LANCASHIRE RENEWABLES LIMITED

STANDARD CONDITIONS OF PURCHASE OF GOODS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In these Conditions, capitalised words and expressions shall have the meanings ascribed to them below:

Contract: means a contract for the supply of goods which shall comprise the Purchase Order relating to the Goods, these conditions of purchase **(Conditions)** and any documents and/or special conditions referred to in the Purchase Order;

Customer: Lancashire Renewables Limited incorporated and registered in England and Wales with company number 05881147 whose registered office is at County Hall Lancashire County Council, Democratic Services Department, Preston, Lancashire, England, PR1 0LD;

Good Industry Practice: means that degree of skill and care as would ordinarily be exercised by a competent and experienced person or entity undertaking services that are similar or identical to the relevant services to a high standard;

Goods: means all goods, materials, documentation and other matters required to be furnished or supplied under the relevant Purchase Order by the Supplier;

Goods Specification: the specification, if any, for the Goods, including any related plans and drawings, that is agreed in writing by the Customer and the Supplier.

Intellectual Property Rights: include patents, utility models, rights to inventions, copyright and neighbouring and related rights, moral rights, trade marks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

Law: means the laws of England and Wales and any other laws or regulations, regulatory policies, guidelines or industry codes which may apply to the provision of the Goods, or with which the Supplier must comply;

Leyland Site: means the Customer's Farington Waste Recovery Park or Environmental Education Centre, both located at Sustainability Way, Leyland, Lancashire, PR26 6TB;

Packaging: any type of packaging including without limitation bags, cases, cylinders, drums, pallets, tank wagons and any other containers.

Purchase Order: the Customer's order for the supply of Goods, as set out in the Customer's purchase order form, or in the Customer's written acceptance of the Supplier's quotation or overleaf, as the case may be.

Purchase Order Amendment: a new Purchase Order varying, amending or superseding an existing Purchase Order and so changing the Contract.

Purchase Price: means the total purchase price for the Goods, as specified in the Purchase Order relating to the Goods;

Site: means either or both of the Leyland Site or the Thornton Site, as the context may admit;

Supplier: means the person, firm or corporation to whom a Purchase Order for the supply of Goods is issued and as set out in the relevant Purchase Order; and

Thornton Site: means the Customer's Thornton Waste Recovery Park located at Enterprise Way, Fleetwood Road North, Thornton, Lancashire, FY7 8RY.

1.2 In these Conditions, except where the context otherwise requires:

(a) the masculine includes the feminine and vice versa;

(b) the singular includes the plural and vice versa;

(c) save where stated to the contrary, any reference to the Contract or to any other document shall include any permitted variation, amendment or supplement to such document;

(d) a reference to a person includes firms and corporations and their successors and permitted assignees or transferees;

(e) any reference to any enactment, order, regulation or other similar instrument shall be construed as a reference to the enactment, order, regulation or other similar instrument (including any UK instrument) as amended, replaced, consolidated or re-enacted;

(f) words following "include", "includes", "including" and "included" shall be construed as being without limitation to the words which follow those words unless inconsistent with the context, and the rule of interpretation known as ejusdem generis shall not apply;

(g) headings are for convenience of reference only and shall not affect the construction of these Conditions; and

(h) the Schedule and appendices (if any) to the Purchase Order form part of the Contract and will have the same force and effect as if set out in the body of the Contract.

2. CONTRACT

2.1 Each Purchase Order shall be deemed to be an offer by the Customer to buy the Goods specified therein from the Supplier.

2.2 A contract shall be formed on the earlier of:

(a) the Supplier issuing written acceptance of the offer made by means of the Purchase Order or;

(b) any act by the Supplier consistent with fulfilling the Purchase Order and/or amounting to acceptance.

at which point and on which date the Contract shall come into existence (Commencement Date).

2.3 Where the Supplier accepts a Purchase Order in whole or part, whether expressly or impliedly by conduct, it shall be deemed to be an acceptance of such offer and shall not constitute a counter-offer.

