

# Victor Products Ltd.

## STANDARD CONDITIONS OF PURCHASE

### 1. DEFINITIONS

In these conditions the following words shall have the following meanings:

- "BUYER" VICTOR PRODUCTS LTD. or such subsidiary, holding or associated company of FEDERAL SIGNAL Corp. as stated on the relevant order.
- "SELLER" Any person, firm or company with whom the Buyer places an Order for the purchase of goods and/or work which expression shall include (jointly and severally) any principal on whose behalf the Seller accepts an Order.
- "GOODS" The goods and materials designated or referred to in the Order.
- "WORK" The services to be provided by the Seller under the Contract.
- "CONTRACT" Any contract formed between the Buyer and the Seller for the sale and supply of Goods or Work pursuant to the Order.
- "ORDER" The written purchase order placed with the Seller by the Buyer as set out overleaf.
- "DELIVERY" The delivery of Goods by the Seller in accordance with the terms agreed.
- "SPECIFICATIONS" The technical or other description (whether as to quantity, quality, price, weight or otherwise) of the Goods shown or referred to in the Order and any performance schedules and/or other characteristics and details contained, mentioned or referred to there in or prepared in accordance therewith.

### 2. BASIS OF PURCHASE:

- 2.1 All contracts shall be conducted upon the basis of these Conditions together with any special conditions issued by the Buyer to the Seller at any time prior to or with the Order. Variations and/or Qualifications of such conditions can only be effected by a document signed by a duly authorized officer of the Buyer and setting out in full the relevant variations and qualifications.
- 2.2 No terms or conditions submitted by the Seller to the Buyer, irrespective of their date shall prevail over these Conditions.
- 2.3 All Orders shall be deemed to be an offer by the Buyer to purchase Goods or Work pursuant to these Conditions and dispatch or Delivery of the Goods or Work by the Seller to the Buyer or, if earlier, commencement of Work by the Seller following receipt of the Order, shall be deemed conclusive evidence of the Seller's acceptance of these Conditions.
- 2.4 Any reference in these Conditions to any statutory provision shall be construed as a reference to that provision as amended or re-enacted at the relevant time.
3. ORDERS
- 3.1 The Buyer shall be bound by an order only if it is placed on its Order form and shall have no liability whatsoever in respect of any Goods or Work supplied otherwise than in response to such Order form.
- 3.2 The Buyer shall be entitled to cancel any Order and so terminate the Contract to which it relates which is not unconditionally accepted by the Seller in writing within 14 days of its date.

### 4. TIME

- 4.1 Time shall be of the essence of the Contract where a Delivery date is specified in the Order. Where such date is stated as approximate or is not specified by the Buyer may be written notice to the Seller to specify a Delivery date for the purposes of which time is of the essence.
- 4.2 If the Seller is, or likely to be, unable to affect Delivery on or by the date so specified, the Seller shall promptly give the Buyer written notice of the relevant circumstances together with a date upon which the Seller reasonably expects to be able to fulfill the Order.
- 4.3 Notwithstanding the service or any such notice as aforesaid, (save where the Buyer has given to the Seller a written extension of time and the period thereof has not expired), failure by the Seller to adhere to any provision as to time contained, mentioned or referred to in the Order shall entitle the Buyer to treat the Contract as repudiated in whole or in part, (without prejudice to any other remedy), whereupon risk in any Goods already delivered and affected by such determination shall revert to the Seller and the Seller shall be liable to repay any monies already paid by the Buyer in respect of the Contract together with interest at 4% above the base rate of Barclays Bank from time to time.

### 5. DELIVERY

- 5.1 The Goods properly packed and secured in such a manner as to reach their destination in good condition, shall be delivered by and at the cost and risk of the Seller to the premises and in the manner specified by the Buyer. Each container and/or package of Goods must be marked to show order number, contents, quantity, batch code, date of manufacture or production, appropriate date coding and carrier's name.
- 5.2 Delivery shall be affected upon the signature of the carrier's consignment note for the Goods by a duly authorized officer, employee or representative of the Buyer.
- 5.3 In the event that Goods are delivered before the Delivery date specified in the Order without the express written consent of the Buyer, the Buyer is entitled to refuse to take Delivery or to charge for insurance and storage thereof until the contractual date for Delivery.
- 5.4 If for any reason the Buyer is unable to accept Delivery of the Goods at the time when the Goods are due and ready for Delivery and notifies the Seller accordingly the Seller shall store the Goods for a reasonable time having regard to the circumstances and shall safeguard them and take all reasonable steps to prevent their deterioration until their actual delivery.

