
TERMS AND CONDITIONS OF PURCHASE

1. Definitions

- i) "The Buyer" means Servelec Systems Limited and its lawful assigns and successors in title.
- ii) "The Supplier" means the person firm or company referred to in the Schedule or with whom the Contract is made (whether directly or indirectly) or whose actions are ratified by the actual supplier and its lawful assigns and successors in title.
- iii) "The Order" means the Buyer's purchase order and any appendix or other item therein referred to.
- iv) "The Contract" means the agreement between the Buyer and the Supplier including these conditions and all other documents, brochures and other material to which reference may be properly made in order to ascertain the rights and obligations of the parties save and except any other printed terms or conditions of sale or purchase.
- v) "Software" means all software within the ownership or under the control of the Supplier at the date of the Contract and which is identified as such.
- vi) "Goods" means the articles, materials, plant, equipment, Software or things or any of them described in the Order to be supplied by the Supplier whether or not similar to the foregoing.
- vii) "Services" means the work to be executed in accordance with an Order and includes the provision by the Supplier of all labour, plant, materials, equipment and the like required to execute such work, whether or not similar to the foregoing.

2. Offer and Acceptance

- i) An order placed by the Buyer (whether in response to a quotation by the Supplier or not) will only be binding on the Buyer if it is issued or confirmed on the Buyer's official purchase order form and is accepted in writing by the Supplier within 14 days of the date appearing in the Order.
- ii) Notwithstanding that the quotation, acceptance form, invoice or other form of document (whether prior or subsequent to the date appearing in the Order) contains or refers to printed terms or conditions, such form or document will be deemed to have no effect and acceptance of the Buyer's order will be unqualified acceptance of these conditions.
- iii) If the Contract obliges the Supplier to supply a timetable to the Buyer giving details of when goods will be supplied or available for supply to the Buyer or services will be performed ("the timetable"), then in all such cases time will be of the essence in respect of any time limit for the supply of the Goods or Services but the timetable will only bind the Buyer when the Buyer has notified the Supplier of its acceptance thereof; thereafter all dates and times set out in the timetable will form part of the Order and the Contract and the Supplier will not be at liberty to vary, extend or supplement such dates and times without the previous written agreement of the Buyer.
- iv) No variation, waiver or supplement to these conditions shall be binding on the Buyer unless expressly agreed in writing by it. No agent, representative or employee of the Buyer below the level of Senior Management has power to agree any such variation, waiver or supplement.
- v) The Buyer is entitled to vary or cancel the Order at any time before completion of the Supplier's obligations and the Supplier shall accept such variations or cancellation provided that the Buyer shall:
 - a) In the case of a variation, pay or will be allowed (as the case may be) any additional or reduced cost incurred by the Supplier in complying with the variations. The said additions or reductions shall be fair and reasonable, based solely on the terms and rates of the Contract and the actual cost to the Supplier. The Supplier will forthwith submit a quotation for such additions or reductions to the Buyer for approval but if it is not approved then the Supplier will accept the variation and the additions or reductions shall be determined by an arbitrator appointed in accordance with the provisions of Condition 18.
 - b) In the case of cancellation, except where the Order has been cancelled due to breach by the Supplier, pay the Supplier a fair and reasonable sum for all materials used and work done up to the time of the cancellation whereupon the property in such materials shall pass to the Buyer. The Buyer shall not be liable for any other loss including consequential or indirect loss suffered by the Supplier or any third party as a result of such cancellation.

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3. Inspection and Testing

- i) Without prejudice to the Buyer's rights under the Contract (including the right of rejection) the Buyer or representatives authorised by the Buyer, shall have the right to inspect and test the goods at any time during manufacture and prior to delivery and to finally survey quality and test the goods within a reasonable time after their delivery without prejudice to the Buyer's rights under the Contract.
- ii) Free and reasonable access to the place of design and manufacture, including sub-contractors, will be given by the Supplier at all times for this purpose.
- iii) The Supplier will give the Buyer where applicable, or it's appointed representative, at least five working days notice of readiness for inspection.
- iv) The Supplier shall submit to the Buyer, for approval within the time stated in the Order or the timetable (as the case may be), details of all tests to be carried out. These tests may include, but not be limited to, the following:
 - a) Visual inspection.
 - b) Electrical installation test.
 - c) Continuity tests.
 - d) Performance tests.
- v) All test equipment shall be supplied by the Supplier at his cost and the Supplier shall ensure that all relevant items of that equipment have calibration certificates valid at the time of test.
- vi) Notwithstanding the foregoing the Buyer may, at any time, request such additional tests which, in its reasonable opinion, are necessary to test the performance of the Goods.

