

HIGHLANDER INTERNATIONAL RECYCLING LIMITED

TERMS AND CONDITIONS OF BUSINESS – PURCHASE OF GOODS

Correct as of 1st October 2014

1. DEFINITIONS:

1.1 **Us/We/Our** means Highlander International Recycling Limited or Highlander International Recycling (Ireland) Limited, of postal address 7-10 Linwood Avenue, East Kilbride, Glasgow G74 5NE

1.2 **Conditions** means the conditions of purchase set out in this document and any special terms and conditions agreed in writing by us

1.3 **Contract** means the contract for the purchase of the Goods by us from you.

1.4 **You/Your** means the person, firm or company selling or agreeing to sell Goods to us in accordance with the Conditions

1.5 **Goods** means all recovered materials or any part thereof (together with any services) that we agree to purchase from you as detailed on the Purchase Order.

1.6 **Price** means the price of the Goods as set out in the Purchase Order, excluding VAT (where applicable)

1.7 **Purchase Order** means our uniquely numbered official written order for the Goods as provided to you by us that shall include, but not be limited to any information relating to specifications, regulations, quality requirements, loading requirements, transport provisions, legal requirements and / or special instructions relating to the Goods as deemed appropriate by us.

1.8 **Collection / Delivery Date** mean's the date specified by us when the Goods are to be delivered / collected.

1.9 **Collection / Delivery Address** means the place of collection / delivery of the Goods as set out in the Purchase Order, or otherwise agreed in writing.

1.10 **Recovered materials** shall mean bales of a minimum weight of circa 500kg and a minimum of 4 cross banding wires. The recovered materials exact quality specifications can be viewed in the Highlander International Recovered Materials Load Standards and material quality specifications, for recovered materials (Attached as appendix 1) dated as 12th September 2014.

1.11 **Highlander International Recovered Materials Load Standards and material quality specifications** shall mean the document provided by us which will regulate the specification and the quality of the goods provided by you to us as part of the contract. The Highlander International Recovered Materials Load

Standards and material quality specifications shall apply to the contract to the exclusion of all other specification and quality documentation including any specification and quality documentation which you may purport to apply under your sales order or similar document.

1.12 **Charge** shall mean the price paid by you to us, and includes but is not limited to the collection of recovered materials (where specified on the Purchase Order), collection and disposal of General Waste or for quality, moisture or weight discrepancy claims on recovered materials and any other bone fide costs incurred by us resulting from the execution of this contract. We may set off against and deduct from you any charges as described above, from any payment due to you under the Contract, the amount of any sum which is or is about to be due to you from us, whether in relation to the Contract or otherwise.

1.13 **Collection contractor** shall mean us or a company / organisation nominated and contracted by us to provide a service of collection of recovered materials from your collection / delivery address, where specified on the Purchase Order and contract, which shall clearly state whether you or us are liable for the costs of providing said collection contractor.

1.14 **Normal hours** shall mean 0800 hours to 1600 hours Monday to Friday.

1.15 **Trailer / container** shall mean a trailer or container capable of holding and transporting recovered materials.

1.16 Any reference to an enactment is a reference to it as already amended and includes a reference to any repealed enactment which it may re-enact with or without amendment and to any future re-enactment and / or amendment of it whether taking effect before or after the date of these terms and conditions of business, but so that any retrospective legislation shall increase your liability hereunder.

1.17 The headings used in these terms and conditions of business and the Schedules hereto are inserted for convenience only and shall not affect construction or interpretation.

1.18 Words and expressions used herein importing the singular number shall include the plural number and vice versa and importing one gender shall include any other.

1.19 Any reference to a clause or schedule shall be a reference to such clause or schedule of these terms and conditions of business.

1.20 No waiver by us of any breach of the Contract by you shall be considered as a waiver of any subsequent breach of the same or other contract.

- 1.21 No failure by us to exercise any power given to us, or to insist upon strict compliance by you with any obligation hereunder and no custom or practice of the parties at variance with the terms hereunder shall constitute any waiver of any of our rights under the Contract.
- 1.22 If any provision(s) of these Conditions is (are) held by any competent authority to be invalid or unenforceable in whole or in part the validity of the other provisions of these Conditions and the remainder of the provisions in question shall not be affected thereby.
- 1.23 Any notice under these Conditions shall be properly given if in writing and sent by first class post, telex, e-mail or facsimile to the address of the intended recipient as stated in the contract or to such address as we and you from time to time notify to each other as their respective addresses for service.
- 1.24 Except as otherwise expressly provided nothing in this Contract shall confer on any third party any benefit or the right to enforce any terms of this Contract.
- 1.25 You shall not assign the benefit of this or any other Contract agreed with us, without our prior written consent.
- 1.26 The Data Protection Act requires us to advise you that your personal information voluntarily submitted in the course of instructing us to purchase the Goods are held on our database(s). Unless requested not to do so we may, from time to time, use these details to send you information we believe may be of interest you. Further, with your prior consent, we may share your personal information with our selected third parties.
- 1.27 We reserve the right to assign the benefit of the Contract by prior written notice to you.

2. CONDITIONS APPLICABLE AND ORDERS:

- 2.1 The Conditions shall apply to the Contract to the exclusion of all other terms and conditions including any terms or conditions which you may purport to apply under your sales order or similar document.
- 2.2 No variation to the Conditions (including any special terms and conditions agreed between the parties) shall be binding unless agreed in writing between a director of us and representative of you.
- 2.3 Despatch, collection or delivery of the Goods (whichever the earlier) from you to us shall be deemed conclusive evidence of your acceptance of the Conditions contained herein.

- 2.4 Except as otherwise provided, no Purchase Order which has been accepted by you may be cancelled by you except with our agreement in writing and on terms that you shall indemnify us in full against all loss (including loss of profit) costs, damages, charges and expenses incurred by us as a result of the cancellation by you.
- 2.5 We reserve the right to cancel the Contract by prior written notice to you, giving You no less than 24 hours notice before the goods are due to be collected or delivered to the collection / delivery address, with no obligation on us to indemnify you against any loss, howsoever incurred by you as a result of this cancellation.
- 2.6 You acknowledge that it shall be your responsibility to notify us of all governmental statutory local authority requirements (or other requirements) relating to the supply of the Goods to us, of which you are aware (or in respect of which it is reasonable for you to be aware).

3. GRANT OF RIGHTS

In consideration of the service to be provided by us to you for the execution of any contract agreed, hereinafter you hereby grant rights unto us to:

- 3.1 Provide suitable trailers / containers for the collection / delivery of Recovered materials from the collection / delivery address on the agreed collection / delivery date.
- 3.2 To access the collection / delivery address during Normal Hours with our vehicles or those of our collection contractors for the purposes of undertaking our obligation in accordance with the agreed contract between us and you.

4. DELIVERY / COLLECTION:

- 4.1 Delivery or collection of the Goods shall be made to the delivery / collection address as advised by you and confirmed in our Purchase Order, by the delivery / collection date, as agreed between us and you.
- 4.2 Punctual collection / delivery of the Goods is the essence of the Contract. If you fail to make available for collection / to deliver (or know or suspect that you will fail to make available for collection / deliver) all the Goods in accordance with the Contract to the collection / delivery address on the collection / delivery date (whichever comes first), then without prejudice to any other right or remedy available to us:-
- (a) You shall notify us forty eight hours (48 hrs) prior to the collection / delivery date of your pending failure or suspected pending failure to deliver / make

available for collection the goods to the collection / delivery address on the collection / delivery date;

- (b) Subject to our notifying you (irrespective of whether or not we receive from you the notice required under clause 4.2(a) previous) we may terminate the Contract by giving notice to you. In this event without prejudice to our other remedies, you shall promptly collect at your expense (including but not limited to all sea and / or road transit charges levied) any Goods which have already been collected / delivered, relating to the contract or otherwise with all other related cancellation costs being borne solely by you.

4.3 Where collection or delivery of a quantity of the Goods which correspond to the Contract which is less than the agreed quantity has been tendered and we have not exercised our right of termination under clause 4.2(b) previous we may:-

- (a) Accept the previously collected / delivered Goods which correspond to the Contract and recover from you any losses incurred by us as a result of your breach in respect of the failure to deliver the remainder of the Goods, which you agree to indemnify us in full for; or
- (b) Require you to promptly make available for collection / to deliver sufficient Goods which correspond to the Contract to comply with the quantity required, with any and all extra costs associated with the completion of the contract borne solely by you.

