
 - refuse any further delivery of any Goods or the further provision of any Services; and/or
 - require the Supplier (free of charge) to make good or replace the Goods or re-perform the Services to the Buyer’s satisfaction (in either case within thirty (30) days). Any demand to make good, repair, replace or re-perform shall not prevent the Buyer rejecting the Goods and/or the Services if the Supplier fails to comply or if the making good, repair or re-performance is unsatisfactory. Any replacement Goods or re-performed Services shall comply in all respects with the Supplier’s Warranties; and/or
 - (by itself or through a third party) make good, modify, repair or otherwise correct the Goods or re-perform the Services at the Supplier’s cost. The Supplier shall immediately on demand reimburse the Buyer its costs and expenses of such making good, modification, repair, correction or re-performance.
- d. If the Supplier becomes aware that the Goods or Services do not comply with any of the Supplier’s Warranties and/or if the Supplier has legitimate doubts regarding the Goods’ or Services’ compliance with such requirements, then the Supplier shall promptly notify the Buyer in writing and shall advise the Buyer on any further steps to be taken. The same applies if the Supplier becomes aware of property rights of third parties which conflict with the unrestricted use of the Goods or Services by the Buyer.
- e. The Goods which are alleged not to comply with the Supplier’s Warranties shall as far as practicable be preserved by the Buyer for inspection by the Supplier (provided that the Supplier inspects the Goods within fourteen (14) days of being notified of the alleged defect by the Buyer), and shall, if reasonably practicable, be returned to the Supplier at the Supplier’s cost.
- f. The Supplier shall comply with all applicable laws, statutes, rules, regulations, orders, and standards in any jurisdiction where the Goods are to be delivered and/or the Services to be performed and will conduct its business with a minimum consumption of raw materials, energy and water, the fewest possible undesirable health, safety and environmental effects and the most effective utilization of natural resources.
- g. The Supplier shall take out and maintain insurance with a reputable insurance company against any loss or damage whatsoever to the Buyer, the Buyer’s employees, the Buyer’s property, and any third party, whether caused by the Supplier’s (or its sub-contractors’) default in providing the Services or supplying the Goods or otherwise through the Supplier’s (or its sub-contractors’) negligence. The Supplier shall provide evidence of such cover to the Buyer. For the avoidance of doubt, the insurance cover shall not limit in any way the Supplier’s responsibility and liability for its Goods delivered and Services performed to the Buyer.

6 FORCE MAJEURE

Each party has the right to defer the date of delivery or payment, cancel the Order, and/or otherwise vary the Contract if it is prevented from or delayed in the carrying on of its business through any circumstances beyond its reasonable control (including, without limitation, acts of God, war, fire, breakdown of plant or machinery, unavailability of fuel or power, pandemics, epidemics, flood, storm, tempest, explosion and national emergencies).

7 INTELLECTUAL PROPERTY; THIRD PARTY CLAIMS; SECRECY

a. All designs, drawings, prints, samples and specifications prepared by the Buyer for the purposes of the Contract, and any such items prepared by the Supplier for the purposes of the Contract and representing, containing or embodying proprietary designs or other intellectual property of the Buyer or prepared by the Supplier in accordance with the Buyer’s commission or specification shall remain or become the Buyer’s property (as the case may be) and shall be returned to the Buyer upon completion or termination of the Contract. The Supplier undertakes, on request from the Buyer and at no cost to the Buyer to execute or procure the execution of (as the case may be) such documentation, authorisation or declarations as may be reasonably required to vest full right, title and interests in the rights concerned in the Buyer.

b. The Supplier shall not use or allow to be used in any manner not approved by the Buyer, any trademarks or trade names required by the Buyer to be used by the Supplier in relation to the Goods or the Services. The Buyer shall not use or allow to be used in any manner not approved by the Supplier, any trademarks or trade names of the Supplier.

c. Each party shall not do or authorise any third party to do any act which would or might invalidate or be inconsistent with any intellectual property rights of the other party and shall not omit or authorise any third party to omit to do any act which, by its omission, would have that effect.