2.4 These Conditions shall govern and be incorporated into the Contract, and shall prevail over any other terms or conditions including those contained in, endorsed upon, delivered with or referred to in any correspondence or documentation (including invoices, acceptance notes or acknowledgments) submitted by the Supplier or implied by custom, practice or course of dealing save to the extent that any amendment to or variation to these Conditions is expressly accepted in writing by an authorised

representative of the Customer and documented in the Purchase Order as a Purchase Order Amendment.

2.5 The Contract represents the entire agreement between the Customer and the Supplier and supersedes all prior arrangements, communications and negotiations, whether written or oral, in relation to the Goods to be supplied.

2.6 Where the Customer agrees in writing to accept delivery by instalments the Contract shall be construed in respect of each instalment. Nevertheless, failure by the Supplier to deliver any one instalment shall entitle the Customer at its option to treat the whole Contract as repudiated.

2.7 The Customer's rights under these Conditions are in addition to the statutory conditions implied in favour of the Customer by the Sale of Goods Act 1979 (as amended).

3. ORDER NUMBERS

3.1 The Supplier shall ensure that each delivery is accompanied by a delivery note which shows, among other things, the order number, the date of the order, number of packages and contents comprising the delivery and, in the case of part delivery or delivery in instalments, the outstanding balance remaining to be delivered.

3.2 The contents of every case, carton, box and container and each separate consignment of the Goods shall be clearly identified. The Supplier shall ensure delivery dockets detailing the order number, quantity and description of the Goods are attached to consignment notes to accompany the Goods.

4. CHANGES

The Customer reserves the right to make any changes to the quantity or type of Goods or to correct any errors or omissions in the Purchase Order by issuing a written change order. If such a revision causes a change to the price or delivery date, the Supplier shall promptly notify the Customer in writing of such change, calculating the new price and delivery date at the same level of cost and profitability as the original price. The Supplier will allow the Customer a minimum of 10 working days to consider any new price and/or delivery date.

5. PRECEDENCE

If the Supplier discovers any inconsistency between the documents comprising the Contract, the Supplier shall forthwith notify the Customer. In the case of any such inconsistency, it is agreed that the order of precedence of documents shall be:

(a) Purchase Order Amendment;
(b) the Purchase Order;
(c) these Conditions;
(d) the Goods Specification relating to the Goods attached to the Purchase Order, if any; and
(e) the drawings relating to the Goods attached to the Purchase Order, if any.

6. SUPPLIER'S INVESTIGATION

6.1 It is understood and agreed that the Supplier has or is deemed to have, prior to agreeing to supply the Goods:

(a) examined the Purchase Order and satisfied itself as to the contents of the Purchase Order and these Conditions;
(b) is aware of the purpose for which the Goods are to be used by the Customer where a particular purpose has been specified by the Customer in the Purchase Order and this is not a purpose for which such Goods are commonly supplied; and
(c) satisfied itself as to the accuracy of any information made available by the Customer in relation

to the Purchase Order.

7. WARRANTIES

7.1 The Supplier warrants to the Customer that:

(a) the Goods shall be of satisfactory quality (within the meaning of the Sale of Goods Act 1979) and, unless otherwise specified, shall be new, unused and free from all defects or imperfections in design, materials or workmanship;

(b) the Goods shall conform precisely in quality, quantity, specification and description with the requirements of the Purchase Order and any plans, Goods Specification or standard of performance provided by the Customer and shall be fit for the purpose for which such Goods are commonly provided or any special or particular purpose notified to the Supplier by the Customer;

(c) the design, construction and quality of any Goods (including Packaging) manufactured or supplied by it comply in all respects with the relevant requirements of any Law and regulations which may be in force at the time when the same are supplied;

(d) the manufacture, sale or use of the Goods by the Customer shall not infringe any patent, trade mark, trade name, registered design, copyright or other Intellectual Property Right of the Supplier or any third party;

(e) the Goods satisfy any performance standards and meet their express or implied intended purpose;

(f) the Goods shall comply with the standards laid down by any applicable law, standards association, authority, regulating or supply board and/or any other relevant body or association establishing conditions of quality or merchantability in relation to the Goods; and

(g) the Supplier has title to sell the Goods free from all liens, charges or encumbrances of any kind and that there are no conditions applicable to any transaction undertaken between the Supplier and any third party which preclude ownership being transferred to the Customer.

