
THIS FORM OF CONTRACT IS MADE BETWEEN:

Public Health England (which expression shall include its successors in title), an exclusive agency of the Department of Health, of Wellington House, 133-155 Waterloo Road, London, SE1 8UG (the "**Authority**"); and

Essentra Filter Products Limited, a company incorporated under the laws of England and Wales with company number 00259345 of Avebury House, 201-249 Avebury Boulevard, Milton Keynes, Buckinghamshire, MK9 1AU (the "**Contractor**").

THE FOLLOWING IS AGREED:

Contract

1. All of the documents listed below shall, taken together, constitute the "**Contract**":
 - (a) this Form of Contract for Testing TCNO in Cigarettes;
 - (b) the Contractor's response to the Invitation to Tender: Testing TCNO in Cigarettes (the "**ITT**");
 - (c) the ITT; and
 - (d) Public Health England Conditions of Contract for the Purchase of Services (as included in the ITT) ("**Conditions**").
2. If there is a conflict or inconsistency between any of the documents listed at clause 1 above, the document listed at clause 1.(a) shall prevail over the document listed at clause 1.(b), which shall prevail over the document listed at clause 1.(c) which shall prevail over the document listed at clause 1.(d).

Definitions

3. Words and expressions not otherwise defined in this Form of Contract shall have the meanings as are ascribed to them in the ITT or Conditions (as the case may be).

Term and Termination

4. The "**Commencement Date**" of the Contract shall be 1 January 2018.
5. Unless terminated earlier in accordance with its terms, the Contract shall continue in full force and effect for three years from the Commencement Date ("**Initial Term**"). The Authority shall be entitled to extend the Contract for two further twelve month periods (each an "**Extended Term**") at the end of the Initial Term and at the end of the first Extended Term (respectively) in accordance with clause 8.2 of the Conditions (the Initial Term and any Extended Term being the "**Contract Period**"). For the avoidance of doubt, paragraph 1.5 of the ITT shall be deleted.
6. Clause 26.1.9 of the Conditions shall be deleted and the following clause 26.3A inserted: "Either Party may terminate the Contract at any time by giving not less than 3 months' written notice to the other Party."

Orders

7. On or as soon as reasonably practicable following the Commencement Date, the Authority shall place an Order for the Contractor to test (in accordance with paragraph 8.2 of the ITT) the equivalent of 37 fully tested cigarette brands during each consecutive two month period from the Commencement Date ("**Sampling Period**") of the Initial Term ("**Initial**

Testing Tar, Nicotine and Carbon Monoxide ("TCNO") in Cigarettes

Term Order"). For the avoidance of doubt, the Initial Term Order placed by the Authority shall be, in aggregate, for the testing of 666 cigarette brands during the Initial Term (or 222 cigarette brands during each Year of the Initial Term).

8. If the Authority extends the Contract for an Extended Term, the Authority shall, on or prior to the commencement of the Extended Term and unless the Parties otherwise agree, place an Order for the Contractor to test (in accordance with paragraph 8.2 of the ITT) the equivalent of 37 fully tested cigarette brands during each Sampling Period of the Extended Term ("**Extended Term Order**"). For the avoidance of doubt, an Extended Term Order placed by the Authority shall be, in aggregate, for the testing of 222 cigarette brands during an Extended Term.
9. If, in respect of any Sampling Period during the Contract Period, the Authority requests (by providing the Contractor with a testing list in respect of the Sampling Period or otherwise in writing) the Contractor to test less than or more than the equivalent of 37 fully tested cigarette brands, subject to clause 10, the Initial Term Order or the Extended Term Order (as the case may be) shall be deemed to be amended accordingly ("**Order Amendment**").
10. The Contractor acknowledges and agrees that it shall, subject to clause 12: (a) accept the Initial Term Order, an Extended Term Order and (subject to clause 11) an Order Amendment for the testing of the equivalent of 37 or fewer fully tested cigarette brands during a Sampling Period; and (b) use its reasonable endeavours to accept an Order Amendment for the testing of more than the equivalent of 37 fully tested cigarette brands during a Sampling Period.
11. In respect of each Sampling Period during the Contract Period, the Authority undertakes and agrees not to place an Order Amendment for the Contractor to test less than 168 cigarette brands annually.