### 6. PACKAGING

Unless agreed in writing, all containers and packing materials shall be provided by the Seller at his risk and expense.

### 7. SCOPE AND SPECIFICATION

- 7.1 The Goods and the Work must be supplied and rendered strictly in accordance with the requirements of the Contract.
- 7.2 Any price quoted in the Order shall be deemed to have included all goods, materials, services and facilities required for the execution and completion of the Contract. The Seller will also be responsible for meeting all fees, royalties, commissions and any other sums whatsoever payable, for, or in relation to, the provision of the Goods or the Works.
- 7.3 The Seller shall protect all parts of the Works from deterioration by any cause including (but not limited to) corrosion during transportation or storage.
- 7.4 The Seller shall be responsible for any discrepancies, errors or omissions in drawings and other particulars supplied by it for the purpose of the Contract whether or not the Buyer has approved the same and the Seller shall fully indemnify the Buyer accordingly. The Buyer shall at all times have free use of all drawings provided by the Seller under the Contract for all purposes connected with the Goods and the Works.

### 8. DEFECTS AFTER DELIVERY

- 8.1 The Seller will promptly repair or replace at the Buyer's option and free of charge in all respects to the Buyer including carriage costs any part of the Goods or the Works which under proper use proves defective by reason of faulty or inadequate materials, workmanship or design (other than a design made, furnished or specified by the Buyer for which the Seller has disclaimed responsibility prior to the date of the Order) within the period of 12 calendar months from the putting into commercial use of Goods. The said period of 12 months will cease to run in relation to any part of the Goods or the Works for the duration of any period in which such part is incapable of use by virtue of the occurrence of such a defect in another part thereof.
- 8.2 The Seller's obligations under clause 8.1 will continue in respect of any part of the Goods or the Works repaired or replaced as aforesaid for a further period of 12 calendar months from the date of completion of such repair or replacement.

### 9. BUYER'S PROPERTY AND INFORMATION

- 9.1 All specifications, drawings, designs, prints, samples, plans, dies, moulds, jigs, tools, patterns, labels, packaging and all other equipment and materials provided or paid for in whole or in part by the Buyer for use by the Seller for the purposes of performing its obligations under the Contract and the intellectual property rights therein shall be the Buyer's sole property (and be clearly marked by the Seller accordingly) and shall not be disclosed to any third party or used by the Seller or any third party for any other purpose. Such items shall be maintained by the Seller in good condition and repair and delivered by the Seller at its expense to the Buyer's Works on completion of the Contract. Until delivery the Seller shall insure the said items on terms appropriate to their nature.
- 9.2 All drawings and information supplied or communicated to the Seller in connection with the Contract shall remain the Buyer's property and shall be treated as confidential. No disclosure or publication thereof must occur nor any use be made thereof other than for the purpose of performing the Contract, except where otherwise agreed by the Buyer. All rights to any invention, process or technology developed for the Contract shall be the Buyer's absolute property.
- 9.3 Any free issue materials supplied by the Buyer for the Contract remains the Buyer's property. The Seller must return any such materials as are not used.

### 10. QUALITY INSPECTION AND TESTING

- 10.1 In addition and without prejudice to all other conditions or warranties, express or implied, the Seller hereby expressly warrants as follows:
- (a) upon Delivery of the Goods and for a reasonable period thereafter (taking into account the type of Goods concerned) the Goods shall be of merchantable quality and fit for their purpose, produced and manufactured in proper manner, of sound materials, free from defects and/or damage caused by poor stowage, storage or otherwise of the nature, substance and quality described in the Order and shall correspond with any relevant Specification or sample;
- (b) the Seller, and/or the Goods and/or the Works (as appropriate) shall comply with the requirements of all Acts of Parliament, Statutory Rules, Orders, Regulations, British or European Standards, Codes of Practice and all other requirements (whether national or international) which apply to the manufacture, packaging and Delivery of such Goods and any agreement by the Buyer to any Specification or variation thereof or to any design or variation thereof shall not derogate from the Seller's warranty of compliance with such Acts, Rules, Orders, Regulations, or other such requirements or from the other express conditions and/or warranties herein referred to and any reference to Goods in this Clause 10.1 shall include a reference to any labels packaging and/or literature in respect thereof.

