

Standard Vendor Terms of Trade

1. Definitions

- 1.1 "Talbot Technologies" means Talbot Technologies Limited, a New Zealand corporation.
- 1.2 "Order" means the Talbot Technologies purchase order provided to Vendor, to which these terms of trade are incorporated and apply.
- 1.3 "Terms" means these Standard Vendor Terms of Trade.
- 1.4 "Vendor" means the seller named in the Order, where Vendor supplies goods and/or services pursuant to the Order.

2. Vendor's Acceptance

- 2.1 Vendor's acknowledgement of the Order, commencement of work or the supply of goods or services shall be deemed to be acceptance of the Order. Such acceptance is limited to the express terms and conditions described herein.
- 2.2 Any terms and conditions proposed by Vendor which are different or additional to those herein are hereby objected to and rejected by Talbot Technologies.

3. Changes

- 3.1 No changes shall be binding on Talbot Technologies unless in writing and agreed to by Talbot Technologies's authorised representative. Talbot Technologies reserves the right at any time to make changes to drawings, specifications, place of delivery and the like. If such changes result in an increase or decrease in Vendor's cost, then any adjustment shall be agreed to in writing by the parties.

4. Confidential Information

- 4.1 Vendor shall keep in confidence and shall not disclose to any other person or entity, any drawings, specifications, data and the like ("Confidential Information"), supplied by Talbot Technologies in connection with the Order.
- 4.2 Vendor shall not advertise, publish or communicate the fact that Talbot Technologies has contracted to purchase goods or services from Vendor, without the express written consent of Talbot Technologies.
- 4.3 Upon completion of the supply of goods or services under the Order or at any prior time if requested by Talbot Technologies, Vendor shall return to Talbot Technologies all Confidential Information and if requested by Talbot Technologies will undertake in writing that it has not retained any Confidential Information in any form.

5. Delivery

- 5.1 TIME IS OF THE ESSENCE. Any delays to delivery shall be reported to Talbot Technologies. Talbot Technologies is not obligated to accept any early, late, partial or excess deliveries.
- 5.2 Talbot Technologies reserves the right, without liability, in addition to other rights and remedies, to terminate the Order with respect to any goods not yet shipped or services not yet rendered by the delivery date and to purchase substitute goods or services elsewhere and charge Vendor for any loss.
- 5.3 The Vendor is required to supply product that has a remaining shelf life of at least 75% of original life as of shipment date.

6. Price and Payment

- 6.1 This Order may not be filled at a price higher than that on the Order. In the event of a higher price DO NOT SHIP – contact Talbot Technologies immediately to obtain written authorisation for an increase in price.
- 6.2 Talbot Technologies shall make payment to Vendor no later than the 30th of the month following invoice, subject always to the fulfilment of the Order in accordance with the specific terms of the Order and these Terms.

7. Vendor's Warranty

- 7.1 Vendor expressly warrants that all goods or services supplied under this Order shall:
 - be in accordance with all drawings, specifications, samples or other descriptions upon which the Order is based;
 - conform to the purposes intended, if Vendor should