4. Delivery

All goods must be adequately protected against damage and deterioration in transit and delivered carriage paid to the address for delivery set out in the Order and if no such address appears in the Order, then to the Buyer's registered office. The goods or packaging must bear the description, quantity and the Buyer's Order Number so as to be clearly visible upon delivery and any goods not so marked are to be deemed to have been delivered in excess of the Buyer's Order and may be dealt in accordance with Condition 5 (iv).

5. Delay in Delivery

- i) Unless otherwise agreed in writing, any time or period given for delivery despatch performance or completion in the timetable or elsewhere shall be of the essence in respect of each and every item or service to be supplied and the Supplier shall forthwith notify the Buyer of any apprehended delay. This Condition 5 shall be construed as additional to and not in substitution for Condition 2 (iii).
- ii) The Buyer reserves the following rights (and each of them) if the goods or work have not been delivered or performed on time, namely to reject goods or work and cancel the Contract of which such supply of goods, work or performance forms part and, at the Supplier's own cost and at the Supplier's risk, to return any goods already delivered which by virtue of such rejection or cancellation are no longer of use. Such rights are to be available to the Buyer irrespective of the cause of the delay and without prejudice to the Buyer's rights to damages or other remedy against the Supplier or any third party.
- iii) Deliveries made in advance of the Buyer's requirements may be returned to the Supplier at the Supplier's own cost and at the Supplier's risk or accepted at the Buyer's option. If accepted, then the Supplier's invoice will not be raised until after the date on which performance should have taken place unless otherwise agreed.
- iv) No responsibility is accepted for goods delivered in excess of those set out in the Order and notwithstanding that the goods are delivered for use in the course of a business, the Buyer may deal with such excess as set out in Section 1 (2) of the Unsolicited Goods and Services Act (1971). However, if such excess goods are returned to the Supplier then this shall be at the Supplier's own cost and at the Supplier's risk.

6. Terms of Payment

- i) The Buyer shall pay for the goods and/or services set out in the Order upon the terms for payment therein but after receipt by it of an invoice. No time for payment stated in the Order on the invoice or elsewhere shall make time of the essence in this respect but the Buyer is entitled to all or any discounts for prompt payment if such time limit is complied with. If no terms for payment are set out in the Order, then payment will be made 60 days from receipt of properly presented invoice at the Buyer's office. If goods and/or services are delivered or supplied in stages, payment will only be in accordance with the foregoing in respect of the required delivery or supply.
- ii) The price stated in the Order is inclusive of all costs and expenses including packaging, packing, transport and insurance. The price or rate for goods or services to be supplied or provided under the provisions of the Contract is fixed at the date of the Contract and is not subject to variation unless specifically stated in the Order. Failure to attend to any of the following (either by the Supplier its Agent or carrier) may delay payment but in such case no prompt payment discount will be forfeited.
 - a) To send on the day of despatch a separate advice note, or
 - b) Invoice for each delivery, or
 - c) To mark the goods clearly in accordance with Condition 4.
- iii) Payment or part payment for goods or services is made without prejudice to the Buyer's rights should the goods or services be found to be or become within a reasonable time unsatisfactory.
- iv) All documents and drawings required by the Buyer in respect of the Order shall, unless the Order provides otherwise, be prepared and be submitted to the Buyer at the Supplier's own cost. If such documents or drawings are specified in the Order (or any subsequent appendix) then, without prejudice to the foregoing, these will be deemed to be part of the Order and all of the provisions of the Contract (including these Conditions) will apply to their supply as if they were goods.
- v) All invoices, documents, drawings and other communications with the Buyer must be clearly marked with the Buyer's reference (if any) and order number unless the Buyer has not notified the Supplier (expressly or impliedly) of such order number and in which case the Supplier shall use all reasonable endeavours to mark such documents with sufficient information for the Buyer to be able to identify the Order to which it relates.

7. Passing of Property

- i) Property in the goods set out in the Order will pass to the Buyer on the earlier of:-
 - a) Delivery in accordance with Condition 4; or
 - b) Assembly, manufacture, procurement or production by the Supplier of goods pursuant to the Order, but is without prejudice to any rights of the Buyer (including the right of rejection) under the provisions of the Contract or otherwise.
- ii) Condition 7 (i) shall apply in all cases notwithstanding that the Supplier postpones delivery at the Buyer's request. In such cases the Supplier will arrange for storage of the said goods without cost to the Buyer for a maximum period of 45 days and thereafter the Buyer will on request pay the reasonable storage costs (which will be no greater than commercial rates for storage of such goods) during any subsequent period of postponement; delivery of the said goods to the Buyer will not have been completed and risk shall not pass to the Buyer until actual delivery of the goods after such period of storage.
- iii) During any period of storage in accordance with Condition 7 (ii) the Supplier shall procure that the Buyer or his representative is afforded reasonable opportunities to inspect the said goods, but the Buyer will not be obliged to inspect them.
- iv) Goods will be at the Supplier's own risk until actual delivery in accordance with Condition 4 even where delivery has been postponed or delayed by the Buyer or at the Buyer's request. All goods rejected or returned to the Supplier will be returned to the Supplier at the Supplier's own cost and at the Supplier's risk.

8. Inventions and Improvements

When the Order placed by the Buyer includes manufacture to the Buyer's designs, the Supplier agrees to inform the Buyer of any invention or improvement in design or method of manufacture arising out of or in connection with the order and any such invention or improvement and any patent, registered design rights, or other intellectual property rights in respect thereof, and copyright in any drawings, documents or specifications relating thereto shall be the property of the Buyer. The Supplier will give the Buyer at the Buyer's expense all necessary and reasonable assistance to enable the Buyer to obtain patent registered design and similar rights throughout the world.

9. Quality and Fitness for Purpose

- i) The Supplier warrants to the Buyer that any Goods supplied and Services performed shall:
 - a) Conform precisely and without any tolerance whatsoever (save as appears in the Order) as to quality, quantity and description with the Order placed by the Buyer;
 - b) Be of the best standards in respect of both materials and workmanship and free from any defects in design, material and manufacture;
 - c) Be equal in all respects to any sample pattern, demonstration or specification provided or given by either party;
 - d) Be fit for any purpose expressly or impliedly indicated in the Contract;
 - e) Be capable of the standard of performance required by the Buyer and of which the Supplier is aware;
 - f) Comply with all relevant United Kingdom and European Community statutory requirements, regulations and directives and all other relevant standards and Codes of Practice and the Goods shall contain no deleterious materials or defective components.
- ii) The Supplier warrants to and with the Buyer that the goods or materials to be supplied in accordance with the Contract will be safe and without risk to health when properly used and the Supplier will provide all necessary information for the design testing and use thereof.
- iii) The Supplier acknowledges that the particular business and customers of the Buyer are such that the availability of spare parts and services relating thereto is fundamental and the Supplier therefore warrants to the Buyer that all adequate spare parts and services relating thereto will be available to the Buyer at a reasonable cost (subject to the other Conditions herein contained) for a period of 15 years from the date of completion of the Contract by the Supplier or from the date of commissioning by the Buyer or its Customer (as the case may be) whichever is the later.

10. Liabilities

- i) Remedies:
 - a) Buyer reserves the right, at its option, either to reject any goods or material in whole or in part (whether or not the same have been delivered to and accepted by the Buyer) or to cancel the Contract or any part of the Contract, or to delay acceptance of the whole or any part thereof, without any further payment or charge for storage or delay, save as is mentioned in Condition 7 (ii) above, in any of the following circumstances:
 - (1) Failure by the Supplier to comply strictly with the descriptions, specification and drawings relating to the materials or goods to be supplied or work to be carried out or failure to comply with any standards and specifications as are set out in the Order, or in their absence, the relevant British Standard Specification.
 - (2) If the Supplier otherwise fails to comply in all respects with any of its obligations under the Contract.
 - b) In addition to any rights or remedies available to the Buyer under this Contract or under statute, common law or otherwise or in pursuance of a warranty given under the provisions of paragraph (c) below, the Supplier will keep the Buyer indemnified in respect of all loss, damage, liability or expense

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which results directly or indirectly from defective goods, workmanship, design or services supplied or provided by the Supplier or as a result of any breach of the Conditions, warranties, inducements or representations expressed or implied in the Contract. In addition, the Supplier will correct, repair, replace or reinstate, at the Buyer's option, any defective item free of charge which is notified to the Supplier during the period of 18 months from the date of completion of the Contract by the Supplier or 12 months from the date of use for commercial operation by the Buyer or its Purchaser (as the case may be), whichever is the later.

- c) The Supplier will promptly and effectively comply with the terms of any additional warranty or guarantee given by the Supplier in the Contract or otherwise agreed in writing between the Buyer and the Supplier; such warranty or guarantee will be deemed to be a collateral contract enforceable by the Buyer against the Supplier.
- ii) Indemnities:
 - a) Without prejudice to the generality of the preceding sub-condition the Supplier will indemnify the Buyer against any loss or liability (including but not limited to consequential or indirect loss and loss of profits) as a result of any claim against the Buyer for breach of contract or otherwise in the supply by the Buyer to a third party of goods or services which incorporated the goods or services included in the Contract.
 - b) Subject to the provisions of the Unfair Contract Terms Act (1977) this Condition 10 shall be deemed to extend to claims against the Buyer in respect of death or personal injury to any person as a result of a breach of any statutory or common law duty of care or of any act or omission on the part of the Supplier, its suppliers, agents, employees or sub-contractors.
- iii) Copyrights and Patents:

The Supplier will keep the Buyer indemnified in full (except in respect of designs provided by the Buyer) against all liability, loss, damages, royalties, costs and expenses (including legal expenses) arising from and claim that the Goods infringe or that their use or resale infringes, any patent, trade or service mark (whether or not registered), trade name, registered design, copyright, unregistered design right or other intellectual property right belonging to any third party unless the infringing Goods or design was supplied by the Buyer.

11. Bankruptcy, Receivership or Liquidation

If the Supplier being an individual becomes bankrupt or insolvent or has a Receiving Order made against him or compounds with his creditors or being a company, is wound up, becomes insolvent or has a Receiver or Liquidator appointed then the Buyer shall be at liberty (but not bound) at any time thereafter:

- i) to cancel the Contract forthwith by written notice and to collect forthwith all materials, goods, documents or articles of any description sent to the Supplier for any purpose, or
- ii) to give the Supplier or the Receiver, Liquidator or other appropriate person the option of completing the Contract, subject to him providing a guarantee up to an amount to be agreed for its due and faithful completion.

12. No Supplier's Lien

The Supplier (in the case of the Contract being completed under the provision of Condition 11 (ii) above) its Receiver, Liquidator or other appropriate person shall have no right of lien over or other right whatsoever to retain possession of any contract design or other document or item supplied by the Buyer to the Supplier in connection with the Contract.

13. Buyer's Lien and Right of Set-Off

- i) In addition to any other right or lien to which the Buyer may by law or the other terms of the Contract be entitled, the Buyer shall be entitled to a general lien on all the goods and property of the supplier in the Buyer's possession, whether paid for or not, and a right of sale of such goods and property at the Buyer's sole discretion for any unpaid monies due to the Buyer from the Supplier.

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- ii) Without prejudice to the generality of the foregoing, the Buyer shall have a general right of set-off against monies due to the Supplier under the terms of the Contract for all monies due to the Buyer from the Supplier for whatsoever reason.

14. Assignment and Sub-Contracting

The Supplier shall not without the prior written consent of the Buyer assign, transfer or sub-contract the Contract or any part of it to any other person, firm or company. Any such consent shall not relieve the Supplier of any of its obligations under the Contract.

