

DUNELM
STANDARD CONDITIONS OF CONTRACT FOR THE PURCHASE OF GOODS & SERVICES (NON-STOCK)

OCTOBER 2017

1. Interpretation, etc.

The following definitions shall be used for the purposes of interpreting the Contract and all documents relating thereto:

“Group Company” in relation to a company means any parent undertaking of a company and any subsidiary undertaking of that parent undertaking, as those terms are defined in section 1162 of the Companies Act 2006

“These Conditions” shall mean the terms and conditions of purchase set out in this document.

“The Goods or Services” shall mean the Goods or Services which the Supplier is to supply to the Buyer in accordance with the Contract.

“The Buyer” shall mean Dunelm (Soft Furnishings) Limited, Globe Online Limited or any other Group Company of Dunelm Group plc who places a Purchase Order with the Supplier. The registered office of these companies is at Watermead Business Park, Leicestershire, LE7 1AD.

“The Contract” shall mean the agreement reached by the Buyer and Supplier for the supply of Goods or Services as detailed in the Buyer’s Purchase Order and / or Schedule of Requirements and the Specification.

“The Contract Price” shall mean the price agreed and detailed in the Contract of the Goods or Services which shall include the cost of delivery and packaging.

“Intellectual Property Rights” shall mean patents, copyright, designs, utility models, trade marks, database rights, know-how and trade secrets and any similar rights, whether registered or unregistered, anywhere in the world;

“The Purchase Order” shall be the order, if any, issued by the Buyer from time to time and specifying the quantities of Goods or Services to be delivered, the date for delivery and the Contract Price.

“The Schedule of Requirements” shall be the schedule, if any, issued by the Buyer from time to time and specifying the quantities of Goods or Services to be delivered during the period specified in it, the dates for their delivery and the Contract Price.

“The Specification/s” shall be the specification, if any, for the Goods or Services to be supplied and shall include any drawings, plans, data or other related information or requirements relating to the Goods or Services specified by the Buyer.

“The Supplier” shall mean the party who agrees to sell the Goods or Services to the Buyer subject to these Conditions.

The masculine includes the feminine and the singular includes the plural and vice versa.

2. Purchase

- 2.1 The Buyer agrees to buy the Goods or Services from the Supplier and the Supplier agrees to sell the Goods or Services to the Buyer in consideration of payment of the Contract Price by the Buyer.

3. Service of Notice

Any notice or other communication which either party is required to give under the Contract will be sufficiently given if sent by first class recorded or registered post to the registered office of that party, addressed to the Company Secretary. Notice shall be deemed to have been received 2 working days after posting.

4. Specifications

- 4.1 The Goods or Services shall be of the quality and sorts described in and equal in all respects to the samples, Specifications, plans, drawings or other documents, individually or collectively which form part of the Contract.
- 4.2 The Goods or Services shall be fit and sufficient for the purpose for which such Goods or Services are ordinarily used and for any purpose made known to the Supplier by the Buyer and the Buyer relies on the skill and judgement of the Supplier in the supply of the Goods or Services and the execution of the Contract.

5. Inspection

- 5.1 The Buyer may inspect or arrange for the inspection and testing of partly complete or completed Goods at the Supplier's premises or premises of an agreed sub-contractor.
- 5.2 When the Buyer wishes to exercise its right of inspection and testing under this Condition, the Supplier shall give the Buyer full and free access to said premises as and when required for that purpose and shall provide at his own expense all such accommodation and facilities in connection with the inspection and testing as the Buyer may reasonably require, and all appliances, materials and labour required for inspection and testing purposes.
- 5.3 If as a result of inspection or testing the Buyer is not satisfied that the Goods will comply in all respects with the Contract, and the Buyer so informs the Supplier, the Supplier shall take such steps as are necessary to ensure compliance.

6. Employees

- 6.1

6.1.1 In this clause:

“Replacement Supplier” means any third party appointed by the Buyer to provide Goods and / or Services in place of the Supplier.

“Service Transfer” means a transfer or alleged transfer of the Services or part of them to the Buyer or to a Replacement Supplier.

