



MJG TIMBER LTD
TERMS AND CONDITIONS OF PURCHASE

1. INTERPRETATION

1.1. In these terms and conditions of purchase ("**Conditions**"), save where the context requires otherwise:

"Business Day" means any day other than a Saturday, Sunday or a day which is a public or bank holiday in England and Wales;

"Incoterms 2010" means the terms as defined in the International Chamber of Commerce's Incoterms® 2010 (save as expressly or impliedly varied by these Conditions);

"Company" means MJG Timber Ltd with company number 09472825 and registered office address at 11 De Grey Square, De Grey Road, Colchester, CO4 5YQ;

"Goods" means the goods purchased or to be purchased by the Company from the Supplier;

"PO" means the purchase order which the Company may place from time to time with the Supplier which has been printed on the Company's headed notepaper and includes without limitation:

- (a) a unique number;
- (b) a description, the grade (where required), and the quantity, of the Goods being ordered;
- (c) the cost of the Goods;
- (d) the warehouse or customer to which delivery is to be made ("**Delivery Location**");
- (e) instructions regarding the timing of the delivery (the "**Delivery Period**"); and
- (f) the Incoterms 2010 term upon which the order is made; and

"Supplier" means the person with whom the Company is contracting.

1.2. Headings are for ease of reference only and shall not affect construction.

1.3. Words importing one gender shall be treated as importing any gender, words importing individuals shall be treated as importing corporations and vice versa, words importing the singular shall be treated as importing the plural and vice versa, and words importing whole shall be treated as including a reference to any part thereof.

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2. CONDITIONS

- 2.1. These Conditions shall apply to all contracts made or agreed to be made by the Company for the purchase of the Goods. The acceptance by the Supplier of any order placed by the Company shall constitute unqualified acceptance by the Supplier of these Conditions. Any terms or conditions submitted, proposed or stipulated by the Supplier in whatever form and at whatever time, whether written or oral, and any conditions which are implied by trade, custom, practice, or course of dealing are expressly waived and excluded.
- 2.2. No change to these Conditions shall be binding unless previously agreed in writing by the Company.
- 2.3. The Supplier acknowledges that any breach of the terms of these Conditions may give rise to the Company incurring severe damage.

3. ORDERS

- 3.1. The PO constitutes an offer by the Company to purchase the Goods in accordance with these Conditions.
- 3.2. The Supplier shall within [three (3)] Business Days of receipt of the PO acknowledge the PO and either:
 - 3.2.1. confirm the date that the Goods will be despatched. At the time of such acknowledgement the contract between the Company and the Supplier shall come into existence; or
 - 3.2.2. expressly reject the PO, following which no contract between the Company and the Supplier shall come into existence.
- 3.3. No order is to be executed unless given on a PO. Any order placed by any other means will not be recognised by the Company unless otherwise previously agreed in writing by a director of the Company.
- 3.4. The order will be fulfilled according to the Incoterms 2010 term specified in the PO.

4. PRICE

- 4.1. The price for the Goods shall be the price stated on the PO (the “**Price**”) and shall include all charges for [packing,] shipping, carriage, and insurance, sales taxes and any other applicable duties and levies. Payment shall only be made in the currency in which the Price is stated on the PO.
- 4.2. The Price shall remain binding on the Supplier unless the Company agrees in writing to a revision of the Price.

5. PAYMENT

- 5.1. The Supplier shall invoice the Company for the Goods which are the subject of the PO, quoting the relevant PO number. The Supplier must not invoice the Company until after the Goods have been delivered to the Company.
- 5.2. The Company shall be entitled to refuse to pay any sums invoiced in excess of the prices stated on the relevant PO.

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- 5.3. The Company's terms of payment shall be stated on the PO.
- 5.4. Payment of an invoice by the Company does not signify acceptance of the Goods.
- 5.5. Time for payment of an invoice shall not be of the essence. In the event of late payment by the Company, provided that there is no dispute as to the amount of the relevant invoice, the Goods to which such invoice relates, or the party to whom payment should be made, the Supplier may charge the Company simple interest on the amount unpaid at the rate of 2 per cent. per annum above the Bank of England's base rate.
- 5.6. The Company may at all times set off any amount owing at any time from the Supplier to the Company.
- 5.7. We require payment to terms. Payment must be made on time, in full, and without any deduction, off set or counterclaim. In the event that an account is outstanding, we will refer the matter to our debt collection agents, Daniels Silverman Limited, which will incur additional costs. The additional costs incurred to collect the debt will be added to the debt, plus VAT at the prevailing rate. You agree that you will be legally liable to pay the outstanding account plus additional costs, and that payment of the same can be enforced against you in court. If applicable, you also agree to pay compensation and interest at the relevant reference rate, as provided for under the Late Payment of Commercial Debts (Interest) Act 1998."