7.2 The Supplier shall ensure that at all times it has and maintains all the licences, permissions, authorisations, consents and permits that it needs to carry out its obligations under the Contract in respect of the Goods.

7.3 All warranties implied at law shall apply to the Goods in addition to any warranty expressly herein contained or to any manufacturer's warranty, service guarantee or guarantee of performance. In the event of any inconsistency between any implied warranty or express warranty or guarantee, the most favourable to the Customer shall prevail.

8. TITLE AND RISK

8.1 Upon delivery or payment by the Customer in respect of the Goods, whichever occurs earlier and without prejudice to the Customer's rights to reject any Goods, the Goods shall become the absolute property of the Customer and title and all proprietary rights in the Goods shall pass to the Customer. Risk of damage to or loss of the Goods shall only pass to the Customer upon physical delivery (including completion of offloading and installation, where required) at the agreed delivery point and acceptance of the Goods by the Customer in accordance with the Contract.

8.2 Where the Customer takes property in the Goods prior to delivery, the Supplier agrees that it shall, if requested by the Customer, store the Goods as bailee until the Customer requests delivery. The Supplier shall store such Goods separately and shall mark the Goods clearly as being the property of the Customer. If the Goods becomes the property of the Customer in accordance with this clause 8.2, and

the Supplier fails to deliver the Goods in accordance with the Purchase Order, the Supplier hereby authorises the Customer to enter any premises of the Supplier and remove the Goods or, if the Goods are on the premises of any party other than the Supplier, the Supplier shall procure access for the Customer to enable the Customer to remove the Goods.

8.3 Where the Goods are destroyed or damaged prior to delivery, the Customer may, at its sole discretion, cancel the Purchase Order at no cost to the Customer or, alternatively, may require the Supplier to supply the Goods in accordance with the Purchase Order and, where any payment has been made, the Customer shall be entitled to cancel the Purchase Order at no cost to the Customer and recover in full the monies paid by the Customer.

9. PACKING AND DESPATCH

9.1 The Supplier shall ensure that the Goods are adequately packaged to prevent damage during transport and delivery of the Goods in accordance with the delivery instructions and Good Industry Practice. The Supplier shall be liable for all damage, loss or destruction to any goods supplied in accordance with the Purchase Order or any consequential loss, damage or destruction to any of the Goods or property resulting from improper Packaging or handling by the Supplier. All packing must be adequately designed for rough road transport including allowance for removal by any means at the delivery point except where the Supplier is responsible for unloading and/or installing the relevant Goods.

9.2 If the Supplier requires the Customer to return any Packaging to the Supplier, this must be clearly stated on any delivery note delivered to the Customer and any such Packaging shall only be returned to the Supplier at the cost of the Supplier.

9.3 If Goods are delivered to the Customer in excess of the quantities ordered the Customer shall not be bound to pay for the excess and any such Goods shall be and shall remain at the Supplier's risk and shall be returnable at the Supplier's expense.

10. DELIVERY

10.1 Unless the Customer has agreed to collect the Goods or except by prior written arrangement the Supplier shall deliver the Goods at the delivery point specified in the Purchase Order during normal business hours. Time for delivery of the Goods shall be of the essence.

10.2 The Supplier shall give the Customer reasonable notice, but not less than 48 hours' notice, of the time at which the Supplier intends to deliver the Goods.

10.3 If the Goods are not delivered on time in accordance with the Purchase Order then, without prejudice to any other rights which it may have, the Customer reserves the right to:

10.3.1 cancel the Contract in whole or in part;

10.3.2 reject Goods not delivered on time and return them to the Supplier at the Supplier's risk and cost;

10.3.3 return any other Goods, at the Supplier's risk and cost, which have already been delivered but which by virtue of such rejection or cancellation are no longer of use to the Customer;

(a) refuse to accept any subsequent delivery of the Goods which the Supplier attempts to make;

(b) recover from the Supplier any expenditure reasonably incurred by the Customer in obtaining the Goods or similar goods in substitution from another supplier; and

(c) claim damages for any additional costs, loss or expenses incurred by the Customer which are in any way attributable to the Supplier's failure to deliver the Goods on the

due date.

10.4 If the Supplier should deliver the wrong quantity, quality or type of Goods, the Customer may without prejudice to its other rights under the Contract or at law accept or reject in part or whole the Goods so delivered and where the Goods are to be returned to the Supplier, they shall be returned to the Supplier's premises at the Supplier's expense.

11. ACCEPTANCE AND REJECTION

11.1 At any time prior to delivery of the Goods, the Customer shall have the right to inspect and, where appropriate, test the Goods. If the results of such inspection or testing cause the Customer to be of the opinion that the Goods do not conform or are unlikely to conform with the Purchase Order, Goods Specification or to any other description or specification supplied or advised by the Customer to the Supplier, the Customer shall inform the Supplier and the Supplier shall immediately take such action as is necessary to ensure conformity and in addition the Customer shall have the right to require and witness further testing and/or inspection.

11.2 The Supplier shall allow the Customer free access to the Supplier's premises (or the premises of any permitted subcontractor) at any reasonable time prior to delivery of the Goods for the purpose of enabling the Customer or its authorised representatives to inspect and, where appropriate reject the Goods prior to delivery. Inspection by the Customer at any time shall not relieve the Supplier of responsibility or liability for the Goods and shall not imply acceptance thereof. Acceptance of the Goods by the Customer is subject to satisfactory inspection and testing of the Goods after delivery and unpacking, and if the Goods are to be installed or incorporated into plant or premises at a Site by the Supplier, following the completion of such installation or incorporation. The Customer shall not be deemed to have accepted the Goods until it has had 10 working days to inspect them following delivery without prejudice to reject the Goods at any later date after any latent defect in the Goods has become apparent.

11.3 Without prejudice to any other right or remedy which the Customer may have, if any Goods are defective or not supplied in accordance with, or the Supplier fails to comply with, any of the terms of the Contract the Customer shall be entitled to avail itself of any one or more of the following remedies at its option, whether or not any part of the Goods have been accepted by the Customer:

11.3.1 to require the Supplier at its expense either to remedy any defect in or repair the Goods or to supply replacement Goods and carry out any other necessary work to ensure that the terms of the Contract are fulfilled as soon as possible; or

11.3.2 to refuse to accept any further deliveries of the Goods but without any liability to the Supplier;

11.3.3 to reject the Goods (in whole or in part) and return them to the Supplier at the risk and expense of the Supplier on the basis that a full refund for the Goods so returned shall be paid forthwith by the Supplier in which event risk in the Goods shall revert to the Supplier when the Goods leave the Customer's premises and property in the Goods shall re-pass to the Supplier when the Supplier has fully reimbursed to the Customer all monies which have been paid by the Customer's in respect of the Goods; or

11.3.4 to claim such damages as may have been sustained in consequence of the Supplier's breach or breaches of the Contract.

11.4 If the Customer rejects any Goods the Supplier shall replace them with Goods which comply in full with the requirements of the Contract. If the Supplier fails to replace such Goods within a reasonable time specified by the Customer, then the Customer may at its option and without prejudice to any other remedies it may have, request a refund from the Supplier of any monies paid on account of such defective Goods or purchase alternative or replacement goods from another source at the Supplier's expense.

11.5 In addition to the Customer's rights to reject the Goods, if the Goods are found to be defective for any reason within the warranty period specified in the Purchase Order (and if no such period is specified the warranty period will be 24 months from the date of delivery of all of the Goods), the Customer will be entitled to return the defective Goods to the Supplier and at the Supplier's expense the Supplier will, at the Customer's option, either replace or repair the Goods or reimburse to the Customer the cost of replacing or repairing the Goods. Where the Supplier replaces or repairs any Goods, the Supplier will bear all associated costs including but not limited to the removal and transportation costs, labour costs and the costs of replacing or providing new parts for the Goods. Any repaired or replaced Goods will be covered by the same warranty period as the original Goods, commencing on the date the Goods are replaced or repaired.

11.6 These Conditions shall be held to apply to any replacement Goods which are provided by the Supplier in accordance with these Conditions.

12. SITE ACCESS AND PROCEDURES FOR DELIVERY AND/OR INSTALLATION OF GOODS ON SITE

12.1 This clause 12 shall apply only in circumstances where the Supplier (including its agents, consultants, employees and subcontractors) is given access to a Site to deliver, install or assemble the Goods.

12.2 The Supplier shall:

12.2.1 comply with all site rules, regulations, directions, policies and procedures as are notified to it by the Customer from time to time relating to security, health and safety and the environment and all applicable laws and regulations (including the Environmental Protection Act 1990, the Health & Safety at Work etc Act 1974 and all health and safety regulations).

12.2.2 not interfere with or damage anything on the Site and take all necessary steps in accordance with Good Industry Practice to prevent any damage that could be caused to land and property on Site occasioned directly or indirectly in connection with its activities;

12.2.3 observe, and ensure that all employees, consultants, agents and subcontractors which it engages in relation to the delivery and/or installation of the Goods observe all health and safety rules and regulations and any other security requirements that apply at the Site. The Customer reserves the right to refuse such persons access to the Site, which shall only be given to the extent necessary for the performance of the relevant services; and

12.2.4 ensure that all services are supervised by sufficient numbers of people having adequate knowledge, appropriate training and adequate experience regarding such matters.

13. PRICE

13.1 The price payable for the Goods under the Contract shall be as stated in the Purchase Order. The Customer shall not be obliged to make any extra payment to the Supplier in respect of any increases in any costs to the Supplier in supplying the Goods (whether relating to labour, materials, transport, exchange rates, escalation or otherwise).

13.2 Unless expressly stated to the contrary in the Purchase Order, the Purchase Price is deemed to include the cost of Packaging, packing, shipping, carriage, delivering and insuring the relevant Goods.

13.3 Subject to clause 13.4 and unless expressly stated to the contrary in the Purchase Order, the Purchase Price is inclusive of all taxes, duties, levies, imposts and other charges.

13.4 Unless expressly stated to the contrary in the Purchase Order, all prices or other sums payable or any other consideration provided or to be provided under or in connection with the Purchase Order are exclusive of VAT. The Customer will pay the amount of any VAT payable under relevant legislation in connection with the Purchase Order, subject to the Customer receiving a valid tax invoice from the

Supplier in respect of those Goods.

14. TAX

Where the Customer is required by the law of any country to pay withholding or any similar tax, then notwithstanding any other provisions of this these Conditions, the Customer is authorised to deduct from payments made under this clause the amounts required to enable the Customer to comply with such requirements.

15. INSURANCE

15.1 During this agreement and for a period of one year afterwards the Supplier shall maintain in force the following insurance policies with reputable insurance companies:

15.1.1 public liability insurance for not less than £5 million per claim;
15.1.2 Vehicle insurance;
15.1.3 Employer's liability insurance for not less than £10 million per claim; and
15.1.4 product liability insurance for not less than £1 million for claims arising from any single event and not less than £2 million in aggregate for all claims arising in a year.

15.2 On taking out and on renewing each policy, the Supplier shall promptly send a copy of the receipt for the premium to the Customer. On the Customer's written request, the Supplier shall provide the Customer with copies of the insurance policy certificates and details of the cover provided.

15.3 The Supplier shall:

(a) do nothing to invalidate any insurance policy or to prejudice the Customer's entitlement under it; and
(b) notify the Customer if any policy is (or will be) cancelled or its terms are (or will be) subject to any material change.

15.4 The Supplier's liabilities under this agreement shall not be deemed to be released or limited by the Supplier taking out the insurance policies referred to in clause 15.1.

15.5 If the Supplier fails or is unable to maintain insurance in accordance with clause 15.1, or fails to provide evidence that it has paid the current year's premiums in accordance with clause 15.2, the Customer may, so far as it is able, purchase such alternative insurance cover as it deems to be reasonably necessary and shall be entitled to recover all reasonable costs and expenses it incurs in doing so from the Supplier.

16. TERMS OF PAYMENT

16.1 The Supplier must submit a valid invoice to the Customer following delivery and acceptance of the Goods. Invoices shall be addressed to the Customer and marked for the attention of Accounts Payable (accounts@lancashirerenewables.co.uk) or any replacement notified by the Customer. Payments to the Supplier shall be made within 30 days of receipt of the relevant valid and undisputed invoice. Time for payment shall not be of the essence.

16.2 Payments made by the Customer are without prejudice to any rights the Customer may have by reason of the Goods failing to comply with any of these Conditions or for any other reason whatever. In addition, any other liability of the Supplier for breach of any of the warranties under a Contract shall not be terminated by reason of such payment.

16.3 The Customer reserves the right to deduct from any monies due or which may become due to the Supplier any monies due or recoverable from the Supplier to the Customer in respect of any claim howsoever arising. The Supplier shall not have the right to deduct from any sums payable or which may become payable by it to the Customer any sums which are due or recoverable from the Supplier.

Where any sums payable to the Supplier are the subject of a bone fide dispute and the Contract provides for delivery of the Goods in instalments, the Supplier may not suspend further deliveries of the Goods.

17. GUARANTEE

17.1 In the event of the Goods proving defective under normal conditions of use (excluding normal wear and tear) the Supplier shall at its own expense repair or at the option of the Customer, replace such Goods.

17.2 Without prejudice to clause 17.1, the Customer may at its sole option carry out the repair of defective Goods itself or make arrangements for repair to be carried out by third parties, having given the Supplier notice, and the Supplier shall reimburse the Customer for all reasonable costs incurred in connection with such repairs.

18. CONFIDENTIALITY

The Supplier shall keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to the Supplier by the Customer or its agents and any other confidential information concerning the Customer's business which the Supplier may obtain and the Supplier shall restrict disclosure of such confidential material to such of its employees, agents or sub-contractors as need to know the same for the purpose of discharging the Supplier's obligations to the Customer and shall ensure that such employees, agents or sub- contractors are subject to such obligations of confidentiality as bind the Supplier.

19. CANCELLATION AND TERMINATION

19.1 The Customer shall have the right upon 30 days' notice to cancel the Contract in whole or in part by giving the Supplier written notice. Whereupon all work on the Contract shall be discontinued and the Customer shall pay to the Supplier fair and reasonable compensation for work-in-progress at the time of termination but such compensation shall not include loss of anticipated profits or any consequential loss.

19.2 Without prejudice to any other rights and remedies available to it at law or equity, the Customer may terminate the Contract (or any part thereof) at any time by written notice to the Supplier if:

19.2.1 the Supplier breaches any obligation under the Contract (regardless of the nature or duration of any such breach); or

19.2.2 any distress, execution or other process is levied upon any of the assets of the Supplier; or

19.2.3 a resolution is passed or an order is made for the winding up of the Supplier (otherwise than for the purpose of solvent amalgamation or reconstruction) or the Supplier becomes subject to an administration order or a receiver or administrative receiver is appointed over or an encumbrancer takes possession of any of the Supplier's property or equipment;

19.2.4 if the Supplier ceases or threatens to cease to carry on business in the United Kingdom;

19.2.5 if there is a change of control (as defined in section 574 of the Capital Allowances Act 2001) of the Supplier to which the Customer reasonably objects.

19.2.6 the financial position of the Supplier deteriorates to such an extent that in the opinion of the Customer, acting reasonably, the capability of the Supplier to fulfil its obligations under the Contract has been prejudiced.

19.3 The termination of the Contract, howsoever arising, shall be without prejudice to the rights and duties of the Customer accrued prior to termination. The conditions which expressly or impliedly have effect after termination shall continue to be enforceable notwithstanding termination.

20. TECHNICAL DATA

The Supplier shall to the extent required provide the Customer with all engineering, technical and other data required for the satisfactory use, maintenance, repair, installation or operation of the Goods including operating and safety instructions and/or manuals, warnings notices, customs documentation and certificates (including test certificates and certificates of origin). Materials, equipment, tools, dies, moulds, copyright, design rights or any other forms of intellectual property rights in all drawings, specifications and data supplied by the Customer to the Supplier or not so supplied but used by the Supplier specifically in the manufacture of the Goods shall at all times be and remain the exclusive property of the Customer. Such materials shall be held by the Supplier in safe custody at its own risk and maintained and kept in good condition by the Supplier until returned to the Customer and such items shall not be disposed of or used except in accordance with the Customer's written instructions.