d. The Supplier shall not (and shall procure that its officers, agents and employees shall not) during or after the Contract disclose or allow to be disclosed to any person any confidential information relating to the business, affairs or property of the Buyer or any of the Goods or the Services or any such information referred to in clause 7a without the Buyer’s prior written consent. The Buyer shall not (and shall procure that its officers, agents and employees shall not) during or after the Contract disclose or allow to be disclosed to any person any confidential information relating to the business, affairs or property of the Supplier without the Supplier’s consent.

8 INDEMNITY

The Supplier shall indemnify and hold harmless the Buyer against any direct, indirect or consequential losses, damages, proceedings, liabilities, claims, costs and expenses (including legal expenses on a full indemnity basis) which may be suffered or incurred by the Buyer as a result of or arising out of or in connection with:

- any Goods and/or Services failing to comply with any of the Supplier’s Warranties;
- any Goods and/or Services being defective or failing to comply with any applicable laws or regulations;
- any late or incomplete delivery of the Goods or performance of the Services by the Supplier;
- any other breach of the Contract by the Supplier or any negligent act of the Supplier, its employees, agents or contractors (whether or not causing or contributing to death and/or personal injury);
- any claim made against the Buyer in respect of any liability, loss, damage, cost or expense sustained by the Buyer’s employees or agents by any customer or third party to the extent that such liability, loss, damage, cost or expense was caused by, relates to or arises from the Goods and/or the Services for which the Supplier is responsible;
- any infringement by the Supplier of the rights of a third party or the Buyer under any patent, registered design, copyright, design right, trademark, service mark or trade-name or other intellectual property rights; or
- the Supplier’s obligation to pay wages, social security contributions, indemnities, severance indemnities, penalties, including those relating to dismissal, as well as claims by the Supplier’s employees (or its sub-contractors’ employees) asserting to be considered as Buyer’s employees or involving and/or assuming a direct contractual relationship between such employees and the Buyer.

9 TERMINATION AND SUSPENSION

a. The Buyer may terminate the Contract forthwith or suspend the whole or any outstanding part of the Order by written notice to the Supplier if:

- the Supplier fails to deliver or dispatch the Goods or commence or complete the Services on the date or within the period (as the case may be) required under clause 2a;

- ii. to the extent permitted by law, the Supplier is unable to pay its debts as they fall due, ceases (or threatens to cease) to carry on its business, files a petition in bankruptcy or has such a petition filed against it or is subject to an insolvency proceeding or a proceeding giving protection against creditors, or if an order is issued appointing a receiver or trustee or a levy or attachment is made against a substantial portion of its assets, or if any assignment for the benefit of its creditors is made or it suffers any equivalent of the foregoing; or
 - iii. the Buyer has reasonable grounds for suspecting that an event in Clause 9a.ii has occurred or will occur, or that the Supplier will not deliver the Goods or provide the Services in accordance with the Contract.
- b. Each party may terminate the Contract forthwith or suspend the whole or any outstanding part of the Order by written notice to the other party if such other party breaches any of its material obligations under the Contract and, where capable of remedy, such breach is not remedied within a reasonable period which period shall not exceed fourteen (14) days.
 - c. The Buyer reserves the right in the circumstances stated in Clause 9a or 9b to remove from the premises where they are being made any Goods in course of preparation for the Contract and to have the same completed elsewhere or to remove from the premises where they are being processed or otherwise dealt with in connection with the Services any materials provided to or on behalf of the Supplier in connection with the Services. The Buyer shall be entitled to charge the Supplier the costs incurred by the Buyer in having the Goods and/or the Services completed by others but shall credit to the Supplier a fair proportion of the price for any Services provided, the Goods or materials so removed or work in progress taken over by the Buyer.
- 10. MISCELLANEOUS**
- a. The Contract may not be assigned by the Supplier and the Supplier may not sub-contract manufacture of the Goods or provision of the Services without the Buyer's prior written consent. The Supplier and the Buyer are each an independent contractor and the Contract shall not constitute, create, or give effect to or otherwise imply a joint venture or partnership of any kind. Neither the Supplier nor the Buyer shall be deemed to be an employee, agent, partner, legal representative or joint employer of the other or have any right, power or authority to create any obligation on behalf of or bind the other in any way.
 - b. The Supplier, and its suppliers, if applicable, shall comply with Bodycote's Supplier Code of Conduct available at <https://www.bodycote.com/investors/governance/our-policies> and incorporated by reference. Bodycote's Supplier Code of Conduct applies to the supply of all Goods and Services and covers topics related to social and environmental responsibility.
 - c. The Supplier will not:
 - i. use forced labor, regardless of its form;
 - ii. employ any person below the age of 15, unless it is part of a Government approved job training, apprenticeship or other program that would be clearly beneficial to its participants; or
 - iii. engage in physically abusive disciplinary practices
 - d. In connection with all business transactions with the Buyer:
 - i. The Supplier and its suppliers shall comply with applicable national and international anti-bribery rules, including the U.S. Foreign Corrupt Practices Act, United Kingdom, and European Union, Organisation for Economic Co-operation and Development and Council of Europe anti-bribery rules.
 - ii. The Supplier shall not directly or indirectly solicit, receive or offer any form of bribe, kickback, or other corrupt payment or thing of value to or from any person or organisation, including government agencies or officials, companies or personnel of those companies.
 - iii. All records and information that the Supplier provides to the Buyer pertaining to the Contract shall be complete and accurate.
 - e. The Buyer or its customers may be subject to due diligence and reporting requirements regarding Conflict Minerals. If the Goods contain tin, tantalum, tungsten or gold the Supplier shall adopt policies and management systems with respect to Conflict Minerals which comply with all applicable laws, rules, standards and regulations and shall require its sub-suppliers of tin, tantalum, tungsten or gold to adopt similar policies and systems.
 - f. Each of the Supplier and the Buyer shall control and process personal data in accordance with applicable laws, in accordance with specific instructions from the other party, and in any event in a safe and secure manner preventing unauthorised access, use or disclosure.
 - g. Any provision of these Conditions which is held by a competent authority to be invalid, void, voidable, unenforceable or unreasonable (in whole or in part) shall to the extent of such invalidity, voidness, voidability, unenforceability or unreasonableness be deemed severable and the other provisions of these Conditions and the remainder of such provision shall not be affected. Also, the terms of these Conditions apply save to the extent not permitted by applicable law in which case the closest principle under applicable law will apply.
 - h. Notices must be in writing, in English, to the Buyer's or the Supplier's address and may be delivered by hand, first class post or by electronic mail. If delivered by hand, the notice shall be deemed delivered on the first working day after day of delivery. If delivered by post, the notice will be deemed delivered on the third working day after being placed prepaid in the first class post. If delivered by electronic mail, the notice will be deemed delivered at the time of transmission.
 - i. No failure by the Buyer to enforce any provision of the Contract shall be construed as a release of its rights relating thereto. No remedy for the Buyer conferred by any of the provisions of the Contract is intended to be exclusive of any other remedy, and every remedy will be cumulative and in addition to every other legal and equitable remedy including, without limitation, specific performance and injunctive relief.
 - j. The provisions of these Conditions which expressly or impliedly have effect after termination of the Contract shall continue to be enforceable notwithstanding termination.
 - k. The Contract shall be governed by and construed in accordance with the laws of the country or State, as applicable, of the Buyer legal entity's incorporation. The United Nations Convention on Contracts for the International Sale of Goods and, to the extent permitted, any other law or regulation related to conflicts of laws and/or which may prescribe a governing law are expressly excluded from any Contract. The parties shall submit to an appropriate dispute resolution procedure selected by the Buyer. The parties expressly waive any rights to a jury trial (if applicable).