- 10.2 If the goods and/or the Works and/or their supply and/or use are the subject of statutory or other safety regulations the Seller shall provide to the Buyer all certification or other information required by the said regulations or deemed necessary by the Buyer to verify compliance with the same.

- 10.3 The Seller shall comply and assist the Buyer with any specific quality assurance or safety program adopted by the Buyer and shall permit access by and facilities to authorized representatives of the Buyer and/or its customers at all reasonable times to inspect any premises where Goods to be purchased by the Buyer are manufactured, produced or stored and to examine materials to be used in such manufacture and/or production and all costs and expenses thereby incurred shall be borne by the Seller. Following such inspection and examination the Buyer shall be entitled to make recommendations to the Seller in respect of the manufacture, production or storage of the Goods which the Seller shall put in force forthwith upon its receipt of such notification. For the avoidance of doubt, any such compliance, assistance, inspection or examination shall not derogate from the Seller's other obligations under these Conditions.

- 10.4 Without prejudice to any other remedy the Buyer shall be entitled to reject or refuse to accept any Goods and/or Work which fails to comply with the provisions of the Order and/or of Clause 10.1 at any time after their Delivery and for the avoidance of doubt it is hereby expressly agreed that where Goods are supplied in bulk and part only of such Goods are found not to comply with the provisions of the Order and/or of Clause 10.1 the Buyer shall nevertheless be entitled to reject all of the Goods.

- 10.5 Where the Buyer is entitled to reject or refuse to accept any Goods and/or Works:

- (a) The Buyer shall not be obliged to return the Goods to the Seller but, if it elects to do so, they shall be so returned at the expense and risk of the Seller.
- (b) At the option of the Buyer:
- (i) The Seller shall replace the Goods and/or rectify the Work, or
- (ii) the Buyer shall be entitled to treat the Contract as discharged by the Seller's breach and require immediate repayment of any part of the price thereof which has been paid by the Buyer.
- (c) If requested by the Buyer, the Seller shall destroy any such Goods bearing the Buyer's name, trade marks or those of any customer of the Buyer.

### 11. PRICE AND PAYMENT

- 11.1 The price of the Goods and/or the Works shall be as specified in the Order and, unless otherwise stated, shall exclude VAT but include packaging, carriage, and insurance of the Goods until Delivery thereof is affected. If no price is specified in the

Order the price payable shall be no greater than the price last quoted or charged by the Seller in respect of the same or similar Goods or Works. In the absence of previous supplies current market price is to be paid.

- 11.2 The settlement of invoices shall be subject to all details of the Seller's invoice being consistent with those shown on the Order. In particular, in order for invoices to be settled by the Buyer, the Seller must state the Buyer's Order number on each invoice submitted.

- 11.3 No increase in price specified in the Order may be made for any reason without the prior written consent of the Buyer.

- 11.4 No payment of or on account of the price shall constitute any admission by the Buyer as to proper performance by the Seller of its obligations under the Contract.

- 11.5 Unless otherwise provided by the Order the price shall be payable by the Buyer to the Seller at the end of the second month following the month in which the Seller's invoice is received by the Buyer.

- 11.6 Claims for credit or payment due to the Buyer. In respect of rejected, refused or returned defective Goods, short deliveries (where the Buyer has reason to believe that the same is due to the act or default of the Seller), overcharges or other matters for which the Seller is liable under these Conditions, shall be settled forthwith from the date of notification of such claims, and in any event the Buyer shall be entitled to make appropriate deductions or retentions from any remittance due to the Seller whether under the same or any other Contract.

### 12. PROPERTY

- 12.1 Risk of damage to or loss of the Goods shall pass to the Buyer upon Delivery until which time the Seller shall insure the Goods against loss or damage from any cause for the full replacement value with an insurance company approved by the Buyer and procure the noting of the Buyer's interest on the policy.

- 12.2 Title to all Goods supplied pursuant to the Contract shall pass to the Buyer on their Delivery Provided that if payment for the Goods is made prior to their physical delivery the Seller shall forthwith and unconditionally appropriate the Goods to the Contract whereupon title then to shall pass to the Buyer and Provided that where the Buyer pays the Contract price in instalments property in all work done and materials purchased for or appropriated to the Contract as at the date of the payment of the first such instalment shall pass to the Buyer absolutely free from all encumbrances. Seller warrants that it has no good title for all Goods purchased hereunder free and clear of all liens, title retention claims and encumbrances of any kind. Proceeds in work executed and materials purchased for or appropriated to the contract thereafter shall pass to the Buyer absolutely as aforesaid as soon as executed, purchased or appropriated. The Seller shall mark all work done and materials purchased as appropriated as aforesaid as the property of the Buyer.

- 12.3 Nothing in Clauses 12.1 - 12.2 shall prejudice the right of the Buyer to reject the Goods which right is retained until after the Buyer shall have inspected them.

### 13. SITE WORK

- Where the Contract entails work within the Buyer's premises or upon sites controlled or supervised in whole or in part by the Buyer and procure the noting of the Buyer's interest on the policy. The Buyer's own rules and regulations are available on request.

### 14. VARIATIONS

- The Buyer may at any time by notice in writing require changes in the method of shipment or packing, place of Delivery, general extent, scope or time scale of the Contract and/or at any time by at least 7 days notice in writing require changes in the Specification. If any such change affects the time for or loss of Delivery a mutually acceptable equitable adjustment shall be made in the time fixed for Delivery and/or to the purchase price (as the case may be). The Seller shall not be entitled to delay the proceeding with the Contract as changed pending agreement as herein required nor to treat the Contract as repudiated and claim damages or any other relief from or against the Buyer by reason of any such alteration.

### 15. INDEMNITY

- 15.1 The Seller shall be liable for and indemnify the Buyer from and against all liabilities, losses, costs, damages, claims and expenses (including legal expenses and any and all consequential loss or damage) incurred by or made against the Buyer which would not have been caused or made had the Seller fulfilled its express or implied obligations under the Contract including, but not exclusively:

- (a) in respect of any breach of warranty given by the Seller in relation to the Goods;
- (b) in respect of death or personal injury, loss of or damage to property and all sums expended by the Buyer in securing alternative supplies of all or any of the Goods (including any sum expended by reason of any increase in costs thereof and compensation of any loss to the Buyer caused by any consequent delay);
- (c) arising out of the acts and omissions of the Seller, its subcontractors or their respective employees or agents; And the Seller shall effect and maintain a policy of insurance to cover such of the aforementioned liabilities as are relevant to the Contract in such sums as may be required by the Buyer and shall produce such policy or policies and evidence of payment of the premiums thereon if so requested by the Buyer in an event that the Seller shall fail to maintain such insurance policy(ies) the Buyer shall be entitled to effect the same on behalf of and at the expense of the Seller.
- 15.2 The Seller shall further be liable for and shall indemnify the Buyer from and against any claims for infringement of any letters patent, copyright, registered design or trade mark or other intellectual property rights by reason of the use for sale of the Goods supplied, (save and to the extent that the same shall have been manufactured or produced in accordance with any Specification or design supplied by the Buyer), and against all losses, costs, damages, expenses and/or claims for which the Buyer may become liable as a result of such claims for infringement.

### 16. DEFAULT

- In addition to right of termination set out in Clause 4.2:
- 16.1 If the Seller shall fail to comply with any terms of the Contract then the Buyer may by written notice require the Seller to remedy the failure concerned within 7 days (or such long a period as the Buyer may specify) of the date of such notice. If the Seller does not remedy the failure concerned within the stipulated period the Buyer shall be free (without prejudice to any other rights of the Buyer under this Contract) to terminate the Contract in whole or in part and to make other arrangements for the completion thereof in which case:

- (a) The Seller shall cease to be bound to effect Delivery and the Buyer shall cease to be bound to receive Delivery of any further Goods;
- (b) The Buyer shall cease to be bound to pay that part of the price which relates to the Goods which have not been delivered;
- (c) The Buyer shall not be liable for any loss or damage whatsoever arising from such cancellation; and
- (d) The Buyer shall be entitled to apply any unpaid part of the Contract price towards the completion of the Goods or the Work, and to receive from the Seller any amount by which that cost exceeds the unpaid sum.