21. DISPUTE RESOLUTION PROCEDURE

21.1 Prior to commencing any proceedings for a resolution of a dispute concerning any aspect of the Contract, the Customer and the Supplier shall through their representatives negotiate in good faith the resolution of that dispute over a period of not more than fourteen days (unless otherwise agreed by the parties) following one party notifying the other party in writing of the dispute.

21.2 If the Customer and the Supplier fail to resolve the dispute within that period, the dispute must be referred to the chief executives of the Customer and the Supplier who shall within five days of the dispute being referred to them each appoint a representative to meet and negotiate the resolution of the dispute over a period of not more than fourteen days from the date that the dispute is referred to them.

21.3 If the procedures provided in this clause 21 have been completed and the dispute has not been resolved, either party may commence legal proceedings to resolve the dispute.

22. INDEMNITY

The Supplier shall indemnify and keep the Customer indemnified in full against all direct, indirect, special, consequential or pure economic loss (all of which terms include, without limitation, loss of profit, loss of business, depletion of goodwill and loss), liabilities, claims, damages, injury, costs and expenses (including legal and other professional fees and expenses) awarded against or incurred or paid by the Customer as a result of or in connection with:

(a) defective workmanship, quality or materials;

(b) any breach of the warranties in clause 7 including an infringement or alleged infringement of any Intellectual Property Rights caused by the use, manufacture or supply of the Goods;

(c) any claim made against the Customer by a third party arising out of, or in connection with, the supply of the Goods, to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of this agreement by the Supplier, its employees, agents or subcontractors; and

(d) any claim made against the Customer by a third party for death, personal injury or damage to property arising out of, or in connection with, defective Goods, to the extent that the defect in the Products is attributable to the acts or omissions of the Supplier, its employees, agents or subcontractors.

(e) any negligence, wilful default or wrongful act or omission of the Supplier, its sub-contractors or agents;

(f) any damage to properly caused by the malfunction of the Goods or caused during the delivery or installation of the Goods by the Supplier; or

(g) The Customer having to source replacement goods from a third party and/or terminating the Contract.

23. LIMITATION OF LIABILITY

23.1 Save for the indemnities at clause 22, references to liability in this clause 23 include every kind of liability arising under or in connection with this Contract including liability:

(a) in contract, tort (including negligence), misrepresentation, restitution or otherwise; and

(b) arising out of any use made or resale of the Goods by the Customer, or of any product incorporating any of the Products.

23.2 Nothing in this agreement limits any liability which cannot legally be limited, including liability for:

(a) death or personal injury caused by negligence;

(b) fraud or fraudulent misrepresentation;

(c) breach of the terms implied by section 12 of the Sale of Goods Act 1979; and

(d) breach of section 2 of the Consumer Protection Act 1987.

23.3 Nothing in this agreement shall limit any liability under clause 22 of this Contract.

23.4 Neither party may benefit from the limitations and exclusions set out in this clause in respect of any liability arising from its deliberate default.

23.5 Nothing in this clause 23 shall limit the Customer's payment obligations under this agreement.

23.6 Subject to clause 23.2 and clause 23.3, neither party shall be liable to the other, whether in contract, tort (including negligence), misrepresentation, restitution or otherwise for any:

(a) loss of profits;

(b) loss of sales or business;

(c) loss of agreements or contracts;

(d) loss of anticipated savings;

(e) loss of use or corruption of software, data or information;

(f) loss of or damage to goodwill; or

(g) indirect or consequential loss,

suffered by the other party that arises under or in connection with this Contract.

23.7 Subject to clause 23.2 and clause 23.3, each party's liability to the other shall be limited to the greater of £50,000 or 100% of the Contract Price (as outlined in the Purchase Order).

24. FORCE MAJEURE

The Customer reserves the right to defer the date of delivery or payment or to cancel the Contract or reduce the volume of the Goods ordered if it is prevented from or delayed in the carrying on of its business due to circumstances beyond the reasonable control of the Customer including, without limitation, acts of God, governmental actions, war or national emergency, acts of terrorism, protests, riot, civil commotion, fire, explosion, flood, epidemic, lock-outs, strikes or other labour disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials.