4.4 If for any reason we are unable to arrange collection / accept delivery of the Goods on the collection / delivery Date we shall notify you accordingly and in such event you shall store the Goods at your expense and shall safeguard the Goods and take all reasonable steps to prevent their deterioration until actual collection / delivery can be made.

4.5 To satisfy export requirements (where applicable) we will require loading photographs of the Goods to be supplied to us at your expense in a digital format, sent to Us by electronic mail on the same day of the collection / delivery date.

4.6 Weighbridge tickets and a bale count as a minimum requirement shall be supplied directly to us by you as proof of loading on the collection / Delivery date, as previously agreed.

4.7 To satisfy export requirements we will require the completion of Annex 7 forms by you for each trailer / container loaded, to be supplied to us at your expense in a digital format, sent to us on the same day of the collection / delivery date (whichever comes first). We will supply the blank Annex 7 forms to you in the case of any loads which we purchase from you, generally no later than 24 hours before the agreed collection / delivery Date, however this may vary from time to time. If you fail to provide a completed Annex 7 form to

us on the same day of the collection / delivery date (whichever comes first) you shall be liable for all loss and damage incurred by us and shall fully indemnify us and keep us fully indemnified against all loss directly or indirectly arising out any failure to provide the completed Annex 7 forms.

5. PRICE AND PAYMENT:

5.1 Unless otherwise agreed and specified the Price is inclusive of all packaging, insurance, transportation and delivery / collection costs to the Delivery Address. Title and property of the Goods shall pass to us upon collection / delivery (whichever comes first) of the Goods, however all risk, damage and loss related to the goods shall remain yours and you will indemnify us fully for all losses associated with the goods however incurred, until delivery of the goods is completed without complaint or claims by us.

5.2 Subject to any special terms agreed in writing between us and you payment for the Goods is due within sixty (60) days of receipt of a suitable invoice by us from you following delivery of the Goods to the Delivery Address.

5.3 Suitable invoices from you to us must clearly specify the enclosed details before they will be paid within the payment terms stated in clause 5.2 previous:

- Container number (Where applicable)
- Trailer number (Where applicable)
- Seal number (Where applicable)
- Grade of material sold
- Price per ton
- Purchase Order number(s)
- Weighbridge ticket number
- Consignment number (Where applicable)
- Other information as required by us

5.4 We may at our absolute discretion set off against and deduct from any payment due to you under the Contract, the amount of any sum which is or is about to be due from us to you whether in relation to the Contract or otherwise.

5.5 You may not under any circumstances set off against and / or deduct from any payment due to us by you under the Contract, the amount of any sum which is or is about to be due from you to us whether in relation to the Contract or otherwise.

5.6 Except as otherwise provided and unless otherwise agreed by us, you acknowledge and agree that all Goods supplied by you to us under the Contract or otherwise, will be paid for based on our weight. We reserve the right to deduct or offset any sum due to you, in respect of weight

discrepancies between that supplied on your weight ticket and that weight ticket supplied by us.

- 5.7 Disputes issued by us pertaining to any invoice received from you relating to the provision of Goods under any contract agreed by us or otherwise, will be acknowledged and accepted by you provided that said dispute is issued by us within 45 days of us receiving your invoice.