- reasonably know what such purposes are;
 - be free of any third-party claims;
 - be free of any defects in materials and workmanship and shall be of the required quality;
 - be performed properly, in a workmanlike manner and accordance with Talbot Technologies's drawings, specifications, instructions and the like; and
 - not infringe any third-party patent, trade name, trademark or the like.
- 7.2 All tools, dies, jigs, fixtures, etc., drawings, patterns, specifications furnished to Vendor by Talbot Technologies in connection with this Order shall be and remain the property of Talbot Technologies and shall be held by Vendor, unless directed otherwise.
 - 7.3 Vendor agrees to maintain and insure Talbot Technologies's property adequately and to indemnify Talbot Technologies for any damage or loss sustained to such property, as a consequence of Vendor's possession or control.
- ### 8. Talbot Technologies's Property
- 8.1 Vendor's warranty shall survive delivery and shall not be deemed waived by inspection, test or the like and shall remain in favour of Talbot Technologies.
 - 8.2 Vendor agrees to promptly replace any non-conforming goods or services, without cost to Talbot Technologies. If Vendor fails to promptly replace the non-conforming goods or services, Talbot Technologies may, after reasonably notice to Vendor, repair or replace the non-conforming goods or services and charge Vendor for all costs incurred. Vendor may not negate, limit or otherwise modify this warranty.
 - 8.3 All materials provided by Talbot Technologies to Vendor must be segregated by Vendor from other materials and held in a controlled environment. Vendor is accountable to Talbot Technologies for such materials used and all scrap must be returned to Talbot Technologies, upon request by Talbot Technologies.
- ### 9. Inspection and Testing
- 9.1 Talbot Technologies's payment for goods or services tendered by Vendor against the Order shall not constitute acceptance thereof. Talbot Technologies shall have the right to inspect and test all goods during and after the period of manufacture, at any place the goods may be located. If the goods are determined by Talbot Technologies to be non-conforming, Talbot Technologies may return the goods to Vendor for refund or replacement at Vendor's expense.
 - 9.2 In addition to all other rights Talbot Technologies may have hereunder, Talbot Technologies may charge Vendor for all expenses incurred in unpacking, inspecting, testing, repacking and returning non-conforming goods.
 - 9.3 In the event that the defect or non-conformity is not apparent on initial inspection, but results in later product deterioration, Talbot Technologies reserves the right to require Vendor to replace the goods as well as pay Talbot Technologies for all damages, including consequential damages, it has incurred.
 - 9.4 Notwithstanding anything in these Terms to the contrary, Vendor shall be obligated to test and inspect the goods or services to ensure that quality standards are met and that Vendor's warranty to Talbot Technologies is fulfilled.
 - 9.5 Talbot Technologies, their customer and regulatory authorities have access to the applicable areas of all facilities, at any level of the supply chain and all relevant records in relation to the goods or services supplied.
- ### 10. Termination by Talbot Technologies

- 10.1 Talbot Technologies may give written notice to Vendor to terminate the Order, in whole or in part, at any time, either for Talbot Technologies's convenience or because of the failure of Vendor to fulfil its contractual obligations. On receiving written notice of termination, Vendor shall immediately cease all further work and make every reasonable effort to secure cancellation of all existing orders or contracts for materials or services in connection with performance of the Order.
- 10.2 If termination is for Talbot Technologies's convenience an equitable (pro-rata) adjustment shall be made where actual costs have been incurred, but no amount shall be payable for anticipated profits or unperformed services.
- 10.3 If termination is due to the failure of Vendor to perform its contractual obligations, then Talbot Technologies will not be liable to Vendor for any amount, but Vendor will be liable to Talbot Technologies for any and all damages incurred due to the breach which gave rise to the termination.
- 11. Vendor's Quality System**
- 11.1 Talbot Technologies reserve the right to review and approve the Vendor's Quality Management System. Standard QMS requirements include:
- Vendor providing special processing must maintain a system for validating processes.
 - Customer directed sources must operate in accordance with approved specifications and standards as dictated and controlled by the customer in question.
 - Special processes performed by qualified personnel.
- 11.2 Talbot Technologies may advise the Vendor where improvements are deemed necessary and the Vendor shall make these improvements or satisfy Talbot Technologies that the desired level of QA will be achieved by other means.
- 11.3 The Vendor shall maintain the proper identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data.
- 12. Traceability and Product Recall**
- 12.1 Talbot Technologies has adopted Product traceability procedures conforming to relevant law. Vendor shall ensure that it procures accurate and complete records (for example material certificates, test certificates, and the like) of all goods and services incorporated into the goods and services furnished to Talbot Technologies in accordance with the Order and shall securely retain these records for a period not less than seven (7) years from the date the goods were delivered (or the services provided) to Talbot Technologies.
- 12.2 In the event that Talbot Technologies initiates a product recall, Vendor shall provide reasonable and timely assistance to Talbot Technologies to enable Talbot Technologies to comply with its regulatory obligations with respect to the product recall.
- 13. Independent Contractor**
- 13.1 The parties expressly understand and agree that Vendor is acting as an independent contractor, unrelated to Talbot Technologies. Nothing in this Order is intended to create a relationship between Talbot Technologies and Vendor. Vendor shall not incur any expenses or obligations nor make any representations or warranties to third parties, binding on or in the name of Talbot Technologies. Vendor shall indemnify, hold harmless and defend Talbot Technologies from any and all claims, damages, liabilities, fines and expenses, which may be incurred in relation to performance of the work covered by the Order. Vendor shall maintain all necessary insurance coverage, including public liability and material damage. Vendor agrees to provide appropriate insurance certificates to Talbot Technologies on request.
- 14. Assignment and Subletting**
- 14.1 The Vendor shall not assign or transfer the order, or sub-let the Order or any part thereof, without the consent in writing of Talbot Technologies.. Such consent shall not relieve the Vendor of its responsibilities.