“TUPE Regulations” means the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246), as amended from time to time.

“Worker” means any individual employed or engaged by the Supplier, or by any sub-contractor of the Supplier, who is engaged in the provision of the Services from time to time.

6.1.2 If the TUPE Regulations apply or are alleged to apply upon any Service Transfer or upon the termination of this any Contract, the Supplier hereby indemnifies and keeps indemnified the Buyer and any Replacement Supplier for and against all losses or liabilities, costs and expenses, damages, penalties or taxation which may be suffered or incurred by the Buyer (and/or any Replacement Supplier) and which arise directly or indirectly in connection with:

(a) any claim or demand by a Worker (or by any other person claiming to be an employee or worker of the Supplier) arising out of matters on or before or after the Service Transfer or the termination of any Contract; and

(b) any claim or demand by any person (whether employed by the Supplier or not) who claims that their employment or engagement has transferred or should have transferred to the Buyer pursuant to the TUPE Regulations; and

(c) except where the Buyer or any Replacement Supplier has agreed in writing to accept these liabilities, any claim or demand in connection with the employment or engagement or the termination of the employment or engagement of any Worker (or of any other person claiming to be or to have been an employee or worker of the Supplier) on or after the Service Transfer or the termination of any Contract or within six months of the Service Transfer or termination of any Contract whichever is later.

6.2 The Supplier will ensure that all workers employed or engaged by the Supplier are employed or engaged on terms which meet all legal requirements, including as to minimum wage, deduction of tax and national insurance, right to reside and work in the United Kingdom, health and safety and working time. Where the Supplier uses workers provided by a third party it will take reasonable steps to ensure that the third party complies with this clause.

6.3 The Supplier must provide its workers with proper training and safety equipment and clothing to enable them to carry out their duties. The Supplier will ensure that all workers provided by it possess the skill and experience required to carry out the Services.

6.4 The Buyer may request that a worker not be assigned to work on the Contract.

- 6.5 If any of the Supplier's workers (a) work on the Buyer's premises, it will ensure that they comply with the Buyer's health and safety and security policies and (b) use any equipment or services provided by the Buyer, the Supplier will ensure that they use this with all reasonable skill and care. The Supplier is responsible for any death, loss or personal injury arising in respect of the activities of its workers on the Buyer's premises and in respect of use of the Buyer's equipment, except to the extent caused by the negligence, default or breach of statutory duty of the Buyer.
- 6.6 The Supplier will comply with the Buyer's Ethical Code of Conduct in force from time to time.

7. Delivery

- 7.1 Delivery shall have occurred when the specified Goods are placed into the possession of and signature received by an authorised signatory of the Buyer at the place designated for delivery by the Buyer, or if Goods are to be installed by the Supplier, once the Buyer has given written confirmation that the installation is satisfactory. It is the responsibility of the Supplier to ensure they receive possession of the authorised signature.
- 7.2 Time shall be of the essence and all Goods and Services shall be delivered strictly in accordance with the Buyer's instructions as given from time to time, including with respect to time and place of delivery.
- 7.3 The Supplier is responsible for ensuring that intended delivery times are acceptable to the Buyer.
- 7.4 The Goods in their packaging shall be marked in accordance with any applicable regulations or requirements of the carrier and shall be properly packed and secured so as to reach their destination in an undamaged condition.
- 7.5 The Supplier shall provide the Buyer with such invoices, advice notes, delivery notes and other documentation as the Buyer shall from time to time specify.

8. Title

- 8.1 Title in the Goods shall pass to the Buyer upon delivery.

9. Risk

The risk in the Goods shall pass to the Buyer upon delivery or, if the Supplier is to install the Goods, following the Buyer's confirmation of satisfactory installation.

10. Sub-Contracting

- 10.1 The Supplier shall not without the prior written consent of the Buyer sub-contract its obligations under the Contract or any part thereof. If the Buyer agrees that the Supplier may sub-contract, the Supplier remains responsible for the performance of the Contract and any acts or omissions of the sub-contractor.

11. Assignment

- 11.1 The Supplier shall not under any circumstances assign the benefit of this Contract without the prior written consent of the Buyer.
- 11.2 The Buyer shall be entitled to assign the benefit or sub-contract its obligations under the Contract without the Supplier's consent.
- 11.3 Any Group Company of Dunelm Group plc may benefit from the Contract.

12. Recovery of Sums Due

- 12.1 Whenever under this Contract or under any other contract between the Supplier and the Buyer or any Group Company, or between the Buyer or any Group Company and any Group Company of the Supplier, any sum of money shall be recoverable from or payable by the Supplier or any Group Company, the same may be deducted from any sum then due, or which at any time thereafter becomes due, to the Supplier under the Contract or under any other contract with the Buyer.
- 12.2 If the Buyer has made a pre-payment of the Contract Price in advance of delivery (and installation if applicable) of all of the Goods or Services, this shall be immediately repayable in full on service of notice by the Buyer pursuant to clause 16.

13. Intellectual Property Rights

- 13.1 All Intellectual Property Rights in any Specification, instructions, plans, drawings, models, designs or other materials commissioned by the Buyer or made available to the Supplier by the Buyer shall vest and remain vested in the Buyer and the Supplier shall not (except to the extent necessary for the performance of a Contract) without prior written consent of the Buyer use or disclose any such specifications, etc., or any information (whether or not relevant to the Contract) which the Supplier may obtain in the performance of the Contract.
- 13.2 All Intellectual Property Rights discovered or generated as a result of or in the course of the Contract shall vest and remain vested in the Buyer.
- 13.3 The Supplier shall execute any documents and do anything necessary to perfect the vesting of Intellectual Property Rights obtained pursuant to clauses 13.1 and 13.2 in the Buyer or as it directs without making any charge.

14. Value Added Tax

- 14.1 The Buyer shall pay to the Supplier, in addition to the Contract Price, a sum equivalent to the UK Value Added Tax chargeable on the Goods or Services in accordance with the Contract, subject to receipt of a VAT invoice.

15. Termination and Cancellation

- 15.1 If the Goods or Services are not delivered within the time or times specified in the Contract or in accordance with the Specification, the Buyer shall without prejudice to any other remedies, by notice to the Supplier, be entitled:
- 15.1.1 to cancel any other instalment or instalments; and/or
 - 15.1.2 to treat the Contract as a whole as repudiated; and/or
 - 15.1.3 to waive the default or breach and treat the Contract as continuing provided that such waiver shall in no way affect the Buyer's right later to exercise its rights under sub-clauses 15.1.1 or 15.1.2 above.
- 15.2 Where the Supplier has failed to deliver the Goods or Services within the time or times specified in the Contract the Supplier shall indemnify the Buyer against any loss, including loss of profit, which the Buyer may suffer or incur as a result of the Supplier failing to do so including, but not limited to, the cost of obtaining replacement Goods or Services of the same or of similar description to the Goods or Services from a third party.
- 15.3 The Buyer shall be entitled to cancel its offer to purchase or acquire all or part only of the Goods or Services by giving notice to the Supplier at any time prior to delivery, in which event:
- 15.3.1 The Contract shall continue in full force and effect in respect of Goods or Services already delivered or paid for by the Buyer;
 - 15.3.2 The Supplier shall, if so required by the Buyer and notwithstanding the Buyer having indicated that it wishes to cancel its order to purchase any of the Goods or Services, complete and deliver any partially completed Goods and all the terms of the Contract shall apply to such Goods or Services; and

16. Termination

- 16.1 The Buyer shall be entitled to terminate the Contract forthwith by notice in writing to the Supplier if:
- 16.1.1 the Supplier (being a company) is unable to pay its debts within the meaning of s.123 of the Insolvency Act 1986 or shall convene a meeting of its creditors or a proposal shall be made for a voluntary arrangement within Part I of the Insolvency Act 1986 or a proposal for any other composition, scheme or arrangement with (or assignment for the benefit of) its creditors or a receiver, administrative receiver or similar officer is appointed over all or a substantial part of the undertaking or assets of the Supplier or if a petition is presented or a meeting is convened for the purpose of considering a resolution or other steps are taken for the winding up of the Supplier (other than for the purposes of reconstruction or amalgamation and whether by the presentation of a winding up petition or otherwise) or for the making of an administration order; or

- 16.1.2 the Supplier (being an individual) is unable to pay his debts within the meaning of s.268 of the Insolvency Act 1986 or a petition is presented for his bankruptcy or the Supplier makes arrangement or compromise for the benefit of his creditors whether pursuant to the provisions of Part VIII of the Insolvency Act 1986 or otherwise; or
 - 16.1.3 the Supplier (being a partnership) is unable to pay its debts or a petition is presented for the winding up of the Supplier under the provisions of the Insolvent Partnerships Order 1994 whether or not involving individual insolvency proceedings against the Supplier's partners and presented by creditors or by the partners themselves or such a petition is presented in conjunction with bankruptcy or individual insolvency or petitions against any partner or if the Supplier enters into any composition, scheme of arrangement or voluntary arrangement including the business and assets of the Supplier or the share of any partner or in the event of any action for a partnership account and/or a winding up of or a dissolution of the Supplier under the Partnership Act 1890 or if any of the states of affairs or events described in Clause 16.1.2 exist or occur to or in relation to any of the partners or if the Supplier is dissolved; or
 - 16.1.4 the Supplier ceases or threatens to cease to carry on business; or
 - 16.1.5 there is at any time a material change in the management, membership or control of Supplier; or
 - 16.1.6 the Supplier is resident in a jurisdiction other than England and Wales and an event similar to any of those specified in Clauses 16.1.1 to 16.1.3 inclusive occurs to or in relation to the Supplier; or
 - 16.1.7 If the Buyer reasonably apprehends that any of the events specified in Clauses 16.1.1 to 16.1.3 inclusive is about to occur in relation to the Supplier and notifies the Supplier accordingly; or
 - 16.1.8 The Supplier is in material or persistent breach of the Contract and (if the breach is capable of remedy) has failed to remedy the breach within 14 days of receipt of a notice from the Buyer specifying the breach and requiring its remedy.
- 16.2 In the event of termination pursuant to this Condition 16 then, without prejudice to any other right or remedy available to it, the Buyer shall be entitled to keep any of the Goods or Services already delivered to him, but shall be obliged to pay the proportion of the Contract Price attributable to such Goods or Services in accordance with the terms of Contract and the Buyer shall be entitled to deduct by way of set off any sums paid to Supplier for Goods or Services which have not yet been delivered.
- 16.3 Termination of the Contract is without prejudice to any rights or liabilities which may have accrued prior to termination.

17. Solicitation

- 17.1 The Buyer shall be entitled to terminate the Contract at any time without penalty should it have reasonable cause to believe that the Supplier has given any employee of the Buyer remuneration or personal advantage of any kind in connection with the solicitation or transaction of business with the Buyer.
- 17.2 The Buyer shall be entitled to terminate the Contract at any time without penalty should it have reasonable cause to believe that the Supplier has solicited a senior employee of the Buyer or its associated companies with whom the Supplier has dealt in connection with the Contract for the purpose of employment or engagement by the Supplier.

18. Rejection

- 18.1 Without prejudice to any other remedy, if any Goods or Services are not supplied in accordance with the Contract, then the Buyer shall be entitled:
- 18.1.1 to require the Supplier to repair the Goods or to supply replacement Goods or re-perform the Services in accordance with Contract within seven days; or
 - 18.1.2 at the Buyer's sole option, and whether or not the Buyer has previously required the Supplier to repair the Goods or to supply any replacement Goods or to re-perform the Services, to treat the Contract as discharged either in its entirety or in relation to such Goods or Services, by the Supplier's breach and require the repayment of any part of the Contract Price which has been paid or that proportion of the amount paid which relates to such Goods or Services.
- 18.2 When under this Condition the Buyer rejects any Goods after delivery the Supplier shall at its own expense remove from the Buyer's premises all rejected Goods within five working days after being notified of such rejection, and if the rejected Goods are not so removed within 28 days after the Supplier has been notified of such rejection the Buyer shall be entitled to destroy or otherwise dispose of the Goods.

19. Acceptance

- 19.1 The Buyer shall be deemed to have accepted the Goods only after a reasonable time for inspection and testing have elapsed following delivery or, if later, within a reasonable time after any latent defect in the Goods has become apparent.

20. Variations

- 20.1 The Buyer shall have the right to vary the design and/or Specification and/or number of Goods or quantity of Services ordered by reasonable notice in writing to the Supplier.

21. Payment

- 21.1 Unless otherwise specified in the Schedule of Requirements or Contract, payment shall be made by the Buyer not later than 30 days after the end of the month in which the Buyer received the invoice. Unless otherwise agreed by the Buyer, the Supplier may submit no more than one invoice per month in respect of all Goods and Services supplied to the Buyer and all Group Companies.
- 21.2 Payment will only be made by the Buyer when the Supplier has submitted an invoice which is correct. The invoice date shall not predate delivery of the Goods and shall quote the Buyer's Purchase Order Number for each of the Goods or Services.
- 21.3 The Supplier is encouraged to adopt the BIS Prompt Payment Code throughout its own supply chain. For further information see www.promptpaymentcode.org.uk.

22. Warranties and Liabilities

- 22.1 The Supplier warrants and undertakes to the Buyer that the Goods will be:
 - 22.1.1 of satisfactory quality and fit for any purpose
 - 22.1.2 free from defects in design, material and workmanship; and
 - 22.1.3 free and clear of all liens and encumbrances
- 22.2 The Supplier warrants and undertakes that the Services will be performed by appropriately qualified and trained personnel acting with all due care and diligence and to the best industry practice, and in accordance with any requirements set out in the Contract.
- 22.3 The Supplier warrants and undertakes that all Goods and Services supplied will comply in all respect with relevant UK and EU legislation, including but not limited to the requirements of the Consumer Protection Act 1987, The Consumer Protection from Unfair Trading Regulations 2008, the Asylum and Immigration Act 1996, the Bribery Act 2010 and all subordinate legislation made under or continued in force by such Acts.
- 22.4 The Supplier warrants and undertakes that all information provided from time to time by the Supplier to the Buyer will be accurate when given.
- 22.5 The Supplier will indemnify the Buyer in full against all losses, damages (including loss or damage to property or business or death or personal injury), liabilities, fines, penalties, costs and expenses (including legal expenses whether or not proceedings are brought) of whatsoever nature awarded against or incurred or paid by the Buyer as a result of or in connection with:
 - 22.5.1 the supply of the Goods and / or Services by the Supplier; and / or
 - 22.5.2 breach of any of the warranties or undertakings contained in the Contract by the Supplier; and/or
 - 22.5.3 any claim that the supply of the Goods and/or Services, their importation, case or resale, infringes the Intellectual Property Rights of any other person; and/or

22.5.4 any act or omission of the Supplier or its employees, agents or subcontractor in supplying and delivering the Goods or Services.

22.6 No failure or delay on the part of the Buyer to exercise any of its rights in respect of any default under the Contract by the Supplier will prejudice its rights in connection with the same or any subsequent default.

22.7 The Supplier shall indemnify the Buyer against personal injury to or death of any person and loss of or damage to property caused by the negligent act or omission or wilful misconduct of the Supplier or its employees in the course of their performance of the Contract.

23. Insurance

23.1 The Supplier will take out and maintain adequate insurance not less than five million pounds sterling to cover its liability hereunder and will furnish the Buyer with evidence of such insurance as and when reasonably required to do so.

24. Remedies

24.1 The remedies available to the Buyer under the Contract shall be without prejudice to any other rights, either at common law or under statutes, which it may have against the Supplier.

