

PRINCESS YACHTS LIMITED – STANDARD TERMS OF PURCHASE 2018

1. INTERPRETATION

The following definitions and rules of interpretation apply in these Standard Terms.

1.1 Definitions:

Background IPR	any Intellectual Property Rights, other than Foreground IPR, that are used in the course of or in connection with the provision of the Goods and/or Services.
Business Day	a day other than a Saturday, Sunday or public holiday in England, when banks in London are open for business.
Contract	the contract between Princess Yachts and the Supplier for the supply of Goods and/or Services in accordance with these Standard Terms whether under a Supply Agreement or a Purchase Order or with the approval of a director of Princess Yachts under clause 2.6.
Deliverables	all documents, products and materials developed by the Supplier or its agents, contractors and employees as part of or in relation to the Services in any form or media, including drawings, maps, plans, diagrams, designs, pictures, computer programs, data, specifications and reports (including drafts).
Foreground IPR	any Intellectual Property Rights that arise or are obtained or developed by the Supplier, or by a contractor on the Supplier's behalf, in the course of performing its obligations under the Contract.
Goods	the goods (or any part of them) set out in the Contract.
Intellectual Property Rights	patents, utility models, rights to inventions, copyright and neighbouring and related rights, moral rights, trade marks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.
Princess Yachts	Princess Yachts Limited (Company No. 00856633) whose registered office address is at Newport Street, Stonehouse, Plymouth, Devon, PL1 3QG.
Princess Yachts' Policies	Princess Yachts' business policies and codes as notified from time to time to the Supplier, including policies in relation to anti-bribery and anti-corruption; data and privacy; and modern slavery and human-trafficking.
Purchase Order	Princess Yachts' order for the supply of Goods and/or Services, as set out in Princess Yachts' purchase order form or in Princess Yachts' written acceptance of the Supplier's quotation, as the case may be.
Services	the services, including any Deliverables, to be provided by the Supplier under the Contract as set out in the Service Specification.
Service Specification	the description or specification for Services agreed in writing by Princess Yachts and the Supplier.
Supplier	the person or firm from whom Princess Yachts purchases the Goods and/or Services.
Standard Terms	these terms and conditions as amended from time to time in accordance with clause 20.2.
Supply Agreement	a separate agreement between the Supplier and Princess Yachts for the purchase of Goods and/or Services.

1.2 Interpretation:

- 1.2.1 A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.2.2 A reference to a party includes its successors and permitted assigns.
- 1.2.3 A reference to a statute or statutory provision is a reference to it as amended or re-enacted. A reference to a statute or statutory provision includes all subordinate legislation made under that statute or statutory provision.
- 1.2.4 Any words following the terms including, include or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.2.5 A reference to writing or written includes fax and email.

2. BASIS OF CONTRACT

- 2.1 Each Purchase Order is an offer by Princess Yachts to purchase Goods and/or Services from the Supplier in accordance with these Standard Terms. Subject to clause 2.5, a Purchase Order will be deemed accepted by the Supplier on the earlier of the Supplier issuing written acceptance or any act by the Supplier consistent with fulfilling the Purchase Order.
- 2.2 These Standard Terms are incorporated into any Supply Agreement.
- 2.3 These Standard Terms apply to the Contract to the exclusion of any other terms that the Supplier seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing.
- 2.4 Unless otherwise specified in the Contract:
 - 2.4.1 if there is a conflict between these Standard Terms and the terms of any Purchase Order or Supply Agreement, the terms of the relevant Purchase Order or Supply Agreement shall apply; and
 - 2.4.2 if there is a conflict between any term of a separate Supply Agreement and the terms of Purchase Orders, the terms of the Supply Agreement shall apply.
- 2.5 The Supplier may reject a Purchase Order in writing within five Business Days after the date of the relevant Purchase Order.
- 2.6 Work is not to be undertaken without an approved Purchase Order unless agreed by a director of Princess Yachts.

