

Terms and Conditions of Purchase

UK Company Registration No: 436880

1. GENERAL

There shall be no binding contract between Lesmar Limited ("Lesmar") and the Seller until the Seller has been issued with a written Purchase Order detailing a Purchase Order Number by Lesmar. These conditions shall apply to the exclusion of all other terms of Seller, except as specifically agreed in writing by Lesmar. Acceptance of the order shall be deemed to indicate the Seller's agreement to these conditions.

2. QUANTITY

The quantity of items delivered by the Seller should match the exact quantity ordered; however, Lesmar understands that on occasion exact quantity deliveries may not be possible in which case the following shall apply:

- i. If the unit price of the item is below £6 or €6 or \$8 per unit the Seller may over deliver by up to 5%.
- ii. The Seller is obligated to seek permission in writing from Lesmar before delivering the items if there are going to be: any under deliveries; over deliveries greater than 5% if the unit price is below £6 or €6 or \$8 each; or any over deliveries whatsoever if the unit price is above £6 or €6 or \$8 each.

3. QUALITY

All items manufactured under this agreement shall be free from defects in the material and workmanship. Claims for defective or nonconforming items shall be made to the Seller as soon as practical after discovery. In the event of such rejection, the Seller shall, at Lesmar's option, replace the rejected items at no extra cost to Lesmar or give Lesmar a credit for the rejected items. Any shipping charges on replaced items shall be borne by the Seller.

Items delivered under this agreement shall be produced in compliance with all applicable laws, rules and regulations. Notwithstanding anything contrary herein, failure to comply with this section shall be deemed to be a material breach by the Seller and shall entitle Lesmar to terminate this agreement forthwith without compensation and without prejudice to any other rights or remedies. The Seller shall indemnify Lesmar in respect of loss, damage, costs, charges, notices or demands that may arise directly or indirectly from such a breach.

4. TITLE, RISK & DELIVERY

Title and risk to the items shall be deemed to have passed to Lesmar upon unconditional receipt or acceptance of the same by the delivery. Lesmar may reject non-conforming items and shall have no obligation to pay for such items. Lesmar shall inform the Seller of any such discrepancy. Such items will be held for the Seller's instructions at the Seller's cost and risk.

Time is of the essence of this contract. The Seller shall fully indemnify Lesmar in respect of loss, damage, costs, charges, notices or demands that may be suffered by Lesmar due to late delivery, short delivery or non delivery, as well as any defects in the items that may have been accepted by Lesmar.

5. CONFIDENTIALITY

Each party agrees to take all reasonable steps to prevent disclosure of confidential information received from the other party, with the exception of complying with any relevant laws, statutes or regulations.

Unless otherwise agreed in writing between the parties, any designs, drawings, specifications, or other information furnished by one party to the other shall be deemed to be confidential and to have been furnished solely for the performance of this agreement.

6. SOCIAL RESPONSIBILITY CODE OF CONDUCT

6.1 The Seller confirms that it abides with the Social Responsibility Code of Conduct in Appendix A, and that they are proactively working towards ensuring that any third party suppliers in the Seller's supply chain also comply with Appendix A. Any major breaches of non-compliance must be followed by either of the two actions listed below.

- A. The Seller's contracts and business with the supplier terminated immediately unless reasonable and prompt steps are taken by the supplier to rectify any problems.
- or
- B. Major non-compliance breaches are promptly reported to Lesmar in writing.

If the Seller fails to comply with either of the above, Lesmar may, at its sole discretion terminate any agreement or contract that it has with the Seller with immediate effect.

6.2 The Seller must confirm to Lesmar, immediately and also within 30 days of any such future request being made, how the Social Responsibility Code of Conduct in Appendix A is being implemented with any third party suppliers. This can be demonstrated through:

- A. Confirming in writing to Lesmar that SA8000 or Sedex Social Responsibility based audits have been undertaken recently and that good scores have been achieved. Copies of the audits may need to be provided. In the eventuality that scores are not good then copies of the audits and details of remedial actions being taken should be provided for Lesmar to approve before any orders on behalf of Lesmar are commenced.
- or
- B. Confirming in writing to Lesmar that internal staff of the Seller have visited the supplier(s) recently to check for SA8000 Social Responsibility compliance and that reasonable scores or assessments have been achieved. Copies of visit notes and/or pictures of working conditions may need to be provided. In the eventuality that scores or assessments are not good then copies of the visit notes and details of remedial actions being taken should be provided for Lesmar to approve before any orders on behalf of Lesmar are commenced.
- or
- C. For factories or suppliers based in Europe, Turkey, North America, Australia or New Zealand, that the factories or suppliers have 'self-certified' to confirm their compliance with Appendix A in writing to the Seller.

7. ENVIRONMENTAL RESPONSIBILITY

Lesmar is committed to minimisation of waste and the use of harmful chemicals, and is also committed to the recycling of materials. Lesmar expects all factories, suppliers and any third party factories to be committed to minimisation of waste and the use of harmful chemicals, and also committed to the recycling of materials.

8. LAW

This contract shall be governed by and construed in accordance with English law and the courts of England shall have jurisdiction to hear all disputes arising in connection with it.

AGREED & ACCEPTED BY

Lesmar Limited

Authorised signatory:

Name:

Date:

Seller:

Authorised signatory:

Name:

Date:

Response to 6.2 (A, B and/or C):

Appendix A

Social Responsibility

Lesmar believes that it is important to behave in a socially and ethically exemplary way. We believe that we are responsible for the people who take part in the production and support of our products and services worldwide. We believe that people whose work contributes to our success should not be deprived of their basic human rights, nor be forced to suffer physically or mentally from their work in any way.

Lesmar expects employers to respect fundamental human rights, to treat their workforce fairly and with respect. In order to make our position clear to our own staff, our suppliers and any other affected parties, we have documented a Code of Conduct.

Ethical Trading Initiative Code of Conduct

1. EMPLOYMENT IS FREELY CHOSEN

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

2. FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING ARE RESPECTED

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

3. WORKING CONDITIONS ARE SAFE AND HYGIENIC

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

management representative.

4. CHILD LABOUR SHALL NOT BE USED

- 4.1 There shall be no new recruitment of child labour.
 - 4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.
 - 4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
 - 4.4 These policies and procedures shall conform to the provisions of the relevant ILO standards.
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5. LIVING WAGES ARE PAID

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

- 6.1 Working hours comply with national laws and benchmark industry standards, whichever affords greater protection.
 - 6.2 In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7 day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.
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7. NO DISCRIMINATION IS PRACTISED

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

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

avoided through the excessive use of fixed-term contracts of employment.

9. NO HARSH OR INHUMANE TREATMENT IS ALLOWED

- 9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

The provisions of this code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying this code are expected to comply with national and other applicable law and, where the provisions of law and this Base Code address the same subject, to apply that provision which affords the greater protection.