25. Waivers

25.1 Failure of the Buyer to insist upon strict performance of any of the terms of the Contract, or failure or delay of the Buyer to exercise any act, right or remedy provided by the Contract or by law shall not relieve the Supplier of liability under any guarantee or from any obligations under the Contract and shall not be deemed to be a waiver of any right of the Buyer to subsequently insist upon strict fulfilment of the Contract or of the Buyer's rights or remedies in respect of the Goods or Services.

26. Severability

26.1 The invalidity or unenforceability of any term of, or any right arising pursuant to, the Contract shall not in any way affect the remaining terms or rights which shall be construed as if such invalid or unenforceable terms or rights did not exist.

27. Variation of Contractual Terms & Conditions

27.1 All Contracts for the purchase of Goods or Services by the Buyer shall be subject to these terms and conditions which shall apply to the exclusion of any other terms, conditions, warranties or representations which the Supplier may seek to impose. No variation will apply unless agreed in writing and signed by both parties.

27.2 The Buyer's employees or agents are not authorised to make any representations concerning the supply of Goods or Services unless authorised by the Buyer in writing to do so.

27.3 Any typographical, clerical or other error or omission in any offer, order or other document or information issued by the Buyer shall be subject to correction without any liability on the part of the Buyer.

28. Force Majeure

28.1 The Buyer shall be relieved of any liability to the Supplier whether under the terms of the Contract or otherwise for loss or damage, including consequential loss, to the extent that contractual performance by the Buyer is prevented or hindered by:

28.1.1 act, omission, misdeclaration or default on the part of the Supplier;

28.1.2 strike, lock out, stoppage or restraint of labour the consequences of which the Buyer is unable to avoid by the exercise of reasonable diligence;

28.1.3 any act, cause or event which the Buyer was unable to prevent or the consequences of which the Buyer was unable to avoid by the exercise of reasonable care.

29. Confidentiality

29.1 The Supplier shall both during the Contract Period and afterwards keep confidential and not divulge to any third party any information concerning the Buyer's business affairs and practices or customs, which has been acquired in connection with the performance of the Contract without the Buyer's prior written consent. This clause shall not apply to any information which is in or has entered the public domain, other than due to a breach of this clause.

30. Entire Agreement

30.1 The Contract contains all the terms agreed by the parties relating to the subject matter of the Contract and supersedes any prior agreements, understandings, or arrangements between them, whether oral or in writing, and no representation, undertaking or promise shall be taken to have been given or implied from anything said or written in negotiations between the parties prior to the Contract except as set out in the Contract. In particular, but without prejudice to the generality of the foregoing, the Supplier acknowledges that it has not been induced to enter into the Contract by any representation or warranty other than those contained or referred to in these Conditions. The Supplier irrevocably and unconditionally waives any right it may have to claim damages for and/or to rescind the Contract as a result of any misrepresentation whether or not contained in these Conditions unless such misrepresentation was made fraudulently.

31. Bribery and corruption

31.1 The Supplier undertakes that in connection with the Contract it shall comply with all applicable laws and regulations relating to fraud, facilitation of tax evasion, anti-corruption and anti-money laundering that apply in the United Kingdom and any country from which Goods or Services are sourced or in which they are or delivered performed.

- 31.2 The Supplier agrees that it, and each of its Affiliates and associated companies, and its subcontractors, and its and their respective owners, directors, officers, employees, agents and representatives (a "Supplier Affiliate") has not made, offered, promised to make or authorised the making of, and shall not make, offer, or promise to make, or authorise the making of, any payment or other transfer of anything of value, including without limitation the provision of any funds, services, gifts or entertainment, directly or indirectly to
- (i) any government official;
 - (ii) any director, officer employee or contractor of Dunelm or an Affiliate
 - (iii) any political party, official of a political party, or candidate for public office;
 - (iv) any agent or intermediary for payment to any of the foregoing; or
 - (v) any other person,

for the purpose of obtaining or influencing the award of the Contract or for any improper advantage or improper purpose in connection with the performance of the Contract or in connection with any other business transactions involving Dunelm or an Affiliate.