Contract Price and Payment

12. The "**Contract Price**" for the testing of cigarette brands during the Initial Term shall be:

	Year 1	Year 2	Year 3
Unit price (excluding VAT) for each cigarette brand tested, up to 222 cigarette brands tested in any Year	£869.69	£900.13	£931.63
Unit price (excluding VAT) for each cigarette brand tested in excess of 222 cigarette brands tested in any Year	£913.17	£945.13	£978.21

If the Authority extends the Contract for an Extended Term, unless the Parties otherwise agree, the Contract Price shall be increased yearly at the commencement of each Extended Term by 3.5%.

13. The Contractor shall, on or around the 8th day of the month immediately following the end of each Sampling Period, invoice the Authority for the sums due and owing to it under the Contract which shall be paid by the Authority in accordance with the Conditions. For the avoidance of doubt, the Contractor shall submit 6 invoices to the Authority each Year, on or around 8 March, 8 May, 8 July, 8 September, 8 November and 8 January.

Limitation of Liability

14. Clause 19.2 of the Conditions shall be deleted and be replaced with the following: "Except in the case of death or personal injury caused by negligence, and fraudulent misrepresentation or in other circumstances where liability may not be so limited under any applicable law, the liability of either Party under or in connection with the Contract, whether arising in contract, tort, negligence, breach of statutory duty or otherwise shall not exceed the sum of the Contract Price payable by the Authority to the Contractor in the Year in which the liability arose."

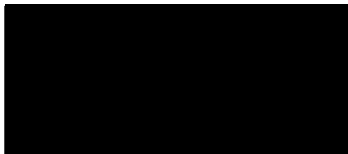
TUPE

15. Clauses 29.1 to 29.7 of the Conditions shall be deleted and be replaced with the following: "The Authority represents and warrants that no Employees will transfer to the Contractor under TUPE on (or before) the Commencement Date. If TUPE operates to transfer Employees to the Contractor, the Authority will indemnify and keep indemnified the Contractor from and against any liability including any Loss howsoever arising and which the Contractor may in any way incur or suffer as a result of any Employee making any claim against the Contractor (including, but not limited to, a claim that they have become an employee of the Contractor or a claim in respect of wrongful dismissal, unfair dismissal, redundancy or a failure to inform and consult employees or their representatives or otherwise under TUPE), on the basis that there has been a transfer of an undertaking to which TUPE applies. For the avoidance of doubt, in the event of any such Employee asserting that they have become an employee of the Contractor, the Contractor shall be entitled to terminate such employment with immediate effect and without notice and rely on the indemnity given in this clause."

Entire Agreement

16. The Contract (together with any documents referred to herein or required to be entered into pursuant to the Contract) contains the entire agreement and understanding of the parties and supersedes all prior agreements, understandings or arrangements (both oral and written) relating to the subject matter of the Contract and any such document.
17. Each Party acknowledges that it is entering into the Contract without reliance on any undertaking, warranty or representation given by or on behalf of the other Party other than as expressly contained in the Contract, provided that nothing in this clause shall limit or exclude the liability of either Party for fraud or fraudulent misrepresentation.

Signature:



For and on behalf of the Authority

Name:

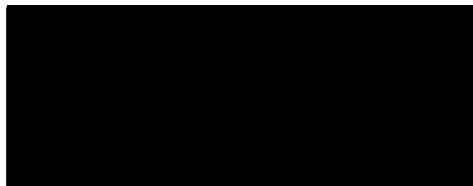


Job Title: Lead Category Manager

Date:

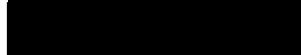


Signature:



For and on behalf of the Contractor

Name:



Job Title: GLOBAL COMMERCIAL DIRECTOR

Date:



