

1. Framework agreement and orders for products

1.1 This agreement is a framework agreement and it comprises the standard commercial terms (on which the parties names are shown on the first page), the pricelists, these standard legal terms, the Buyer's supplier manual from time to time and various appendices as listed specifically in those documents. Its terms apply to all Orders for Goods during its term from any company within the STARK GROUP group of companies (referred to as a Buyer or Group Company for the purposes of this agreement) to any member of the group of companies to which the Supplier belongs (each a Supplier for the purposes of this agreement). This agreement supersedes all the Supplier's standard terms and conditions and such standard terms and conditions shall not be binding on any Group Company, regardless whether such terms and conditions are forwarded to it prior to delivery of any Goods or previously accepted by any Group Company. The Swedish national industry standard ABM07 shall apply but only to all Orders for Goods made by Beijer, if any and only to the extent that ABM07's terms are not inconsistent with this agreement. For the avoidance of doubt, nothing in ABM07 shall limit the Supplier's liability further than stated in this agreement. This agreement replaces all prior agreements from its date between the companies in those groups relating to supply of Goods and services, except as otherwise specifically set out in this agreement.

1.2 The Buyer and the Supplier both confirm and agree that they have unconditional signature authorisation to bind all relevant members of their group of companies to this agreement during its term. Only written amendments signed by both parties stating specifically that they are amendments to this agreement will bind the parties.

1.3 If Buyer wishes to purchase products from Supplier it shall submit an order to the Supplier in accordance with the terms of the relevant Buyer supplier manual. An accepted order by the Supplier is a "Contract" or "Order" for the purposes of this agreement. An order may be withdrawn by the Buyer prior to acceptance. Products described in the Order are referred to as "Goods" in this agreement.

2. Termination

2.1 Either party may at any time terminate this agreement with 3 months' prior written notice to the other party.

2.2 This agreement shall continue to apply unchanged until the expiry of any termination period. The Supplier shall fulfil any Order given prior to expiry of this agreement and pay any related rebate (pro rata) on the terms set forth in this agreement and the terms of this agreement shall apply to any subsequent dispute between the parties.

2.3 If the Supplier terminates the agreement and if required by the Buyer, the Supplier shall take back any and all unsold Goods in merchantable condition at purchase price. This section 2.3 does not apply to Private Label Goods or if this agreement is terminated due to Buyer's breach of contract.

3. Delivery

Unless stated otherwise in the Order or this agreement, the Goods and any related documents shall be delivered at the time and delivery address set out in the Order, or within reasonable time if no time is stated.

4. VAT

The price of the Goods is exclusive of value added tax or sales tax. After delivery of the Goods, the Supplier shall issue to the Buyer a valid VAT invoice or (if applicable) a zero rate invoice issued by an EU VAT registered business covered by Intrastat in respect of the Goods.

5. Confidentiality

5.1 For 2 years from the termination of this agreement, Buyer and Supplier each agree to keep confidential all information and knowledge about the other party and its business, which it may obtain in connection with the supply of the Goods and this agreement, unless that information:

- (i) is in the public domain without breach of this agreement; or
- (ii) was legally acquired from sources other than the disclosing party; or
- (iii) is required to be disclosed by applicable and relevant law, competent court, tribunal, securities exchange or regulatory or governmental body.

5.2 The Supplier is not permitted, without written consent from the Buyer, to use outside its organisation any Group Company's name or make or advertise any association or connection with any Group Company

6. Product integrity

[Product integrity is a key program for companies within Wolseley Group. Key aspects of this program are set out below]

6.1 The Buyer desires to buy safe products for onward sale to its own customers that comply with the law and accepted industry standards and conform to an agreed specification and commercial arrangements. It wishes to ensure that the products that it buys are from reputable suppliers that have in place a quality management system to ensure this. It expects its suppliers to stand behind the products that they sell to the Buyer and to provide it from time to time with reassurance, including reasonable rights of audit, and information on all or any part of that quality management system. The Buyer's name for all of the above matters is "Product Integrity".

6.2 In the context of this agreement, Product Integrity includes:

- (i) the Supplier giving the Buyer assurance that the Goods are reliable and robust, and safe when used for their intended purpose; and
- (ii) the Buyer understanding the Supplier, the quality of its systems and how it conducts its business and provide its services; and
- (iii) the Supplier avoiding liability for the Buyer arising from product defects directly attributable to the Supplier; and
- (iv) the Supplier ensuring compliance with legal standards and giving access on request to relevant compliance documentation (certificates) and supervised reasonable access to all information, property and/or materials relevant to the performance of the agreement.

Product Integrity is an important concept to the Buyer and the Supplier agrees to provide the support to the Buyer as described above.

7. Product warranty

7.1 At the time of the delivery the Goods shall:

- (i) comply with all relevant laws, regulations, recognised codes of practice and guidelines issued by any relevant governmental, regulatory or trade body from time to time; and
- (ii) conform to the agreed specification in terms of nature, quantity, quality, description, packaging and conform for purpose for the Goods stated specifically in the relevant Order and for the purposes for which Goods of the same description would ordinarily be used; and
- (iii) be free from any defects: and
- (iv) not be limited by or infringe any third party intellectual property rights.

7.2 This warranty shall remain in force as long as, and to the extent that, any ultimate customer (professional or private) may raise or maintain claims against any Group Company for any kind of defect and/or non-conformity relating to the Goods under applicable law or national industry standards.

8. Non conforming Goods

Non conforming goods impact the Buyer as well as the experience of the Buyer's own customers. The Supplier agrees that the remedies available to the Buyer in the event of non-conforming Goods need to be flexible. Accordingly, if any of the Goods do not conform with the above Product Warranty and without prejudice to its rights under this agreement, the Buyer can choose from any of the following remedies:

- (i) **Replacement** - the Supplier replaces the non-conforming Goods with fully conforming Goods promptly,
- (ii) **Credit or cash** - the Supplier gives credit or cash to the Buyer equal to the reduction in the value of the non-conforming Goods,
- (iii) **Damages claim** - the Buyer claims damages for any loss or damage incurred by any Group Company as a consequence of the non-conforming Goods,
- (iv) **Cancel and damages claims** - Buyer cancels its Order and claims damages as above.

9. Product recall

A product recall or product warning may be if (i) required by law or regulatory requirements, or (ii) if the return-rate of defective Goods supplied to the Buyer by the Supplier is 5% or greater during any preceding 12 month period and as a consequence a product recall is deemed reasonably necessary by the Buyer, or (iii) if the Buyer on other reasonable grounds reasonably decides to initiate a product recall and / or issue a product warning. In such an event, the Supplier shall promptly provide the Buyer with all necessary assistance to enable the product recall or product warning to be conducted efficiently and with due urgency. Where the product recall or product warning results from any breach by the Supplier of its obligations under the agreement and/or any Contract, the Supplier shall indemnify the Buyer against any loss, cost, claim, damage or expense which the Buyer may suffer or incur arising directly out of or in connection with any such product recall or product warning.

10. Product indemnity

[This clause is a requirement for all companies within Wolseley Group, but will be interpreted under the law of the agreement, cf. clause 15.1]

The Supplier shall indemnify any relevant Group Company against

- (i) any losses, costs or damages which that Group Company or any of its customers or employees may incur as a consequence of any non conformance or defects in the Goods,
- (ii) any product liability, which that Group Company may incur towards any third party, including its employees and customers; and
- (iii) any other claims from any third party against that Group Company arising out of or in connection with any defect in the Goods.

11. Liability

11.1 To the extent not governed in these standard legal terms, general law on liability applies.

11.2 The Buyer shall have the right to set-off or deduct from monies due to the Supplier any sums due to the Buyer, in each case under this agreement.

12. Insurance

The Supplier shall take out and maintain product liability insurance on customary terms with a reputable insurance company in a sum no less than the expected annual value of its sales. The Supplier shall upon Buyer's request inform the Buyer of the name of its insurer and/or insurance broker. The Supplier authorises the Buyer to contact its insurer and/or insurance broker and request an insurance certificate to the Buyer evidencing such insurance cover.

13. Private Label

If the Goods are Private Label or own brand goods produced by the Supplier for the Buyer in accordance with a specification stipulated by the Buyer and using a brand name in which any member of the Wolseley plc group of companies from time to time has ownership rights, then the Supplier agrees that the terms of the Private Label schedule in the Buyer's supply manual will apply. In addition, the Supplier agrees that:

- (i) the relevant Wolseley company owns the ownership rights in the relevant brand.
- (ii) in respect of the Goods, the relevant Wolseley company has the ownership rights as soon as the Goods are produced by the Supplier.
- (iii) it has no rights to the brand name.
- (iv) and undertakes not to market, register or in any other way use the brand name or any other similar names and/or logos/designs and/or any names and/or logos/designs that can be mistaken for that brand name.

14. Code of Conduct and policies

The Supplier is committed to complying with the Buyer's Code of Conduct and other policies. The main principles are set out at <http://starkgroup.dk/supplier>.

15. Law and jurisdiction

15.1 The terms of the agreement and any non-contractual obligations arising out of or in connection with the agreement shall be governed by, and construed in accordance with the laws of the country of incorporation of the Buyer and each party irrevocably submits to the exclusive jurisdiction of the courts of the Buyer's home country, in respect of any claim or matter arising out of or in connection with the agreement.

15.2 Notwithstanding the above, the Buyer may require that the Supplier becomes involved in any material legal dispute between any customer of any Group Company relating to the Goods, no matter the jurisdiction, the venue and the language for such legal dispute.

16. Order of precedence

The order of precedence of this agreement: Appendix A2 (Standard Legal Terms Exceptions schedule), Appendix A1 (Standard Legal Terms), Appendix A3 Cooperation/trade agreement Exceptions Schedule), Appendix A4 (Cooperation/trade agreement Exceptions on Settlement Schedule), Cooperation/Trade Agreement, other documents.

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