3. PRICE AND PAYMENT

- 3.1 The Supplier agrees that:
 - 3.1.1 if the price is not stated in the Contract, the price will not be higher than the Supplier's lowest prevailing price for corresponding Goods and/or Services as at the date of the Contract; and
 - 3.1.2 if the Supplier's price for any Goods and/or Services is reduced before completion of the supply of Goods or performance of Services under the Contract, the lower price shall apply.
- 3.2 The price shall include all charges for packing, insurance and carriage and no additional charges of any kind shall apply unless agreed in writing and signed by Princess Yachts.
- 3.3 Each invoice issued shall:
 - 3.3.1 unless Princess Yachts has agreed to a monthly consolidated invoice, be sent after completion of each delivery of Goods or completion of Services and not cover more than one Purchase Order;
 - 3.3.2 contain the Purchase Order number to which it relates; and
 - 3.3.3 be rendered to the proper accounts payable department of Princess Yachts as set out in the Purchase Order.
- 3.4 Princess Yachts shall pay the Supplier within 60 days of the date on which the invoice is received by the proper accounts payable department of Princess Yachts.

- 3.5 If Princess Yachts fails to make a payment due to the Supplier under the Contract by the due date, then Princess Yachts shall pay interest on the overdue sum from the due date until payment of the overdue sum, whether before or after judgment. Interest under this clause will accrue each day at 3% a year above the Bank of England's base rate from time to time, but at 4% a year for any period when that base rate is below 0%.

4. DELIVERIES AND INSTALMENTS

- 4.1 Princess Yachts will only pay for maximum quantities of Goods ordered. Princess Yachts may reject deliveries of Goods in excess of the amount specified in the Contract. Any rejected Goods may be held by Princess Yachts at the Supplier's risk and expense for a reasonable time awaiting instructions. Return delivery and/or shipping charges for excess quantities will be at the Supplier's expense.
- 4.2 The Supplier shall not deliver the Goods in instalments without the prior written consent of Princess Yachts. Where it is agreed that Goods are delivered by instalments, they may be invoiced and paid for separately. However, failure by the Supplier to deliver any one instalment on time or at all or any defect in an instalment shall entitle Princess Yachts to the remedies set out in clause 7.
- 4.3 No partial or complete delivery shall be made prior to the date or dates agreed by the parties unless Princess Yachts has given prior written consent.

5. PACKING AND SHIPMENT

- 5.1 Unless otherwise specified, all Goods shall be packed, packaged, marked and otherwise prepared for shipment in a manner which is:
 - 5.1.1 in accordance with good commercial practices;
 - 5.1.2 acceptable to common carriers for shipment at the lowest rate for the particular supplies; and
 - 5.1.3 adequate to ensure safe arrival at the location set out in the Purchase Order specified by Princess Yachts before delivery.
- 5.2 The Supplier shall mark all containers with necessary lifting, handling and shipping information, Purchase Order numbers, date of shipment and the name of the consignee and consignor. An itemised packaging sheet must accompany each shipment.

6. CHANGES

- 6.1 Princess Yachts reserves the right to request a change to any one or more of the following:
 - 6.1.1 specifications, drawings, blueprints and data concerning the Goods and/or Services;
 - 6.1.2 method of packaging, packing or shipment of Goods;
 - 6.1.3 method of delivery of Services; and/or
 - 6.1.4 place and/or time for delivery of Goods and/or performance of Services (together, requirement changes).
- 6.2 The Supplier will not unreasonably deny any request by Princess Yachts for requirement changes. If requirement changes cause an increase or decrease in the cost or the time required for the delivery of Goods and/or performance of Services (performance changes), the Supplier shall promptly notify Princess Yachts in writing. The parties shall agree in writing any requirement changes and performance changes which shall apply and the Contract shall be deemed varied to reflect the agreed changes.
- 6.3 If the Supplier does not notify Princess Yachts in writing of performance changes resulting from requirement changes within 30 days after receipt by the Supplier of the requirement changes, the Supplier shall be deemed to have agreed to make requirement changes without making any performance changes in which case the Supplier must proceed without delay to perform its obligations under the Contract as changed.

7. WARRANTIES

- 7.1 The Supplier warrants, represents, covenants and agrees that:
 - 7.1.1 it will comply with the Princess Yachts' Policies and will obtain all federal, provincial, municipal and other government or regulatory licences, permits or other documents or permissions that are required by Princess Yachts or are incidental to the sale or shipment of the Goods, or performance of Services to Princess Yachts;
 - 7.1.2 the Goods supplied and the Services performed shall comply with:
 - (a) all applicable laws, regulations, regulatory policies, guidelines or industry codes which may apply from time to time; and
 - (b) the requirements of each applicable governmental authority with respect to the supply of the Goods and/or performance of Services (including those concerning packaging, storage and shipment and the use of chemical substances);
 - 7.1.3 the Goods supplied shall:
 - (a) be in full compliance with their description and any specifications, blueprints, drawings, samples and data (as may be amended from time to time) agreed in writing between the parties;
 - (b) be of satisfactory quality (within the meaning of the Sale of Goods Act 1979) and fit for any purpose held out by the Supplier or for any purpose intended and made known to the Supplier by Princess Yachts, expressly or by implication, and in this respect Princess Yachts relies on the Supplier's skill and judgement;
 - (c) be free from defects in design, material and workmanship;
 - (d) be free from any actual or claimed infringement of Intellectual Property Rights;
 - (e) comply with all applicable statutory and regulatory requirements relating to the manufacture, labelling, packaging, storage, handling and delivery of the Goods;
 - 7.1.4 be delivered:
 - (a) on the date specified in the Contract or, if no such date is specified, then within 7 days of the date of the Purchase Order;
 - (b) to such location as is set out in the Purchase Order or as instructed by Princess Yachts before delivery;
 - 7.1.5 in performing the Services, it shall:
 - (a) perform the Services with the best care, skill and diligence in accordance with best practice in the Suppliers industry, profession or trade;
 - (b) use personnel who are suitably skilled and experienced to perform tasks assigned to them;
 - (c) ensure that the Services and Deliverables will conform with all descriptions and specifications set out in the Service Specification, and that the Deliverables shall be fit for any purpose that Princess Yachts expressly or impliedly makes known to the Supplier;
 - (d) use the best quality goods, materials, standards and techniques, and ensure that the Deliverables, and all goods and materials supplied and used in the Services or transferred to Princess Yachts, will be free from defects in workmanship, installation and design;
 - (e) observe all health and safety rules and regulations and any other security requirements that apply at any of the Princess Yachts' premises; and
 - (f) comply with any additional obligations as set out in the Service Specification.
- 7.2 Unless otherwise stated in the Contract, the Supplier shall ensure that the Goods shall comply with statements set out in clause 7.1 for two years after use.
- 7.3 Unless as otherwise stated in any specific product warranty agreement, or the Contract, the warranties contained in clause 7.1 are the only warranties made by the Supplier concerning the Goods and/or Services. Such warranties will survive the acceptance and payment of the Goods and/or Services. Princess Yachts acknowledges that the Supplier has given no warranties, express or implied, other than those set out in this clause and any separate agreement between the parties.
- 7.4 If any Goods delivered, or Services provided, do not meet the requirements of these Standard Terms and any additional requirements set out in any separate formal agreement between the parties, then, without limiting or affecting other rights or remedies available to it (including rights implied by statute and common law), Princess Yachts may, at its option and whether or not it has accepted any Goods:

- 7.4.1 require the Supplier to correct at no cost to Princess Yachts any defective or non-conforming supplies of Goods and/or Services by repair or replacement;
- 7.4.2 reject the Goods (in whole or in part) whether or not title has passed and to return to the Supplier such defective or non-conforming supplies at the Supplier's expense and recover from the Supplier the order price thereof;
- 7.4.3 correct the defective or non-conforming Goods and/or Services itself and charge the Supplier with the cost of such correction;
- 7.4.4 purchase the Goods and/or Services from an alternative source and recover the costs of doing so from the Supplier;
- 7.4.5 terminate the Contract with immediate effect by giving written notice to the Supplier; and/or
- 7.4.6 refuse to accept any subsequent Goods or performance of the Services which the Supplier attempts to deliver or make.
- 7.5 Princess Yachts' approval of the Supplier's material or design shall not relieve the Supplier of its obligations under the warranties set out in this clause, nor will any waiver by Princess Yachts of any drawing or specification requirement for one or more of the items ordered constitute a waiver of such requirements for the remaining items to be delivered.
- 8. INSPECTION**
- 8.1 Each of the Goods and/or Services purchased is subject to Princess Yachts' inspection and approval at any place Princess Yachts may reasonably designate.
- 8.2 Princess Yachts expressly reserves the right to reject Goods and/or Services that do not conform to:
- 8.2.1 any instructions contained in the Contract;
- 8.2.2 Princess Yachts' specifications, drawings, blueprints and data concerning the Goods and/or Services; or
- 8.2.3 the Supplier's warranties, whether expressed or implied.
- 8.3 Princess Yachts may, in its sole discretion, hold such items for the Supplier's inspection at the Supplier's risk upon notification to the Supplier or return of such items to the Supplier at the Supplier's expense. Payment for any items shall not be deemed an acceptance thereof.
- 9. ASSIGNMENT AND OTHER DEALINGS**
- 9.1 Princess Yachts may at any time assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any or all of its rights and obligations under the Contract.
- 9.2 The Supplier may not assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any of its rights or obligations under the Contract without the prior written consent or Princess Yachts. Any purported assignment without such consent will be void.
- 9.3 No assignment will relieve the assigning party from its obligations under the Contract.
- 10. INDEMNITY**
- The Supplier shall indemnify Princess Yachts against all liabilities, costs, expenses, damages and losses (including any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other reasonable professional costs and expenses) suffered or incurred by Princess Yachts arising out of or in connection with:
- 10.1 any claim made against Princess Yachts for actual or alleged infringement of a third party's Intellectual Property Rights arising out of, or in connection with, the manufacture, supply or use of the Goods, or receipt, use or supply of the Services;
- 10.2 any claim made against Princess Yachts by a third party for death, personal injury or damage to property arising out of, or in connection with, defects in the Goods, as delivered, or the Deliverables; and
- 10.3 any claim made against Princess Yachts by a third party arising out of or in connection with the supply of the Goods, as delivered, or the Services.
- 11. INSURANCE**
- During the term of the Contract, the Supplier shall maintain in force with a reputable insurance company, professional indemnity insurance, product liability and public liability insurance to cover the liabilities that may arise under or in connection with the Contract and shall, on Princess Yachts' request, produce both the insurance certificate giving details of cover and the receipt for the current year's premium in respect of each insurance.
- 12. RISK AND TITLE**
- Unless otherwise specified in the Contract:
- 12.1 title to the Goods shall pass to Princess Yachts on the delivery of the Goods; and
- 12.2 risk in the Goods shall pass to Princess Yachts on acceptance of the Goods at the premises nominated by Princess Yachts.
- 13. THIRD PARTY RIGHTS**
- A person who is not a party to the Contract shall not have any rights under or in connection with it. The rights of the parties to rescind or vary the Contract are not subject to the consent of any other person.
- 14. INTELLECTUAL PROPERTY**
- 14.1 All Background IPR are and shall remain the exclusive property of the party owning them (or, where applicable, the third party from whom its right to use the Background IPR has derived).
- 14.2 Each party shall grant or procure the grant of all such licences to the other party to use Background IPR as are necessary to allow the other party to exercise its rights and perform its obligations under the Contract.
- 14.3 The Supplier assigns and shall procure the assignment of any Foreground IPR, with full title guarantee and free from third party rights.
- 14.4 To the extent that the Supplier subcontracts performance of the Services, it shall procure that all Foreground IPR that arise from the work of its subcontractor shall be assigned to the Supplier absolutely. The provisions of clause 14.3 shall apply to any Foreground IPR assigned to the Supplier under this clause.
- 14.5 The Supplier shall obtain irrevocable written waivers of all moral rights in any works which are the subject of the Foreground IPR to which any individual is now or may be at any future time entitled under Chapter IV of Part I of the Copyright Designs and Patents Act 1988 or any similar provisions of law in any jurisdiction.
- 14.6 Each party shall, at its own cost, promptly do or procure the doing of all such acts and things and execute or procure the execution of all such documents as may from time to time be required to give effect to this clause.
- 14.7 Except as expressly provided in the Contract, no rights or obligations in respect of a party's Intellectual Property Rights are granted to the other party or to be implied from the Contract.
- 15. CONFIDENTIALITY**
- 15.1 Subject to clause 15.2, each party undertakes that it will:
- 15.1.1 not disclose to any person any confidential information concerning the business, affairs, customers, clients or suppliers of the other party including, in the case of Princess Yachts, any specifications, drawings, blueprints and data concerning the Goods (Confidential Information);
- 15.1.2 only use and copy the Confidential Information in order to comply with its obligations under the Contract;
- 15.1.3 safeguard the Confidential Information and comply with any requirements specified from time to time by the party to which such information relates;
- 15.1.4 disclose the Confidential Information to personnel, agents and professional advisers or other entities by agreement on a "need to know" basis, and shall make any such recipient aware of the obligations under the Contract;
- 15.1.5 implement rigorous security practices against any unauthorised copying, use, disclosure, access, damage or destruction of the Confidential Information;
- 15.1.6 immediately notify the other party if it suspects or becomes aware of any unauthorised access, copying, use or disclosure of the Confidential Information in any form or if it is required by law to disclose any of the Confidential Information;
- 15.1.7 take all reasonable steps to enforce any obligation of confidence imposed, or required to be imposed, by the Contract; and
- 15.1.8 do all things, execute all documents and give all assistance reasonably required by the party to which any Confidential Information relates to enforce any obligation of confidence imposed or required to be imposed by the Contract.
- 15.2 Each party may disclose the other party's Confidential Information as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.
- 16. NON-PUBLICITY**
- Without the prior written consent of Princess Yachts, the Supplier shall not:
- 16.1 issue any news release, public announcement, denial or confirmation of the Contract or its subject matter; or
- 16.2 in any manner advertise or publish the fact that Princess Yachts has entered into the Contract with the Supplier.
- 17. FORCE MAJEURE**
- 17.1 For the purposes of this clause, a force majeure event:
- 17.1.1 is an event or circumstance which is beyond the reasonable control of and could not have been reasonably foreseen by the affected party or, if it could have been foreseen, was unavoidable (including fire, flood, strikes, abnormal weather conditions etc.); and
- 17.1.2 does not include any industrial action affecting the Supplier or any default of the Supplier's subcontractors or third party suppliers.
- 17.2 Provided, in the case of the Supplier, it has complied with clause 17.3, neither party shall be liable for delay in performing any of its obligations under the Contract if such delay or failure results from a force majeure event.
- 17.3 If the Supplier is affected by a force majeure event it shall:
- 17.3.1 give notice to Princess Yachts within 24 hours and provide all relevant details;
- 17.3.2 mitigate the effects of the force majeure event; and
- 17.3.3 resume performance of its obligations as soon as reasonably possible after the force majeure event.
- 17.4 If the period of delay or non-performance due to a force majeure event affecting the Supplier continues for one calendar month, Princess Yachts may terminate the Contract by giving immediate written notice to the Supplier.
- 17.5 When an actual or potential labour dispute is delaying or threatens to delay the timely performance of the Supplier's obligations under the Contract, the Supplier will immediately notify Princess Yachts of such dispute and provide all relevant details. For the avoidance of doubt, receipt by Princess Yachts of such notice shall not constitute a waiver of the delivery schedule agreed by the parties.
- 18. TERMINATION**
- 18.1 Without affecting any other right or remedy available to it, Princess Yachts may terminate the Contract:
- 18.1.1 with immediate effect by giving written notice to the Supplier if:
- (a) the Supplier's financial position deteriorates to such an extent that in Princess Yachts' opinion the Supplier's capability to adequately fulfil its obligations under the Contract has been placed in jeopardy;
- (b) the Supplier commits a breach of clause 7.1.1 or 7.1.2; or
- (c) the Supplier commits a material breach of any term of the Contract; and
- 18.1.2 for convenience by giving the Supplier 14 days written notice.
- 18.2 Without affecting any other right or remedy available to it, either party may terminate the Contract with immediate effect by giving written notice to the other party if:
- 18.2.1 the other party takes any step or action in connection with its entering administration, provisional liquidation or any composition or arrangement with its creditors (other than in relation to a solvent restructuring), being wound up (whether voluntarily or by order of the court, unless for the purpose of a solvent restructuring), having a receiver appointed to any of its assets or ceasing to carry on business or, if the step or action is taken in another jurisdiction, in connection with any analogous procedure in the relevant jurisdiction; or
- 18.2.2 the other party suspends, or threatens to suspend, or ceases or threatens to cease to carry on all or a substantial part of its business.
- 18.3 Termination of the Contract shall not affect any of the rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination, including the right to claim damages in respect of any breach of the Contract which existed at or before the date of termination.
- 18.4 Any provision of the Contract that expressly or by implication is intended to come into or continue in force on or after termination of the Contract shall remain in full force and effect.
- 19. GOVERNING LAW**
- 19.1 The Contract, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by, and construed in accordance with the law of England and Wales.
- 19.2 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with the Contract or its subject matter or formation.
- 19.3 If the Supplier and Princess Yachts are unable to resolve any dispute arising under these terms and any suit or judicial proceeding is initiated, the successful party in any such suit or other judicial proceedings shall be paid promptly by the other party in an additional amount equal to the successful party's reasonable legal fees and costs incurred.
- 20. GENERAL**
- 20.1 Waiver by a party of any of its rights or default by the other under the Contract will not be deemed a waiver by such party of any other right or default.
- 20.2 Subject to clause 6, no variation of the Contract shall be effective unless it is agreed by Princess Yachts in advance and in writing.
- 20.3 If any provision or part-provision of the Contract is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of the Contract.
- 20.4 All tooling, equipment and products of every description provided to the Supplier by Princess Yachts or paid for by Princess Yachts and any replacement thereof, shall be the property of Princess Yachts. Such property and each individual item of property (where appropriate) shall be plainly marked or otherwise identified as "Property of Princess Yachts" and shall be safely stored apart from the Supplier's property. The Supplier shall not substitute any property for Princess Yachts' property and shall not use such property, except in filling Princess Yachts' orders. Such property while in the Supplier's custody or control shall be held at the Supplier's expense and will be insured by the Supplier in an amount equal to the replacement cost with loss payable to Princess Yachts. Such property shall be prepared for shipment and delivered in good condition (subject to normal wear and tear) to Princess Yachts immediately upon request by Princess Yachts.
- 21. NOTICES**
- 21.1 Any notice or other communication given to a party under or in connection with the Contract shall be in writing and shall be delivered by hand or by pre-paid first-class post (or other next working day delivery service at its registered office (if a company) or its principal place of business (in any other case); or sent by fax to its main fax number.
- 21.2 A notice or other communication shall be deemed to have been received: if delivered by hand, on signature of a delivery receipt or at the time the notice is left at the proper address; if sent by pre-paid first-class post or other next working day delivery service, at 9.00 am on the second Business Day after posting; if sent by fax, at 9.00 am on the next Business Day after transmission.
- 21.3 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any other method of dispute resolution.