6. DELIVERY

- 6.1. The Supplier shall deliver the Goods according to the Incoterms 2010 term specified in the PO in the Delivery Period and to the Delivery Location specified in the PO.
- 6.2. The time for delivery shall be of the essence. If delivery is not made in the Delivery Period the Company may (without prejudice to any other right or remedy available to it) without liability cancel the PO as regards any Goods that are then undelivered.
- 6.3. If the Goods are delivered after the Delivery Period, and the provisions of clauses 6.5 and 6.6 shall not fully indemnify the Company for the damages incurred by the Company, the Supplier shall indemnify the Company for the damages incurred by the Company by such delayed delivery. The acceptance of delayed deliveries by the Company does not constitute the waiver of claims for compensation owing to delays.
- 6.4. Any anticipated delays must be notified by email to the Company immediately.
- 6.5. If a delivery is:
 - 6.5.1. one week or more (but less than two weeks) later than the last day of the Delivery Period, the Company reserves the right to take a discount of (either or both of):
 - 6.5.1.1. [5]%; and
 - 6.5.1.2. the cost of delivering the Goods by [courier OR airfreight], off the Price; or
 - 6.5.2. two weeks or more (but less than three weeks) later than the last day of the Delivery Period, the Company reserves the right to take a discount of (either or both of):
 - 6.5.2.1. [10]%; and

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- 6.5.2.2. the cost of delivering the Goods by [courier OR airfreight].
- 6.6. If a delivery is more than three weeks later than the last day of the Delivery Period, the Company reserves the right to either:
- 6.6.1. reduce the quantities of the Products, rendering the Supplier liable (at the Company's option) to credit the Company's account in respect of such shortfall in accordance with clause 8.1.2; or
 - 6.6.2. cancel the PO to which such delivery relates[, the Company incurring a cancellation charge of 50% of the Price].
- 6.7. If the Goods differ from the packing list or the documentation is deficient in any way, resulting in the Goods being seized and held by customs authorities for more than five (5) Business Days, the Supplier shall reimburse the Company for any charges levied against the Company by the customs authorities.
- 6.8. The Company reserves the right to examine the Goods either at source or upon delivery (or both).
- 6.9. If any delivery should be made without approval from the Company, payment will not be made until a full inspection of the consignment has been made.
- 6.10. Acceptance of the Goods by the Company does not relieve the Supplier of any responsibility to ensure that all aspects of the acceptable quality levels are met.
- 6.11. The Supplier must confirm any agreed amendments to the PO to the Company no later than three (3) Business Days before the Delivery Period.
- 6.12. The Supplier shall suitably pack the Goods so as to prevent damage during transit, unloading and storage of the Goods and shall mark the outside of each package with the Company's name, the number of the PO, full details of the destination and a statement of contents.
- 6.13. [The Company shall not be required to return to the Supplier any packing, boxes, barrels or packing materials, whether or not any Goods are accepted by the Company.]
- 6.14. Unless otherwise previously agreed by the Company in writing, delivery is not to be made in instalments. Where there is such an agreement (or where the Company agrees in any case to accept delivery in instalments) breach in relation to any instalment of whatever nature shall (without prejudice to any other rights or remedies with the Company may have) entitle the Company to terminate the PO in respect of the whole order (and not just the relevant instalment) and claim damages.
- 6.15. This clause 6 is without prejudice to any other right or remedy available to the Company in respect of deliveries.

7. DOCUMENTS

- 7.1. Immediately upon despatch of the Goods, the Supplier shall send to the Company at its registered office address an advice note quoting the PO number and specifying the means of transport, the weight, number or volume of the Goods and the point and date of despatch. A copy of such advice note shall be sent to the Company by email.

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8. SHORT DELIVERIES

- 8.1. If the Supplier delivers less of the Goods than the quantity specified in the PO, it shall either (at the Company's option):
- 8.1.1. make up such shortfall immediately upon being notified thereof by the Company; or
 - 8.1.2. credit the Company's account in respect of such shortfall.
- 8.2. This clause 8 is without prejudice to any other right or remedy available to the Company in respect of short deliveries.