- 16.2 Without prejudice to any other rights or remedies to which it may be entitled the Buyer may terminate the Contract forthwith in the event that:

- (a) The Seller shall become bankrupt or unable to pay its debts as they fall due or compound with its creditors or in the event of a resolution being passed or proceedings commenced for the administration or liquidation of the Seller (other than for a voluntary winding up for the purpose of reconstruction or amalgamation) or if a Receiver or Manager is appointed of all or any part of its assets or undertaking;
- (b) The Seller commits any breach of its obligations hereunder;
- (c) The Buyer shall receive information which leads it reasonably to believe that the Seller will be unable to complete the Contract in whole or in part.

In any such circumstance the Buyer shall be entitled to terminate the Contract in whole or in part by notice in writing.

### 17. FORCE MAJEURE

- 17.1 If either part shall be prevented or delayed in fulfilling all or any of its obligations under the Contract by reason of circumstances beyond its reasonable control, it shall notify the other in writing within 7 days of the occurrence thereof and provide particulars to the circumstances concerned and their affect. Provided that the said notification is duly given and subject to all reasonable efforts being made to minimize the effect of such circumstances, the party so prevented or delayed shall be relieved of its obligations under the Contract as are prevented or delayed for the duration of the circumstances concerned, subject in the case of the Seller to Clause 17.2 hereof.

- 17.2 If the Seller shall have been so prevented to delayed on one or more occasion for more than 30 days in total then the Buyer may by written notice terminate the Contract in whole or in part. The Seller shall have no claim against the Buyer arising out of such termination for any costs expense or damage save only that the Buyer shall remain liable to pay that part of the Contract price attributable to such part of the Goods or the Work in the Buyer's possession at the date of termination and which is capable of use by the Buyer for the intended purpose.

### 18. ASSIGNMENT AND SUBCONTRACTING

- 18.1 The Seller shall not assign or sub-contract the Contract or any part thereof without the express written authority of the Buyer.
- 18.2 Any authority given by the Buyer for the Seller to sub-contract the Contract or any part thereof shall not relieve the Seller of any of its obligations thereunder nor impose any duty in the Buyer to ensure as to the competence of any authorized sub-contractor by the seller shall ensure that any authorized sub-contractor is competent and complies with the relevant provisions of the Contract.

- 18.3 The Buyer may assign the Contract which shall ensure to the benefit of its successors and assigns.

### 19. WAIVER

- No failure of, or delay or forbearance by the Buyer (whether express or implied) in asserting or exercising any rights or remedies under the Contract shall effect its right to do so in the future.

### 20. SEVERANCE

- If at any time any one or more of these Conditions (or any part of parts thereof) is held to be or becomes void or otherwise unenforceable for any reason under any applicable law, the same shall be deemed omitted here from and the validity and/or enforceability of the remaining provisions of these Conditions shall not in any way be affected or impaired thereby.

### 21. WHOLE AGREEMENT

- Each party acknowledges that the Contract together with any variations and/or qualifications made pursuant to these Conditions contains the whole agreement between the parties and that it has not relied upon any oral or written representation made to it by the other or its employees or agents.

### 22. HEADINGS

- Headings are for reference purposes only, shall not be incorporated into the Contract and shall not be deemed to be any indication of the meaning of the clauses to which they relate.

### 23. NOTICES

- Any notice to be served hereunder shall be delivered by hand or sent by first class post, telex with the correct answer back or facsimile to the relevant party as its last known address. Notice shall be deemed served on delivery if delivered by hand, on the 3<sup>rd</sup> day after posting if posted or 24 hours after dispatch by telex or facsimile (weekends and bank holidays excepted).

### 24. LAW AND JURISDICTION

- These Conditions and each and every Contract shall be:
- (a) Governed by English Law, and
- (b) Subject to the jurisdiction of the English Courts.
- Provided that the Buyer shall in its absolute discretion be entitled to refer any dispute to arbitration by a single arbitrator appointed (on the Buyer's application) by the President for the time being of the Newcastle Law Society.

January 1<sup>st</sup>, 2001