15. Patents, Patent Indemnification

- 15.1 Unless this Order is for goods manufactured to a specification provided by Talbot Technologies, Vendor agrees that on receipt of a notice from Talbot Technologies to defend promptly Talbot Technologies from any claim or infringement of any patent by reason of the manufacture, use or sale of the goods or services furnished under this Order. Vendor further agrees to pay any and all expenses, losses, damages and the like, incurred by or awarded against Talbot Technologies as a result of such claims or infringements.

16. Limitation of Talbot Technologies's Liability

- 16.1 Talbot Technologies's liability to Vendor shall not exceed the price agreed to by the parties for the goods or services that are the subject of the Order. Any actions relating to or arising from an alleged breach by Talbot Technologies as to the subject goods or services must commence within one (1) year after the cause of the action has occurred or be forever barred.

17. Title, Risk and Insurance

- 17.1 The Goods shall become the property of Talbot Technologies' upon delivery to the Deliver Point specified on the order, or upon payment, whichever is earlier.
- 17.2 The Vendor shall bear the risk of loss or damage to the Goods until they are satisfactorily delivered to the Delivery Point specified on the order, and shall take out and provide any insurance it may consider necessary.

18. Communication

- 18.1 The Vendor is required to:
- Notify Talbot of nonconforming product.
 - Obtain Talbot approval for nonconforming product disposition.
 - Notify Talbot of changes in product and/or process, changes of suppliers, and changes of manufacturing facility.
 - Flow down the supply chain the applicable requirements including customer requirements.
 - Changes to certification status (i.e ISO9001).

19. Other Clauses

- 19.1 Governing Law. New Zealand law shall govern these Terms. Vendor submits to the non-exclusive jurisdiction of New Zealand courts.
- 19.2 Invalidity. If any clause in these Terms is determined to be illegal or unenforceable for any reason, the parties shall modify such clause, but only to the extent necessary to make it legal and enforceable. If modification is not possible without materially altering the intent of the clause, the parties shall sever such clause from these Terms and, if possible, renegotiate in good faith such other means to reflect the intent of such severed clause. Notwithstanding such severance, the parties shall enforce the other clauses in these Terms as if such severed clause was never a part thereof.
- 19.3 Compliance with Law. The parties shall comply with all applicable laws.
- 19.4 Conflicts. The specific terms of the Order to which these Terms are attached, or incorporated by reference, shall prevail in the event of a conflict.
- 19.5 Non-waiver. No failure by Talbot Technologies to insist upon strict performance of any of these Terms and the specific terms of the Order, or delay in exercising any of its rights or remedies, shall constitute a waiver or variation of the terms or a waiver of any such right or remedy.
- 19.6 Entire Agreement. The Order, these Terms and any document referred to herein shall constitute the entire agreement between Talbot Technologies and Vendor.