9. QUALITY OF THE GOODS

- 9.1. The Supplier hereby warrants and guarantees to the Company that all Goods supplied to the Company shall:
- 9.1.1. conform in all respects to the specifications furnished, specified or approved by the Company (whether on the PO or otherwise);
 - 9.1.2. be fit for the purposes intended by the Company and the Company's customers;
 - 9.1.3. be of satisfactory quality and free from both apparent and latent defects; and
 - 9.1.4. be of good materials and workmanship;
 - 9.1.5. be safe (in the context of risk of damage to property, as well as risk of death or personal injury) when properly used; and
 - 9.1.6. (together with their packaging) comply in all respects with all relevant statutes, regulations, byelaws and standards as are in force at the date of delivery in the countries in which the Goods are intended to be sold.
- 9.2. The Supplier undertakes from the date of delivery until the expiry of twelve months from the date of delivery to the relevant customer of Company to either (at the Company's option):
- 9.2.1. free of charge and as quickly as possible replace any Goods which are or become defective in any way, whether such defect appears before, during or after use of the Goods; or
 - 9.2.2. credit to the Company any part of the price paid for any such Goods.
- 9.3. Goods shall be defective for the purpose of clause 9.2 if they do not accord in all respects with the warranty and undertaking contained in clause 9.1 or otherwise fail to comply with these Conditions or the relevant PO.
- 9.4. Repaired or replaced Goods shall have the same or better warranty and guarantee period as set out in clause 9.2 from the date of repair or replacement.
- 9.5. The Company's rights and remedies under this clause 9 shall survive inspection, acceptance, and payment and shall be without prejudice to any other right or remedy available to the Company.

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10. RETURNS

- 10.1. Returns by the Company's customers due to poor quality will be subject to a claim against the Supplier as follows:
- 10.1.1. if up to and including 10% of the quantity of the Goods on any PO are returned, the Supplier shall reimburse to the Company the price, duty and transportation costs in respect of the returned Goods if so requested by the Company; and
 - 10.1.2. if more than 10% of the quantity of the Goods on any PO are returned, the Supplier shall pay to the Company an amount equal to double the price, duty and transportation costs in respect of the returned Goods if so requested by the Company.
- 10.2. The Company shall advise the Supplier within twenty two (22) Business Days of receipt of any visible defects and within thirty two (32) Business Days of receipt of any hidden defects which are not detectable from the outer packaging.
- 10.3. A clear inspection report submitted by the Company or the Supplier does not prevent later claims by the Company.
- 10.4. This clause 10 is without prejudice to any other right or remedy available to the Company in respect of returns.

11. DAMAGE OR LOSS IN TRANSIT

- 11.1. If the Incoterms 2010 term specified in the contract resulting from the PO provides for the risk of loss of or damage to the Goods to pass to the Company upon physical delivery of the Goods to the Delivery Location and any Goods are damaged in transit, the Company shall be entitled to reject such Goods and the Supplier shall either (at the Company's option):
- 11.1.1. (free of charge and as quickly as possible) replace such of the Goods as are damaged; or
 - 11.1.2. credit to the Company the part of the price paid for any such Goods,
- provided that in the case of damage to the Goods which is apparent at delivery, the Company shall within fifteen (15) Business Days of delivery give notice to the Supplier that the Goods are so damaged, and in the case of damage to the Goods which is latent at delivery, the Company shall within fifteen (15) Business Days of becoming aware of such damage give notice to the Supplier that the Goods are so damaged.
- 11.2. If the Incoterms 2010 term specified in the contract resulting from the PO provides for the risk of loss of or damage to the Goods to pass to the Company upon physical delivery of the Goods to the Delivery Location and any Goods, having been placed in transit, fail to be delivered to the Company, the Supplier shall either (at the Company's option):
- 11.2.1. (free of charge and as quickly as possible) supply such Goods; or
 - 11.2.2. credit to the Company the part of the price paid for any such Goods,
- provided that the Company shall, within fifteen (15) Business Days of the Delivery Period give notice to the Supplier that the Goods have not been delivered.

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- 11.3. If either or both of clauses 11.1 and 11.2 apply, delivery shall not be deemed to have taken place until replacement or repaired Goods (as the case may be) have been delivered.

12. PROPERTY AND RISK

- 12.1. The legal and equitable title to the Goods shall pass to the Company when the Goods have been separately identified and set aside for the Company or upon delivery to the carrier (whichever is earlier).
- 12.2. The Supplier will not at any time exercise any lien over the Goods.
- 12.3. The Goods shall be and shall remain at the Supplier's risk until such time as they are delivered to the carrier.
- 12.4. If the Company rejects the Goods in accordance with these Conditions, property, title and risk shall re-pass to the Supplier two (2) Business Days after notice of such rejection has been given to the Supplier by the Company save that where the Goods have been paid for by the Company property and title shall only re-pass to the Supplier when the amount paid for the rejected Goods has been credited to the Company.

13. CONFIDENTIALITY

- 13.1. All specifications, technical information, marketing and sales information, customer lists, and know-how furnished by the Company to the Supplier in connection with any order for the Goods are strictly confidential and shall be and remain the property of the Company and the Supplier shall promptly on completion of the order or at any earlier time on demand return all such items to the Company. The Supplier shall not copy, amend or part with possession of any such items and shall not make use of any of them other than for the purpose of carrying out the order.
- 13.2. The Supplier shall not without the prior written consent of the Company make use of or disclose to any third party any information relating to the Company, including any information embodied in any of the items referred to in clause 13.1, which it receives in connection with any order. This obligation shall continue without limit in point of time save in respect of information which was known to the Supplier prior to disclosure by the Company, which is in or which comes into the public domain through no fault of the Supplier, or which is disclosed to the Supplier by a third party who has not received the information directly or indirectly from the Company under a pledge of confidentiality.
- 13.3. Any order placed by the Company shall be treated as confidential by the Supplier. The Supplier also understands that it may not make use of the Company's name, or the name of any of the Company's customers, for publicity purposes without the written consent of the Company.

14. INDEMNITY

- 14.1. Without prejudice to any other right or remedy available to the Company, the Supplier shall fully and promptly indemnify the Company against all damages, proceedings, claims, demands, liabilities, losses (including loss of profits and consequential losses), charges, costs and expenses which the Company may suffer or incur as a result (direct or indirect) of any negligent or wrongful act or omission of the Supplier or the Supplier's employees, agent or sub-contractor or of any breach by the Supplier of any contract to which these Conditions apply.
- 14.2. Where any payment by way of reimbursement or indemnity is required to be made by the Supplier to the Company pursuant to these Conditions ("**the Indemnity Payment**") and the Indemnity Payment is subject to tax in the hands of the Company (whether by way of direct

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assessment or withholding at its source), the Company shall be entitled to receive from the Supplier such amounts as shall ensure that the net receipt, after tax, to the Company in respect of the Indemnity Payment is the same as it would have been were the Indemnity Payment not subject to tax.

15. **INSURANCE**

- 15.1. The Supplier shall insure with a reputable insurance company all its liabilities to the Company under any contract to which these Conditions apply and shall, when required, produce to the Company a copy of such policy and other evidence to establish that such insurance is in force.]

16. **BREACH AND SUPPLIER'S INSOLVENCY**

- 16.1. The Company may (without prejudice to any other right or remedy the Company may have) terminate any contract to which these Conditions apply immediately by notice to the Supplier if:
- 16.1.1. the Supplier shall default in or commit any breach of its obligations to the Company (whether or not such obligations are, or are expressed to be, conditions or other terms) and (in the case of a default or breach which is capable of remedy), the relevant default or breach is not remedied by the Supplier within fifteen (15) Business Days of the Company giving notice of such default or breach to the Supplier and requiring it to be remedied; or
 - 16.1.2. any distress or execution shall be levied upon the Supplier; or
 - 16.1.3. the Supplier shall enter into any negotiation, arrangement or composition with its creditors or commits any act of bankruptcy or if any petition in bankruptcy shall be presented against it; or
 - 16.1.4. any resolution is proposed or petition presented to wind up the Supplier; or
 - 16.1.5. a receiver or administrative receiver of the Supplier's assets or undertaking or any part thereof shall be appointed or if any administrator shall be appointed in respect of the Supplier; or
 - 16.1.6. the Supplier shall be deemed to be unable to pay its debts within the meaning of Section 123 Insolvency Act 1986; or
 - 16.1.7. the Supplier ceases, or threatens to cease, to carry on business; or
 - 16.1.8. any event occurs or proceedings are taken with respect to the Supplier which has an effect equivalent or similar to any of the events mentioned in clause 16.1.2 to 16.1.7 (inclusive) whether under the laws of England or the laws of any other jurisdiction.

17. **FORCE MAJEURE**

- 17.1. The Supplier shall immediately notify the Company if it is unable to make any delivery at the time provided therefor by reason of the unavailability of the Goods by or as a result of industrial action, wars, fires, floods or any natural disasters, or any other circumstances beyond the control of the Supplier. In such event, the Company may (without prejudice to any right or remedy available to it) suspend, modify or cancel the affected PO.

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- 17.2. The Company reserves the right to cancel or reduce the volume of Goods ordered if it is prevented from or hindered in the carrying on of its business through any circumstances beyond its control including (without limitation) industrial action, war, fire, riot or prohibition or enactment of any kind, floods or any natural disasters, without incurring any liability for any loss or damage whatsoever resulting therefrom.

18. WAIVER

- 18.1. No failure or delay by the Company in exercising any right under these Conditions shall operate as a waiver thereof or extend to or affect any other or subsequent event or impair any rights or remedies consequent thereon or in any way modify or diminish the rights of the Company under these Conditions.

19. ASSIGNMENT

- 19.1. These Conditions and any PO to which these Conditions apply are personal to the Supplier and the Supplier is not permitted to assign, transfer, mortgage, charge, sub-contract, dispose of or otherwise deal with any of or all the Supplier's rights, benefits and obligations under the Agreement without the Company's prior written consent (such consent to be granted at the Company's absolute discretion).

- 19.2. Without prejudice to clause 19.1, the Supplier shall not without the Company's prior written consent (such consent to be granted at the Company's absolute discretion):

19.2.1. enter into any factoring or invoice financing arrangement with any third party in respect of any contract to which these Conditions apply; or

19.2.2. sell any debts arising under any contract to which these Conditions apply.

- 19.3. The Supplier hereby acknowledges and accepts that breach of this clause 19 shall constitute an irremediable breach justifying immediate termination of any contract to which these Conditions apply.

20. SEVERANCE

- 20.1. If any Condition or part of any Condition shall become or shall be declared by any court of competent jurisdiction to be invalid or unenforceable in any way, such invalidity or unenforceability shall in no way impair or affect any other Condition or part of any Condition all of which shall remain in full force and effect.

21. NO PARTNERSHIP

- 21.1. None of the terms of these Conditions or any contract between the Company and the Supplier to which these Conditions apply shall operate so as to create a partnership or joint venture of any kind, or make either party the agent of the other.

22. NOTICES

- 22.1. Any notice required or authorised to be given under these Conditions shall be in writing and may be served:

22.1.1. by first class recorded delivery post; or

22.1.2. by email.

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- 22.2. In proving service of any notice under these Conditions it shall be sufficient to prove:
- 22.2.1. in the case of a notice sent by recorded delivery post, that the envelope containing the notice was properly addressed to the address last known to the party giving the notice; and
 - 22.2.2. in the case of a notice sent by email, that the notice was successfully transmitted to the email address as the recipient may designate from time to time by notice given in accordance with the provisions of this Condition 22.

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Registered Office: c/o Jamesons, 11 De Grey Square, De Grey Road, Colchester, CO4 5YQ. Registered in England No. 9472825 V.A.T. No. 207 6260 25



22.3. Notices shall be deemed served:

22.3.1. in the case of a notice sent by recorded delivery post, on the fourth Business Day following the day of posting;

22.3.2. in the case of a notice sent by email, one hour after transmission, or if not sent on a Business Day, on the next Business Day.

23. ENTIRE AGREEMENT

23.1. These Conditions (together with any PO placed by the Company and accepted by the Supplier) constitute the entire agreement between the Company and the Supplier in relation to the subject matter of any PO placed by the Company and accepted by the Supplier and supersede any prior agreement, understanding or arrangement between the parties, whether oral or in writing.

23.2. The Company and the Supplier acknowledge that, in entering into any contract governed by these Conditions, they have not relied on any representation or undertaking, whether oral or in writing, save such as are expressly incorporate in these Conditions or on the PO (and save for any fraudulent misrepresentations or any other representations which cannot be excluded as a matter of law).

24. THIRD PARTY RIGHTS

24.1. A person who is not a party to any contract to which these Conditions apply may not enforce any of the terms of such contract under the Contracts (Rights of Third Parties) Act 1999.

25. GOVERNING LAW AND JURISDICTION

25.1. These Conditions and any contract between the Company and the Supplier shall be governed by and construed in accordance with the law of England and Wales.

25.2. The courts of England and Wales shall have exclusive jurisdiction in respect of any claim or matter arising out of or in connection with these Conditions and any contract between the Company and the Supplier and that accordingly any proceedings in respect of any such claim or matter shall be brought in such courts.

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