- 31.3 The Supplier agrees that it and each of its Supplier Affiliates shall not commit or facilitate fraud or tax evasion by itself or others.
- 31.4 The Supplier agrees to notify the Buyer promptly if it becomes aware that the Supplier or any Supplier Affiliate has failed to comply with this clause, and Buyer may terminate the Contract immediately by notice in writing without liability to the Supplier should there be any allegation that the Supplier or any Supplier Affiliate has breached this clause. Buyer and its representatives shall have full access to any premises, employees, books and records of the Supplier and any of the Supplier's Affiliates that are under the Supplier's control or to which the Supplier has access in order to investigate the allegation.

32. Law

- 32.1** The Contract shall be considered as a Contract made in England and shall be governed by and construed in accordance with the provisions of English law and the parties submit to the non-exclusive jurisdiction of the English Courts for all purposes in connection with it.

Acceptance of the above Terms and Conditions

I, an authorised representative of the Supplier and acting in that capacity for and behalf of the Supplier, agree to these Terms & Conditions and the policies in Appendix 1 and Appendix 2, and agree that they shall apply until further notice to any trade between the Supplier and Dunelm.

Name of Supplier:

Name of authorised representative:

Signature:

Position:

Date:

Appendix 1 – Dunelm Anti-Corruption and Anti-Bribery Policy

It is Dunelm Group plc's policy to obey the law and ethical standards in all countries in which the Group does business. We take a zero-tolerance approach to bribery, corruption, fraud and tax evasion, and are committed to acting fairly and honestly in all our business dealings and relationships.

We do not accept or offer bribes.

We do not accept or offer gifts or entertainment that are intended, or appear to influence business decisions. We have a policy on the acceptance of gifts and other privileges that applies to all colleagues.

We do not make political contributions on behalf of the Company.

We do not tolerate the commission or facilitation of fraud or tax evasion by any colleague, supplier or any other person associated with the Company.

Any instances of actual or suspected non-compliance with this policy must be reported.

We require all colleagues, directors, consultants, agency colleagues, agents and any other person associated with us to comply with this policy.

Colleagues who fail to comply with this policy may be subject to disciplinary action, including suspension and termination of employment.

We may terminate our relationship with any third party who fails to comply with this policy.

Will Adderley
Deputy Chairman
October 2017

By signing the Dunelm Terms and Conditions to which this document is attached, on behalf of the supplier, I confirm that I have read Dunelm's policy set out above and that the supplier has complied with this policy in the past, and has processes in place to ensure that it can continue to do so.

I understand that any breach of the policy must be notified to Dunelm immediately, and that breach may result in Dunelm terminating any contract with the supplier immediately.

This commitment is given on behalf of the supplier named below and all persons connected with it who are involved in the supply of goods or services to Dunelm.

Appendix 2 – Dunelm Ethical Code of Conduct

Dunelm intends to work only with suppliers and manufacturers from a position of trust, teamwork, honesty and mutual respect. We expect all of our business partners to operate on the same principles. The following Code of Conduct outlines our minimum expectations in various areas, and we expect all businesses involved in the production of goods for Dunelm to review and join in its implementation, working together to achieve continual improvements.

Child Labour

- There shall be no recruitment of child labour.
- Children who are younger than the minimum age permitted by the law of the country of manufacture, or who are younger than the age for completing compulsory education shall not be employed.
- Children and young persons under the age of 18 shall not be employed at night or in hazardous conditions.
- The factory must maintain documentation for every worker, verifying the worker's date of birth. Where official documents are not available, a factory must be seen to take all reasonable steps to verify age.
- Companies shall develop a policy to provide for the transition of any child found to be performing child labour to enable them to attend and remain in quality education until no longer a child.

Employment is Freely Chosen

- Suppliers shall uphold the human rights of all workers and treat them with dignity and respect.
- There shall be no forced, bonded or involuntary prison labour or any form of human slavery, servitude or human trafficking.
- 'Human trafficking' means the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation.
- Dunelm strictly prohibits any exploitative labour practices or any associated criminal conduct.
- Workers are not required to lodge "deposits" or their identity papers with their employer, and are free to leave their employer after reasonable notice.

Hours of Work

- Employees should not be required to work more than the maximum regular and overtime hours allowed by the law of the country of operation. No more than 48 hours per week are worked on a regular basis and no more than 12 hours per week overtime on a regular basis.
- Overtime must be voluntary and not used to replace regular contracted hours. Workers must be compensated at a premium rate according to national law.
- Holidays should be granted in accordance with local laws and employees shall be given, except in extraordinary business circumstances, at least one day off per week.

Wages and Benefits

- Wages and benefits paid for a standard working week must meet, as a minimum, national legal standards.

- Dunelm will seek to work only with suppliers who ensure wages paid meet basic needs and provide some discretionary income.
- 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.
- Any deductions must be at a rate that is fair and reasonable by local standards and must be lawful and not discriminatory.
- Deductions from wages as a disciplinary measure shall not be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

Freedom of Association

- Suppliers shall recognise and respect the right of workers to lawfully join associations of their choosing, and to bargain collectively.
- Dunelm adopts an open attitude towards the activities of trade unions and their organisational activities.
- Workers' representatives are not to be discriminated against and will be given access to carry out their representative functions in the workplace.
- 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.

Discrimination

- Workers should be employed on the basis of their ability to do the job, rather on their personal characteristics or beliefs.
- No person shall be subject to discrimination in hiring, access to training, salary, discipline, promotion, termination or retirement, on the basis of religion or belief, gender, gender reassignment, race, nationality, marital status, age, pregnancy or maternity, caste, disability, sexual orientation, union membership or political affiliation.

No Harsh or Inhumane Treatment is Allowed

- Every employee shall be treated with respect and dignity.
- Workers shall not be subjected to any form of physical, sexual or mental harassment or verbal abuse.

Regular Employment is Provided

- To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
- Obligations to employees under labour or social security laws and regulations arising from the regular employment relationships 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 obligation be avoided through the excessive use of fixed term contracts of employment.

Health and Safety

- Suppliers must provide a safe, clean and hygienic place of work and keep to all local laws relating to health, safety and welfare in the workplace. All reasonable steps must be taken to prevent accident and injury at work. This requirement also applies to any accommodation provided for the workforce.

- The company observing the code shall assign responsibility for health and safety to a senior management representative.
- Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- Exits must be clearly marked, be accessible and must be unlocked while work is taking place. Fire prevention and evacuation procedures and alarms must exist and be tested regularly.
- First aid facilities must be available.
- Access to clean toilet facilities and to drinking water, and, if appropriate, sanitary facilities for food storage shall be provided.

Environmental Requirements

- Suppliers must manage all waste that they generate in accordance with applicable environmental laws and regulations and must continually work to reduce the percentage of waste going to landfill.
- Suppliers should be aware of their carbon footprint and commit to a strategy of carbon reduction.
- Suppliers should look to reduce the level of packaging used and improve the recyclable content of both their products and packaging.

Sub Contractors

- Suppliers and manufacturers for Dunelm must ensure any sub-contractor is aware of and has given a written commitment to comply with this Code of Conduct.

Agency labour

- If workers are sourced from a third party, suppliers must ensure that the third party is reputable and (if required) properly licensed (for example under the Gangmasters (Licensing Act) 2004).
- Suppliers must take reasonable steps to ensure that all workers supplied have the right to work in the country of operation, and are engaged on terms that comply at least with minimum legal requirements in that country.
- Agencies must be made aware of, and give a written commitment to comply with this Code of Conduct.

Audits

- Inspections will take place at least every two years (and more often as appropriate) to assess compliance with this Code.
- Suppliers should promptly report to Dunelm any known breach of this Code and take corrective action within a specified time period if concerns are found.

Supplier Compliance:

Business with Dunelm depends upon full compliance with this Code. Failure to abide by any part of this Code may result in the termination of a Supplier's contract with Dunelm and the cancellation of all outstanding orders without compensation.

The Supplier agrees that any non-compliance issues raised by regular audits and inspections will be agreed with Dunelm, and a timetable for the rectification of these points will be implemented to ensure full compliance.