



## **ELECTRICA LIMITED**

### **STANDARD CONDITIONS OF PURCHASE**

These Conditions apply to any contract entered into by Us for the purchase of goods and/or services.

#### **1 DEFINITIONS**

In these Conditions:-

1.1 the following words and expressions have the following meanings:-

<b>"Authorised Officer"</b>	any of Our employees who are authorised to deal with the Contract in all respects, and whose identity is notified to You accordingly.
<b>"Conditions"</b>	Our general conditions of purchase set out below and any other special conditions specified in the Purchase Order.
<b>"Contract"</b>	the Purchase Order and the related Contract Documents.
<b>"Contract Documents"</b>	the documents listed in Condition 2.7.
<b>"Framework Agreement"</b>	any bespoke supply agreement between Us and You for the provision of Goods and/or Services over a given period which governs the general principles of supply and which is not an individual Order.
<b>"Goods"</b>	the goods, materials, parts and mechanism (including any instruments) described in the Order.
<b>"Loss"</b>	as defined in Condition 10.3.
<b>"Order"</b>	Our order to purchase the Goods and/or Services as set out in the Purchase Order.
<b>"Order Amendment"</b>	an amendment made to an Order by Us prior to delivery or performance by You.
<b>"Person"</b>	an individual, body corporate, unincorporated association, partnership or entity having a separate legal personality.
<b>"Price"</b>	the price payable for the Goods and/or Services as stated in the Purchase Order.
<b>"Purchase Order"</b>	the purchase order form delivered (either in PDF format or on paper) by Us to You.
<b>"Services"</b>	the services described in the Purchase Order.
<b>"Specification"</b>	the specification or performance requirements of the Goods or Services as described in the Purchase Order.
<b>"Worker"</b>	applies to all individuals working at all levels of the Company and other individuals performing functions in relation to the Company, such as agency workers and contractors.
<b>"Working Days"</b>	9am to 5pm Monday to Friday (inclusive) other than on public holidays.
<b>"Us", "We", "Our"</b>	Electrica Limited (CRN 4638727).
<b>"You", "Your"</b>	the Person to whom the Purchase Order is addressed.

1.2 the singular includes the plural and vice versa, and words importing one gender include all genders.

#### **2 ACCEPTANCE**

2.1 This Order constitutes an offer by Us for the purchase of the Goods and/or Services.

2.2 No Contract comes into existence between Us and You until You have accepted the Order. Any written acceptance of the Order (unless clearly stated on its face to be a counter offer) or delivery of the Goods or performance of the Services shall be an unconditional acceptance of the Order by You.

2.3 All Contracts between Us and You are deemed to be exclusively on these Conditions, to the exclusion of any terms and conditions You may try to impose. In the case of any conflict between these Conditions and Your terms and conditions of supply, these Conditions will prevail.

2.4 No quotation, agreement or variation in any way modifying the Order, the Conditions or the Contract shall be accepted by or binding on Us, unless expressly accepted in writing by an Authorised Officer.

2.5 No Goods or Services shall be supplied without an Order. Unless We otherwise agree in writing, the Order must be accepted in writing, or by performance by You, within 2 Working Days of its date of issue, failing which it ceases to be valid.

2.6 Any Specification supplied by Us to You, or specifically produced by You for Us, in connection with the Contract, together with the copyright, design rights or any other intellectual property rights in the Specification, shall be Our exclusive property. You shall not disclose to any third party or use any Specification except to the extent that it is or becomes public knowledge through no fault of Yours or as required for the purpose of the Contract.

2.7 In the event of any conflict or ambiguity in a Contract between any of the Contract Documents, the order of precedence shall be as follows:-

2.7.1 the Purchase Order (or Order Amendment);



- 2.7.2 the Framework Agreement (where applicable);
- 2.7.3 these Conditions;
- 2.7.4 any other documents attached to the Purchase Order and specifically referred to therein;
- 2.7.5 any documents expressly referred to in the Purchase Order but not attached;
- 2.7.6 any quotation from You which is specifically referred to in the Order Form (excluding any of Your terms and conditions).

### **3 DELIVERY**

- 3.1 Deliveries other than in accordance with the Contract may (at Our discretion) be returned to You at Your expense and risk and You shall pay all Our costs of packing, handling and sorting such deliveries.
- 3.2 Time of delivery of the Goods or performance of the Services shall be of the essence. If delivery or performance is not made when requested, We shall have the right to cancel the Contract without prejudice to its rights of action for breach of contract or otherwise. We may (at Our absolute but reasonable discretion) from time to time change the delivery details specified in the relevant Contract by written instructions.