15. Confidentiality

- i) The Supplier's sole right in respect of all designs, documents, equipment and other information supplied by the Buyer is to use the said designs, documents, equipment and other information in connection with the manufacture and supply of those items or service specified in or incidental to the Order. The Supplier shall at all times treat such with the utmost confidentiality and shall acknowledge the Buyer's copyright or other industrial property right therein. The Supplier shall not without the previous written consent of the Buyer advertise or make it known that the Supplier supplies or has supplied to or performed services for the Buyer.
- ii) The Buyer acknowledges that the copyright or other industrial property right in any Software supplied under the Contract belongs to the Supplier or its sub-contractor (as the case may be). Notwithstanding the foregoing, the Supplier will allow the Buyer to use the Software in order to satisfy the use intended by the Buyer.

16. Force Majeure

The Buyer shall not be liable to the Supplier or be deemed to be in breach of the Contract by reason of any delay in performing or failure to perform any of its obligations under the Contract if such delay or failure was beyond the Buyer's reasonable control. Without prejudice to the generality of the foregoing, the following shall be regarded as causes beyond the Buyer's reasonable control: accident, civil commotion, riot, war, fire, lock-outs, strikes, industrial disputes, acts of god, explosions, floods or restrictions, prohibitions or measures of any kind on the part of any governmental, parliamentary or local authority.

17. Notices

Any notice required to be given or served under the terms of the Contract shall be addressed in the case of a notice to the Supplier to the address of the Supplier given in the Order or (being a company) to its registered office and in the case of the Buyer to its registered office. A notice shall be served either by letter so addressed and posted by first class post in a pre-paid envelope (and shall then be deemed to be given on the day following that on which it was posted if the Supplier is within the UK or after seven days of the date of posting otherwise) or by telex or facsimile transmission (and a notice so given shall be deemed to have been serviced 24 hours after transmission).

18. Arbitration

In the case of any dispute in respect of the Contract, its interpretation of the rights and obligations thereunder, the Buyer may, at its option, refer the dispute to an arbitrator agreed upon by the parties but, in default of such agreement within 21 days, to an arbitrator appointed by the President for the time being of the Institution of Electrical Engineers. If such a person does not at that time exist, then the appointment will be made by the President of the Sheffield Law Society. The decision of an arbitrator shall be final and binding upon the parties save as to matters of law and manifest error.

19. Waiver

No concession latitude or waiver allowed by the Buyer in respect of any rights under the Contract on any occasion shall prevent it from exercising all of its rights on any subsequent occasion.

20. Governing Law

- i) The Supplier shall comply with all statutes and legal requirements pertaining to the supply of the goods or services.
- ii) The Contract is governed by the law of England and Wales and the Supplier and Buyer shall submit to the jurisdiction of the English Courts.

21. Year 2000 Compliance

The Supplier warrants that the Goods supplied shall be unaffected in their performance and functionality by any date change.

In particular:

Rule 1: No value for current date will cause interruptions in operations.

Rule 2: Date-based functionality must behave consistently for dates prior to, during and after year 2000.

Rule 3: In all interfaces and data storage, the century in any date must be unambiguous.

Rule 4: Year 2000 must be recognised as a leap year.

It is a condition of this order that any computer equipment and products or software or any Goods or Services containing embedded date-logic, provided by the Supplier, will be supplied with a Certificate of Conformity specifying compliance with the Year 2000 Rules stipulated above.

22. Anti-Modern Slavery Requirements

- i) In performing its obligations under the terms and conditions contained or referred to herein, the Supplier shall:
 - (a) comply with all of the provisions of the Modern Slavery Act 2015;
 - (b) comply with the Anti-Modern Slavery policy as detailed on the Buyer's website via the link <https://www.servelec-group.com/anti-modern-slavery-and-human-trafficking/> or otherwise available upon request.
 - (c) not engage in any activity, practice or conduct that would constitute an offence under sections 1, 2 or 4, of the Modern Slavery Act 2015 if such activity, practice or conduct were carried out in the UK; and
 - (d) ensure that each of its contractor, subcontractors and suppliers comply with the Anti- slavery policy and with the Modern Slavery Act 2015.
- ii) The Supplier shall notify the Buyer as soon as it becomes aware of:
 - (a) any breach, or potential breach, of the Anti- Modern Slavery Policy; or
 - (b) any actual or suspected slavery or human trafficking in a supply chain which has a connection with thisthe terms and conditions contained or referred to herein.