



STANDARD CONDITIONS OF PURCHASE

These following conditions shall apply to any Purchase Order unless expressly agreed by Inergy Group Limited in writing.

Clause 1 Definitions

1.1 'Buyer' - shall mean Inergy Group Limited.

1.2 'Seller' - shall mean the Company, Firm or individual to whom the Purchase Order is addressed.

1.3 – 'Purchase Order' – shall mean buyers' Purchase Order attached and including the Conditions of the buyer.

1.4 'Contract' - means the Contract arising directly or indirectly from the Purchase Order and its acknowledgement including all documents to which reference may properly be made to determine the rights and obligations of the parties there under.

1.5 'Conditions' - means the Conditions set out herein.

1.6 'Goods' - means all goods covered by the Purchase Order whether raw, processed or fabricated materials, plant, equipment, parts, documents or manuals.

1.7 'Work' - means services to be provided by the Seller under the Contract.

Clause 2 Contract Conditions

2.1 These conditions shall apply to the Contract unless expressly agreed otherwise by the buyer.

2.2 The buyer's Form of Acknowledgement attached to the Purchase Order must be completed by the Seller and delivered to the Buyer within 10 days of receipt of the Purchase Order. The Contract shall be formed upon receipt by the Buyer of the said Acknowledgement or, if earlier, upon commencement of the Work or Goods by the Seller following receipt of the Purchase Order either of which events shall be deemed to be an express acceptance by the Seller of the Conditions and an acknowledgement that the Purchase Order forms the complete Contract to the exclusion of any comments or conditions conflicting with or limiting or modifying these conditions set forth in any communication from the Seller before the date of the Purchase Order unless expressly agreed otherwise by the Buyer.

2.3 Any Supplementary Conditions referred to appended to our Purchase Order are to be read in conjunction with these standard conditions. In the event that there is any conflict of intent or meaning the Supplementary Conditions will take precedence.

2.4 Inergy Group Limited Terms and Conditions take precedence in the event of a dispute.



Clause 3 Performance and Delivery

3.1 Performance of the Contract by the Seller shall be in accordance with the dates and times specified in the Contract. Time shall be of the essence of the Contract. All periods specified in the Contract shall commence from the date of issue of the Purchase Order.

3.2 The Seller shall furnish to the Buyer such programmes of manufacture and delivery dates demonstrating progress consistent with dates for performance specified within the Contract as the Buyer may reasonably require and shall notify the Buyer as soon as is practicable if progress compared with the programme is or is likely to be delayed.

3.3 The Seller will mark, pack and dispatch the Goods in accordance with the Buyer's instructions. Each consignment shall be suitably packed and protected to ensure that the goods are not damaged in loading, transit, unloading and storage. Each package shall be clearly externally marked to identify the contents. Advice notes must be sent to the address specified in the Purchase Order, or, failing this, to the Buyers' Head Office by post on or before the date of despatch. A Delivery Note must accompany the Goods.

3.4 All Goods must be delivered to the specified delivery point and accepted by a person authorised to do so on behalf of the Buyer. If goods are incorrectly delivered the Seller will be held responsible for any additional expense incurred in delivering to the correct delivery point.

3.5 Unless agreed in writing no additional payment will be made for delivery, cases, containers or pallets, or packing material of any kind. Where requested empty packing, etc. will be returned after delivery at the Seller's risk and expense.

3.6 The Buyer shall advise the Seller in writing of any loss or damage to Goods that occurred prior to delivery being affected within the following time limits.

i. Partial loss, damage, defects or non-delivery of any separate part of a consignment shall be advised on or after the date of delivery of consignment or part consignment. Signatures on Delivery notes do not indicate that goods are free from damage or intact with the correct items requested.

ii. Non-delivery of consignment shall be advised within 21 days of receipt by the Buyer of the Advice Note forwarded under Clause 3.3 above.

3.7 Damages, defects, losses or non-delivery of Goods shall not invalidate the effect of Clause 3.1 above.

3.8 In the event that the Purchase Order specifies that the goods be collected at the Seller's premises the Seller will be responsible for all suitable packing as noted in 3.3 above and also be responsible for loading onto the Buyer's transport.



Clause 4 Title and Risk

4.1 Title to the Goods (or for any components to be included in the Goods) shall pass to the Buyer, free from all encumbrances upon the payment or delivery whichever is the earlier.

4.2 The Seller shall mark all work done or Goods purchased as the property of the Buyer.

4.3 Risk in the Goods shall pass to the Buyer only upon delivery and acceptance of the Goods by the Buyer in accordance with the Contract (except where the Contract specifies otherwise) until which time the Seller shall insure the Goods against loss or damage from any cause for the full replacement value.

4.4 Nothing in the preceding clauses 4.1, 4.2 and 4.3 shall prejudice the Buyers' right to reject the Goods and to require replacement should they fail to meet the required specifications and performance.

Clause 5 Scope and Specification

5.1 The Goods and Works must be supplied and rendered strictly in accordance with the requirements of the Contract and be fit for their intended purpose. The Scope of Supply is defined in the Purchase Order.

5.2 The Seller is responsible for any discrepancies, errors or omissions in any drawing, data, calculations or other particulars supplied by him for the purposes of the Contract whether or not the Buyer has approved the same and the Seller shall fully indemnify the Buyer accordingly.

5.3 The Seller shall be responsible for promptly notifying the Buyer in writing of any discrepancies, errors or omissions of which the Seller becomes aware in drawings, data or other particulars supplied to him by the Buyer for the purposes of the Contract and in the event of failure so to do shall indemnify the Buyer accordingly.

5.4 The Buyer shall at all times have a free use of all drawings, documentation and data provided by the Seller under the Contract for all purposes connected with the Goods and the Works.

5.5 The basic specification and/or criteria for selection of material or equipment are mentioned in the Contract. The expressions 'or equivalent', 'similar to', 'approved' or other words of analogous meaning do not relieve the Seller from the obligation to ask the Buyer for written authorisation of such changes. In the event of such a request the Seller shall be liable for any loss of time incurred.

Clause 6 Patent Rights and Royalties

6.1 The Seller shall fully indemnify the Buyer against all actions, claims, demands, costs, charges and expenses arising from or incurred by reason of infringement or alleged infringement of any letters patent, registered design, copyright, trademarks or trade name by the use of any Goods supplied by the Seller under the contract.

6.2 The Buyer warrants that any design or instructions furnished or given by him will not cause the Seller to infringe any letters patent, registered design, copyright or trademarks.



Clause 7 Documentation

7.1 All documentation specified in the Purchase Order is to be provided by the Seller including for example manufacturer's data, test and material certificates, installations, operation and maintenance manuals, spares lists, special tools, etc. shall be provided with the delivery in the form and quantity specified or reasonably inferred from the Contract at no extra cost to the Buyer.

Clause 8 Buyers Right to Property Information and Free Issue Materials

8.1 All drawings, specifications, data process information, patents or designs supplied or communicated to the Seller by the Buyer in connection with the Contract shall remain the Buyer's property and shall be treated as confidential. No disclosure or publication thereof must occur, nor any use made thereof other than for the purpose of the Contract except where otherwise agreed in writing by the Buyer.

8.2 All rights for any invention, process or technology developed for the Contract shall become the absolute property of the Buyer.

8.3 Any free issue materials supplied by the Buyer for the Contract remain the property of the Buyer. The Seller must return any such materials that are unused. The Seller is responsible for the expense and delay in replacing any such materials when a shortage arises due to excessive waste, faulty storage and handling procedures, bad workmanship or negligence of the Seller.

Clause 9 Assignment and Sub-Letting

9.1 Unless agreed in writing no part of the Contract shall be sub-let or assigned by the Seller.

9.2 The Seller shall not sub-let or assign the whole of the Contract.

Clause 10 Progress, Inspection and Testing

10.1 The Buyer's representatives shall have the right to progress, inspect and/ or test at the Seller's premises (or those of his Sub-Contractors) all goods and work at all reasonable times and to reject goods that do not strictly comply with the Contract. Any part of the Goods or Services rejected following inspection or testing as not conforming to the Contract shall be promptly executed again by the Seller or the Sub-Contractor as the case may be.

10.2 Such inspection or testing shall not constitute acceptance of the Goods or Work nor relieve the Seller from any of his obligations under the Contract.

10.3 The Seller shall provide at his own expense all the necessary labour, supplies and facilities to enable the inspection and tests to be carried out.



Clause 11 Defects after Delivery and Acceptance

11.1 The Seller will promptly repair or replace at the Buyer's option and free of charge to the Buyer any part of the Goods or Works which under proper use proves defective by reason of faulty or inadequate workmanship or materials or design (other than a design made, furnished or specified by the Buyer) within a period of 12 calendar months from the putting into commercial use of the Goods or completion of the Work as the case may be.

11.2 The Seller's obligations under clause 11.1 will continue in respect of any part of the Goods or Works repaired or replaced as aforesaid for a further period of 12 months from the date of completion or repair or replacement.

11.3 The Seller will bear the cost and expense of carriage of defective or replacement parts together with the expense, if any, of physical removal and replacement of the faulty or defective Goods or Works from and to the installed positions.

Clause 12 Site Safety, Hygiene and Hazardous Goods

12.1 Safe working practices and any particular site safety conditions/requirements shall be adhered to. Failure to comply with such may result in the Seller being required to cease working and/or leave the site.

12.2 Hazardous Goods are to be handled, packed, marked and transported strictly in accordance with Statutory Regulations. The Seller shall promptly notify the Buyer that Goods are hazardous and that Statutory Regulations must be complied with.

Clause 13 Removal of Workman

13.1 If in the opinion of the Buyer, the Seller or any of his employees is incompetent or has been guilty of misconduct or of a serious breach of his duties or safety regulations he may give notice to the Seller to require such a person to be removed from the site forthwith.

Clause 14 Site Works

14.1 Where the Contract entails work within the Buyer's premises or upon sites controlled or supervised in part by the Buyer, the Seller shall ensure that all applicable statutory and other rules and regulations appropriate to the workplace are observed by his employees, agents or sub-contractors whilst thereon.

14.2 Work carried out on the Buyer's premises or sites as aforesaid will be carried out to a mutually agreed programme to effect efficient concurrent working and access with other trades under control of the Buyer.



Clause 15 Terms of Payment

15.1 The Contract price is fixed and not subject to price escalation unless the Purchase Order makes special provision for increase in price of materials, supplies, plant and labour.

15.2 Unless otherwise specified in the Purchase Order, payment will be made 30 days from the end of the month in which the Buyer receives the Seller's valid invoice, subject to clause 15.4 below. All invoices must be submitted directly to accounts@inergygroup.co.uk; invoices sent to alternative addresses may not be processed and payment may therefore be delayed.

15.3 Invoices shall be submitted by the Seller only after delivery of Goods on completion of Works unless the Purchase Order specification makes different provisions. For this clause 'delivery' shall, where applicable, include provision for all required documents as required by Clause 7 herein before.

15.4 Before the Buyer shall be obliged to make any payment which shall otherwise be due to the Seller under the Contract the Buyer must have received from the Seller an invoice correct in all material matters including quoting the Buyer's Purchase Order number, properly addressed and referenced (and constituting a tax invoice in case the Seller is registered for Value Added Tax purposes).

Clause 16 Variations

16.1 The Buyer may at any time vary the Contract. All variations, to be effective, must be included and confirmed in a written Variation Order issued by the Buyer and upon receipt thereof the Seller shall proceed with the Contract as varied. If such a variation can reasonably be shown to affect the Contract price or delivery date a reasonable adjustment shall be agreed relative to and in the same scale as the original price and time if applicable provided always that the Seller shall have given written notice to the Buyer within 21 days of receipt of any Variation Order that the variation concerned will give rise to a claim for adjustment.

Clause 17 Indemnity

17.1 The Seller shall indemnify the Buyer against every liability the Buyer may incur to any other person whatsoever against all claims, damages, demands, proceedings, costs and expenses made against or incurred by the Buyer by reason of any act of omission by the Seller, his employees, sub-contractors or agents or otherwise by reason of any breach or default of the Seller in carrying out or failing to carry out properly, or not at all, his obligations under the Contract.



Clause 18 Default

18.1 If the Seller fails to maintain a rate of progress which in the reasonable opinion of the Buyer is required for the Seller to achieve the delivery date or completion date or dates specified in the Contract or if the Seller shall fail to comply with any other item of the Contract then the Buyer may, by written notice, require the Seller to remedy the failure concerned within 7 days (or such longer as the Buyer may specify) of the date of the said notice. If the Seller does not remedy the failure concerned within the stipulated period, the Buyer shall be free (without prejudice to any other rights of the Buyer under the Contract) to terminate the Contract in whole or in part and to make other arrangements for the completion thereof. The Buyer will be entitled to apply any unpaid part of the Contract price towards the cost of completion of the Goods and/or Works and to receive from the Seller any amount by which the said cost exceeds the unpaid sum.

18.2 If the Seller shall become bankrupt or insolvent or the subject of a receiving order or winding up proceedings the Buyer may either:

I. Terminate the Contract forthwith by written notice to the Seller or liquidator or receiver or any person to whom the Contract may be vested and act in the manner provided in Clause 17.1 as if the Contract had been taken out of the Seller's hands.

---- OR ----

II. Give such receiver, liquidator or any person the option of completing the Contract subject to the provision of suitable security of due performance thereof as the Buyer may specify.