### **4 PACKING, MARKING AND DOCUMENTATION**

- 4.1 All Goods shall be properly packed, marked and delivered at Your expense in accordance with any relevant Specification.
- 4.2 Each advice note, bill of lading and invoice shall bear the applicable Order or Contract number, component number, delivery date and the location to where the Goods are to be delivered.
- 4.3 Advice notes and invoices must be sent as directed by the Contract.
- 4.4 A separate invoice must be rendered for each individual delivery.
- 4.5 You agree on request to supply Us with any necessary declarations and documents, stating the origin of the Goods.

### **5 VARIATIONS**

- 5.1 We may, before delivery or performance, send You an Order Amendment adding to, deleting or modifying the Goods or Services. Any such Order Amendment takes precedence over the Order to which it relates. If the Order Amendment will cause a change to the Price or delivery date, then You must suspend performance of the Contract and notify Us without delay (but no later than 5 working days from the date of receipt of the Order Amendment), calculating the new price and delivery date at the same level of cost and profitability as the original Price.
- 5.2 We will not be bound to accept any increase in the Price, or revised delivery date, until Our Authorised Officer so confirmed in writing to You. If we do not agree to any increase in Price or variation in delivery dates following the issue of an Order Amendment, then the original Contract shall then commence (subject to Our right of cancellation pursuant to Condition 6).
- 5.3 We may vary any Prices to take account of any fluctuation in currency exchange rates by giving You 14 days' notice of any such changes.

### **6 OUR RIGHTS OF CANCELLATION**

- 6.1 In addition to Our other rights of cancellation under this Contract, We may cancel the Order and any Order Amendment thereto at any time by sending You a notice of termination. You will comply with any reasonable instructions that We may issue with regard to the Goods. If You submit a termination claim then We will pay to You the cost of any commitments, liabilities or expenditure which in Our reasonable opinion were a consequence of this Contract at the time of termination.
- 6.2 Any such payment shall constitute Our sole liability upon cancellation, and You shall observe the general duty to mitigate Your Loss by seeking to dispose of the Goods, or offer the Services in an alternative manner.
- 6.3 The total of all payments made or due to You under this Contract, including any termination payment, shall not exceed the Price. If You fail to submit a termination claim within two weeks of the date of Our notice of termination then We shall have no further liability under this Contract.

### **7 INCORRECT DELIVERY**

- 7.1 All Goods must be delivered at the delivery point specified on the Contract or Purchase Order. If Goods are incorrectly delivered, You will be held responsible for any additional expense involved in handling and delivering them to their correct destination.
- 7.2 We shall be under no obligation to verify if the deliveries of any Goods and/or Services comply with the quantities and/or the quality described in a Contract except and strictly limited to confirming the existence of a Contract for the delivered goods and/or Services in principal. You shall at all times be solely liable for the correct delivery of Goods and performance of Services.

### **8 LATE DELIVERY**

If the Goods or any part of them are not delivered by the time or times specified in the Contract then We may by written notice cancel any undelivered balance of the Goods. We may also return for full credit and at your expense any Goods that in Our opinion cannot be used owing to this cancellation. In the case of Services, We may have the work performed by alternative means and any additional costs reasonably so incurred shall be at Your expense. This shall not affect any other rights that We have.



## **9** QUALITY AND DESCRIPTION

9.1 The Goods shall:

- 9.1.1 conform in every respect with the provisions of the Specification;
- 9.1.2 be capable of all standards of performance specified in the Contract;
- 9.1.3 be fit for any purpose made known to you expressly or by implication and in this respect We rely on your skill and judgment;
- 9.1.4 be of first class materials and workmanship;
- 9.1.5 correspond to their description or any samples, patterns, drawings, plans and specifications referred to in the Contract;
- 9.1.6 be of satisfactory quality;
- 9.1.7 comply with any current legislation.

9.2 All Services shall likewise be state of the art and must meeting the governing Specifications referred to in the Contract as to quality and description.

## **10** LIABILITY

10.1 You will fully and effectively indemnify Us on demand against any Loss which results from Your failure to comply with any terms of the Contract or from Your performance of the Contract (whether negligent or otherwise).

10.2 You will provide all facilities, assistance and advice required by Us or Our insurers for the purpose of contesting or dealing with any action, claim or matter arising out of Your performance of the Contract.

10.3 "Loss" means any of the following types of losses (whether direct, indirect or consequential);

- 10.3.1 costs and expenses incurred by Us to rectify defective Goods, or Goods not delivered by the due date to Our customer, arising as a result of Your default;
- 10.3.2 loss of revenue and profits incurred or suffered by Us as a result of defective Goods or Services or missed delivery deadlines;
- 10.3.3 costs incurred by Us as a result of any ex gratia payments made by Us to its customers, arising from a default by You;
- 10.3.4 additional payments, expenses or other costs incurred by Us as a result of Your breach of Your obligations under the Contract (including without prejudice to the generality of the foregoing, the cost of any replacement suppliers who We have to engage to rectify any under or non performance by You);
- 10.3.5 any regulatory losses, fine, expenses or other losses arising from any Goods failing to comply with any applicable law or regulation governing the manufacture and/or supply of Goods;
- 10.3.6 costs incurred by Us in procuring goods substantially similar to the Goods from any other source to mitigate any claim against Us following any defective performance by You;
- 10.3.7 any costs, claims, fines, penalties, damages or expenses for which We may be liable on account of death or injury caused by the Goods (whether such amounts are awarded by a court of competent jurisdiction, or paid in settlement to a third party);
- 10.3.8 any interest awarded by a court of competent jurisdiction, or arbitrator, in respect of Condition 10.3.7;
- 10.3.9 any costs of investigation, litigation, settlement and external legal fees (on a solicitor-client basis) and disbursements and administrative costs (including management time incurred in dealing with the claim against You) directly incurred by Us as a result of any claim by a third party, or as a result or any claim made by Us against You for breach or contract of negligence.

## **11** EXCUSABLE DELAYS

11.1 Neither We nor You shall be liable for a failure to perform under a Contract arising from:-

- 11.1.1 Acts of God or a public enemy.
- 11.1.2 causes or events beyond the control of Us or You.

11.2 In the event of a failure by You to perform as required by a Contract arising from any of the causes or events set forth in Condition 11.1, We shall be entitled to obtain the Goods or Services elsewhere for the duration of such failure and to correspondingly reduce the quantity, or amount of the Goods or Services ordered from You under such a Contract.

11.3 For the purposes of this Condition, any strikes, lock outs, or industrial disturbance, or financial impecunity or lack of funds on Your part shall not be deemed to be beyond Your reasonable control.



## **12 PRICE**

- 12.1 You will sell Us the Goods and/or perform the Services for the Prices specified on the Purchase Order.
- 12.2 No increase in price will be accepted by Us without Our prior written agreement.
- 12.3 Where Goods and Services are subject to purchase tax, value added tax or any other similar taxation the amount legally demanded is to be rendered as a separate item of account and if required by Us, You will produce bona fide evidence of the amount paid or to be paid in respect thereof, together with a valid invoice for value added tax purposes.

## **13 TERMINATION**

- 13.1 We shall be entitled to terminate the Contract without liability to You by giving notice to You at any time if:-
- 13.1.1 You become insolvent; or
- 13.1.2 You commit a material breach of the Contract (which shall include without limitation failing to comply with Our instructions and failing to maintain progress of Services as required by Us); or
- 13.1.3 You cease, or threaten to cease, to carry on business; or
- 13.1.4 We reasonably believes that any of the events mentioned above are about to occur in relation to You; or
- 13.1.5 You are in material breach of any other contract between Us and You, including but not limited to refusing to make delivery; or
- 13.1.6 You commit any offence under the Bribery Act 2010 or any other act of fraud or corruption (which includes without limitation any anti-competitive conduct) whether under or in connection with this Contract or otherwise; or
- 13.1.7 You lose any industry accreditations or quality standards when We consider as necessary for You to continue the Contract.
- 13.2 Termination of the Contract, however arising shall not affect Our rights accrued up to the date of termination.

## **14 TRANSFER OF TITLE**

- 14.1 Title to the Goods shall pass to Us when We have unloaded the Goods which are delivered to Us in accordance with the Contract or when We has made a first payment under the Contract, whichever is earlier.
- 14.2 You shall have no right to claim or retake possession of Goods once any payment has been made for the Goods by Us.
- 14.3 Risk of damage to or loss of the Goods shall pass to Us only when We have unloaded the Goods. We will insure the Goods once they have been unloaded on Our premises, but that is without prejudice to Our right to reject those Goods if they later prove substandard or defective.

## **15 WARRANTY**

- 15.1 You warrant that the design, construction and quality of any Goods to be manufactured or supplied by it comply in all respects with any statute, statutory rule, order or regulation which may be in force at the time and will be fit and suitable for the purpose intended, will be of merchantable quality and of good material and workmanship and free from defect. The warranties provided for in in this Condition and shall be in addition to those implied by or available by law and shall exist notwithstanding the acceptance by Us of all or any part of the Goods in respect of which such warranties and remedies are applicable.
- 15.2 Without prejudice to any other rights or remedies which We may possess, if any defect in design, specification, materials, workmanship operating characteristics or otherwise develop in the Goods during the first 24 months from the later of either (1) the delivery date or (2) being put into service by Us (or Our customer), You shall, at Our choice, without limitation to Our other legal rights and remedies, carry out all necessary alterations or repairs to, or replace the defective Goods free of charge. If the defect in the Goods cannot be corrected You shall remove and replace promptly free of charge the Goods or at Our option remove the Goods and refund the full price paid. You shall guarantee for a period of a further 24 months any replacement, altered or repaired part or parts of the Goods.
- 15.3 Without prejudice to any other rights or remedies which We may possess, if any defect in the Services develops during the first 24 months from the date of performance You shall without limitation to Our other legal rights and remedies, carry out all necessary alterations or corrections free of charge. If the defective Services cannot be corrected, You shall promptly refund the full price paid. You shall guarantee for a period of a further 24 months any corrective work carried out.

## **16 PATENTS AND TRADE MARKS**

You shall indemnify Us against all claims, costs and expenses resulting from any infringement of any patent, registered trademarks, copyright or registered design or any other industrial or intellectual property right or any passing-off acting in any part of the world and assist in the defence of any action brought against Us. You shall not be liable under this Condition if any such infringement is due solely to Your manufacture of Goods strictly in accordance with designs, plans or specifications supplied by Us.

## **17 ASSIGNMENT AND SUB CONTRACTING**

The Contract, or any part of it, shall not be assigned or subcontracted without Our consent in writing. Any such consent shall not relieve You of any obligation to comply with these Conditions.

## **18 DRAWINGS, SPECIFICATIONS ETC.**



18.1 All drawings supplied by Us and all rights therein shall remain Our property. You are licensed to use such drawings for the purpose only of fulfilling contracts with Us. You shall not disclose any such drawings or any data comprised therein to any third party unless expressly required or permitted to do so by Us.

18.2 All materials, plans, photographs, models, patterns, samples, specifications and technical information of every description whether written or oral or three dimensional prepared by You or Us in connection with the Contract shall be Our property and We may reproduce and use the said items freely for any purpose whatsoever.

#### 19 **TERMS OF PAYMENT**

Payments will be made in accordance with the terms of the Order. If no terms are specified in the Order, then payment will be made on Our standard terms of payment (which as at the date of these Conditions, is 60 days from the end of month of invoice).

#### 20 **RECOVER OF SUMS DUE**

Whenever under the Contract any sums of money shall be recoverable from or payable by You, We may deduct from them any sums then due from Us to You, or which at any later time may become due to You under this Contract or under any other contract You may have with Us.

#### 21 **INSURANCE**

You shall hold satisfactory insurance cover with a reputable insurer to fulfil Your insurance obligations for the duration of this Contract including public liability insurance cover of at least £5M (five million pounds Sterling) or such lower figure as may be set out in the Purchase Order. Satisfactory evidence of such insurance and payment of current premiums shall be shown to Us upon request.

#### 22 **LAW OF CONTRACT**

The construction, validity and performance of the Contract shall be governed by the Laws of England and all disputes which may arise under, out of or in connection with or in relation to the Contract or these Conditions shall be submitted to the sole jurisdiction of the English Courts.

#### 23 **SEVERABILITY**

In the event that any one or more of the Conditions shall be invalid, illegal or unenforceable in any respect the validity, legality and enforceability of the remaining provisions of the Contract shall not in any way be affected or impaired thereby.

#### 24 **NOTICES**

Unless otherwise stated in the Contract Documents (and except for routine communications of an administrative nature), any notice or communication required by the Contract to be given by either Party to the other shall be in writing addressed to You at its registered address or principal place of business and to Us at Our office from which the Contract was issued. Such notice or communication shall be given by hand first class post or recorded delivery or by hand. Notice given by hand shall be effective immediately. Notice by recorded or postal delivery shall be effect two working days after the date of posting.

#### 25 **ANTI BRIBERY/CORRUPTION REQUIREMENTS**

25.1 You shall comply with all applicable anti-bribery and anti-corruption legislation including without limited, the Bribery Act 2010 and any applicable European Union directives. In addition to the above, You confirm that:

25.1.1 You will not participate in any corrupt practices in relation to the Contract or project.

25.1.2 You will ensure that Your officers and employees, subsidiary and related companies, do not participate in any corrupt practices.

25.1.3 You will take reasonable steps to ensure that Your agent's joint venture and consortium partners, sub-contractors, suppliers and consultants do not participate in any corrupt practices.

#### 26 **ETHICAL STANDARDS**

You warrant that You shall at all times comply with the ethical standards set out below. You shall:-

26.1 comply with all applicable laws and regulations;

26.2 protect against the use of workers younger than the minimum age required by law;

26.3 protect against the use of forced labour;

26.4 provide appropriate wages and benefits as required by law;

26.5 protect against excessive working hours that exceed local laws or business customs;

26.6 protect against physical and mental punishment of workers;

26.7 protect against unlawful discrimination against workers and encourage employment based on ability;

26.8 respect worker's rights to associate freely;

26.9 maintain safe and clean workplaces, including any residential facilities, in compliance with the law.