6. WARRANTIES AND LIABILITIES AND REGULATORY REQUIREMENTS:

- 6.1 The Goods supplied by You shall be in accordance with the relevant British European and / or International Standard and in accordance with the Highlander International Recovered Materials Load Standards and material quality specifications of which will take precedence at all times during any contracts agreed between Us. You shall ensure that all the Goods are of the very best quality and fit for the purposes for which we intend the Goods. We do reserve the right to make any changes in specification to the Goods which are required to conform with any applicable safety, quality or other statutory requirement or (where the Goods are supplied to Our specification) which do not materially affect their quality or performance.
- 6.2 You shall be liable for ensuring all specifications and instructions ("Specification(s)") issued by us to you are met with any Order or pursuant to the Contract and you shall fully indemnify us and keep us fully indemnified against all loss directly or indirectly arising out of any error or any failure by you to meet the requirements of such aforementioned standards or specifications.
- 6.3 Where you agree to supply Goods to our specified quality, you warrant that the Goods will comply in all material respects with the quality specified in the Purchase Order and / or the Highlander International Recovered Materials Load Standards and material quality specifications. Any variations in the quality of the goods supplied by you as set out in clause 6.4(a)-(c) inclusive, or any variations in the quality of goods supplied by you compared to the Highlander International Recovered Materials Load Standards and material quality specifications document, will be deemed as to be a breach the Contract by you, while not withstanding the provisions and our rights detailed in clauses 1.20 and 1.21 of this contract.
- 6.4 You shall remain liable for ensuring the quantity and quality of the Goods until such time as we have inspected and / or accepted the Goods at the delivery Address or any of our premises (whichever the later). In particular:-
- (a) You shall ensure that all Goods are delivered to the Delivery Address air-dry within a variance not exceeding twelve percent moisture (12%) per bale or the moisture level as detailed in the Highlander International Recovered Materials Load Standards and material quality specifications document.

- (b) Where the Goods supplied by you have a moisture content in excess of twelve percent (12%) per bale or as detailed in the Highlander International Recovered Materials Load Standards and material quality specifications document, you acknowledge and agree that we reserve the right in our absolute discretion to reject the load and / or make a claim against you on the excess and that you shall bear all costs and expenses associated with any such rejection and / or claim(s). In all cases and without exception, any moisture readings supplied by us as part of any claim, will take precedence over any moisture readings as supplied by you.
- (c) Where the Goods supplied by you have a gross and / or net loading weight in excess of that allowed by law (as stipulated by all relevant local and international legislation in respect of the transport of goods) or as required by us and advised accordingly on our purchase order, you acknowledge and agree that you shall be liable for, and indemnify us against any costs pertaining to any issues arising from supply of the goods by you, which exceed the gross and / or net weights as stipulated.
- (d) Unless agreed otherwise by us before loading, where the Goods supplied by you have a short loading weight in respect of the minimum weight detailed in the Purchase Order, you acknowledge and agree that you shall be liable to pay to us a low weight surcharge on the Goods.
- (e) You shall ensure that the correct grades of Recovered material are loaded onto the correct trailer / container. We reserve the right in our absolute discretion to make a claim against you in cases where you have loaded incorrect material into the trailer / container provided by us for Goods specified on the Purchase Order, which may include, but not be limited to, all transport, freight, shipping, insurance costs involved in the resolution of problems arising from you loading incorrect materials into containers as part of this contract, or otherwise.

6.5 Where the Goods supplied by you do not conform to the quantity and / or quality of the Contract specifications in the Purchase Order and / or the standards set out in any part of this clause 6 and / or the Highlander International Recovered Materials Load Standards and material quality specifications document, you acknowledge and agree that we reserve the right in our absolute discretion to:-

- (A) have the Goods (or such a proportion of the Goods as notified as failing to conform to the Contract specification) replaced free of charge to us;
- (b) Cancel the Contract without liability to us, whereupon you shall promptly refund any sums paid in respect of the Price and where required, you shall collect the non-conforming Goods if already collected / delivered;

- (c) Make a claim against you on any discrepancy in quality and / or quantity and you shall bear all costs and expenses associated with any such rejection cancellation and / or claim(s)
 - (d) In all cases and without exception, any quality and / or non-conformance reports or similar documents supplied by us as part of any claim against you, which detail the quality of recovered materials supplied by you to us as part of this contract or otherwise, will take precedence over any quality and / or non-conformance reports or similar documents as supplied by you.
- 6.6 All risk in and all removal of and other costs associated with and Goods rejected pursuant to any part of clause 6, will be borne by you with immediate effect from the notice of rejection of any goods supplied by you to us as part of this contract or otherwise and you shall fully indemnify us against all such costs in their entirety.
- 6.7 We shall notify you in writing (enclosing supporting evidence where we consider it appropriate) of any such discrepancy in, or failure to conform with the relevant quantity, quality or standard as advised to you, as soon as is practicable and there will be no time limit attached to any claims against you by us resulting from the supply of non-conforming goods by you as part of this contract or otherwise.
- 6.8 You shall ensure that all trailers / containers used in the transit of the Goods:-
- (a) Shall be loaded with no less than twenty four metric tonnes (24 MT) per load unless otherwise stated by us in the Purchase Order;
 - (b) Shall be loaded to and not above the maximum legal capacity. We shall not be liable for and you shall fully indemnify us against any direct or indirect claim loss or damage howsoever arising from trailers / containers exceeding the maximum legal capacity.
- 6.9 You shall ensure that the Goods comply fully with all relevant legislation by-laws or regulations (including but not limited to Health and Safety legislation by-laws or regulations, TFS regulations, duty of care regulations et al.) applicable in the United Kingdom and the European Union or elsewhere in relation to the destination of the goods. In the event that we notify you (in the Purchase Order or otherwise) that the Goods are intended for supply to another country or jurisdiction then you shall ensure that the Goods comply with all relevant legislation by-laws or regulations (including but not limited to Health and Safety legislation by-laws or regulations, TFS regulations, duty of care regulations et al.) applicable in that country or jurisdiction.
- 6.10 You warrant that you are fully aware of and (in respect of the Goods) fully comply with the requirements of all relevant laws of the European Union and other legislation regulations or by-laws in force (as amended from time to time) at the date of your collection and / or delivery of the Goods

including (but not limited to) laws of the European Union, legislation regulations or by-laws known specifically as or generically referred to as:-

- (a) Transfrontier Shipment of Waste Regulations (TFS);
- (b) Producer Responsibility Obligations;
- (c) Environmental Protection Act / Duty of Care;
- (d) Environmental Agency Registered Waste Broker / Carrier;
- (e) Council Regulation (EEC) No. 259/93 of 1 February 1993

6.11 You acknowledge that:-

- (a) (For the purposes of these Conditions generally) the Goods are exported for “recovery /recycling” as defined (as appropriate) in the laws European Union and other legislation regulations or by-laws referred to in clause 6.10(a)-(e) inclusive previous;
- (b) Unless otherwise agreed in writing You are not entitled to claim PERNs / PRNs on any United Kingdom-sourced packaging waste that You supply to Us with the Goods

6.12 The Goods shall be marked or branded in accordance with our instructions and all lawful requirements, and be properly packed and secured for collection and delivery to us in an undamaged condition. Further, you shall ensure that all bales containing the Goods provided by you under the Contract are prepared for transit (and are in fact at all times transported from the collection address to the Delivery Address) tied with steel baling wire (plastic and / or string is acceptable by special agreement only) packaged and loaded in trailers / containers and at all times secured in accordance with applicable Health and Safety legislation by-laws or regulations applicable in that country, jurisdiction or otherwise. We shall not be liable for any direct or indirect claim, loss or damage howsoever arising from the transit of the Goods. It is your responsibility to ensure that all relevant information to ensure compliance with this clause is requested from us in the event that such information is not made available at the time of our placing the Purchase Order with you.

6.13 You shall permit us to inspect and test the Goods at the collection / delivery address or any of our premises (whichever is appropriate at the time). In the event we are not reasonably satisfied that the Goods comply in all material respects with the Contract, and / or the standards set out in any part of clause 6 of these terms, and / or the Purchase Order and / or the Highlander International Recovered Materials Load Standards and material quality specifications document, you without extra cost to us shall use all reasonable steps to ensure due compliance.

6.14 You shall remain fully liable to us for the performance of the Contract notwithstanding that any part of it (whether or not with our consent or knowledge) is subcontracted. You shall ensure that all property and all

materials comprised in the Goods (including all packaging) obtained by you from third parties passes to us in accordance with clause 6.1previous.

6.15 You shall take all reasonable steps to ensure that performance of the Contract does not result in personal injury and / or damage to any property or environment, or of any persons. You must promptly give us full information about any risk of such damage which at any time you believes to exist in relation to the transportation and storage handling or use of any Goods supplied, or any other risk associated with the execution of this contract, or otherwise. All of your personnel or agents or subcontractors must comply with all reasonable safety instructions whilst on any of our premises. You shall fully indemnify us immediately on demand from time to time against any loss, claim, liability or expense suffered by reason of the personal injury, or death, or loss, or damage of property (including pecuniary loss whether directly or consequentially suffered) to any person resulting wholly or in part, from any act or default by you, your agents, your subcontractors or any other personnel.

6.16 You shall ensure that you are insured on terms acceptable to us from time to time, against all risks of liability for anyone's death, personal injury or loss or damage to property.

7. REJECTION AND CANCELLATION:

7.1 We may cancel the Contract at any time prior to collection or delivery of the Goods by giving notice of cancellation at least one (1) working day before the collection / delivery date (whichever comes first). On giving such notice, you shall promptly refund to us any sums paid in respect of the Price. We shall not be liable for any loss or damage whatsoever arising from such cancellation by us.

7.2 In the event the Goods (or any part of them) fail in any respect to conform to the Contract specification, we may at our option either:

- (a) reject the Goods by giving notice to you, of the relevant breach of Contract; or
- (b) Reject such proportion of the Goods as fail to conform to the Contract specification by giving notice to you, of the relevant breach of Contract.

7.3 Our exercise of any rights under this clause is without prejudice to any other rights which we may have against you and none of our rights will be adversely affected or deemed to have been waived by any inspection approval or acceptance of any Goods by us prior to our discovery of any breach of Contract to which that right might apply.

7.4 Without prejudice to any other right or remedy available to us, we shall be entitled to cancel the Contract without any liability on our part at any time in the event that:

- (a) You make any voluntary arrangement with creditors or becomes subject to an Administration Order or (being an individual or a firm) becomes bankrupt or goes into liquidation (otherwise for the purposes amalgamation or reconstruction);
- (b) An encumbrance takes possession of or a receiver is appointed over any of your property or assets;
- (c) You cease or threaten to cease to carry on business;
- (d) You breach any of the Conditions;
- (e) We reasonably apprehend that any of the events mentioned above is about to occur in relation to you and notify you accordingly.

8. MEDIA / MARKETING COMMUNICATIONS

For all media communication:-

- 8.1 Made by us or you where references are made to any of the services provided by us to you or vice versa within the Contract or otherwise, then you will incorporate our name and or logo and vice versa.
- 8.2 The approval for the use or inclusion of our name or logos to be gained from us by you and vice versa, but not unreasonably withheld by either you or us.
- 8.3 Any use of our name and / or logo must use only artwork supplied by us to you and vice versa as appropriate.

9 INTELLECTUAL PROPERTY

- 9.1 Any intellectual property created by us in the course of the performance of the Contract or otherwise in the design, manufacture or supply of or otherwise in relation to the Goods or the provision of services related to the supply of goods, shall remain the property of us. Nothing in these Conditions shall be deemed to have given you a licence or any other right to use any of the intellectual property belonging to us.
- 9.2 All logos, trade name or trademarks owned or used by us in the course of its business are the property of us. We reserve all intellectual property rights in relation to the use of such logos, trade name or trademarks. You

may not use, or permit the use of, such logos, trade name or trademarks or any similar logos, trade name or trademarks without the prior written permission of us.

10 FORCE MAJEURE

10.1 We shall not be in breach of the Contract or otherwise be liable for any failure or delay to collect and / or deliver the Goods and / or supply the services relating to the supply of the goods, arising from circumstances outside our reasonable control including, but not limited to, acts of God, governmental actions or regulations, national emergency, acts of terrorism, protests, riot, civil commotion, strikes, lock-outs, other labour disputes (whether or not relating to either party's workforce), accidents, war, fire, explosion, flood, epidemic, reduction in or unavailability of power at manufacturing plant, breakdown of plant or machinery, shortage or unavailability of recovered materials, or restraints or delays affecting collection contractors.

11 LAW & JURISDICTION

11.1 The Contract and any issues, disputes or claims arising out of or in connection with it (whether contractual or non-contractual in nature such as claims in tort, from breach of statute regulation or otherwise) shall be governed by, and construed in accordance with, Scottish law.

11.2 All disputes or claims arising out of or in relation to the Contract shall be subject to the exclusive jurisdiction of the Scottish courts to which you and us irrevocably submit.