25. NOTICES

25.1 Every notice, approval, consent or other communication under this Contract must be in writing and signed by a duly authorised person, or in the case of email, on the face of the email from a duly authorised person; and marked for the attention of:

25.1.1 the Customer Representative (which shall be the person who issued the Purchase Order, unless otherwise notified), in respect of the Customer;

25.1.2 the Supplier's Representative (as notified to the Customer), in respect of the Supplier

with a copy by post to the Customer's company secretary located at the Customer's Leyland Site.

25.2 A notice, approval, or consent is deemed to be received on the day upon which it is sent:

25.2.1 if sent by email, if confirmation of receipt is received, from the time stated in the confirmation of receipt provided that the confirmation of receipt shows that the email was received before 17.00 on the relevant day; and

25.2.2 if given or served by hand, at the time of delivery provided delivery is effected before 17.00 on the relevant day.

25.3 The address of each Party for the purpose of service of notices is set out in the Purchase Order. Each Party must notify the other Party in writing of any change in its address (postal or email), as soon as is reasonably practicable following such change.

26. GENERAL

26.1 The Supplier shall not assign, subcontract transfer or otherwise dispose of any of its rights or obligations under the Contract without the written consent of the Customer.

26.2 The Contract, together with any documents referred to in it, constitutes the entire agreement between the Parties relating to its subject matter and supersedes and extinguishes in their entirety any prior drafts, contracts, undertakings, representations, warranties and arrangements of any nature, whether in writing or oral, relating to such subject matter. The Supplier acknowledges that it has not been induced to enter into the Contract by any representation or warranty other than those contained in the Contract and, having negotiated and freely entered into the Contract, agrees that it shall have no remedy in respect of any other such representation or warranty except in the case of fraud.

26.3 No variation of the Contract shall be effective unless made in writing and agreed by the parties.

26.4 The covenants, conditions, provisions and warranties contained in the Contract will not merge or terminate upon completion of the transactions contemplated in the Contract, but to the extent that they have not been fulfilled and satisfied or are capable of having effect will remain in full force and effect.

26.5 The rights, powers and remedies provided in the Contract are cumulative and are not exclusive of any rights, powers or remedies provided by law, equity or otherwise. No failure to exercise nor any delay in exercising by any party to the Contract of any right, power, privilege or remedy under the Contract shall impair or operate as a waiver thereof. No single or partial exercise of any right, power, privilege or remedy under the Contract shall prevent any further or other exercise thereof or the exercise of any other right or remedy.

26.6 If any provision of the Contract is held to be illegal, void, invalid or unenforceable under the laws of any jurisdiction, the legality, validity and enforceability of the remainder of the Contract in that jurisdiction shall not be affected, and the legality, validity and enforceability of the whole of the Contract shall not be affected in any other jurisdiction.

26.7 Any time, date or period mentioned in the Contract may be extended by written agreement between the Parties but otherwise and except as expressly provided, as regards any time, date or period originally fixed or any time, date or period so extended as aforesaid, time shall be of the essence.

26.8 Nothing in the Contract shall constitute, or be deemed to constitute a partnership between the Parties, nor, except as expressly provided, shall it constitute, or be deemed to constitute, either Party the agent of the other Party for any purpose. Subject to any express provisions to the contrary neither Party shall have any right or authority to and shall not do any act, enter into any contract, make any representation, give any warranty, incur or admit any liability, assume any obligation, whether express or implied, of any kind on behalf of the other Party or, in the case of the Customer, any of its affiliates or shareholders (or any of their affiliates) or bind the other Party or, in the case of the Customer, any of its affiliates or shareholders (or any of their affiliates) in any way.

26.9 No person who is not a party to the Contract shall have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Contract.

26.10 The Contract shall be governed by and construed in accordance with English Law. In relation to any legal action or proceedings to enforce the Contract or arising out of or in connection with the Contract ("proceedings") each of the Parties irrevocably submits to the exclusive jurisdiction of the English courts and waives any objection to proceedings in such courts on the grounds of venue or on the grounds that the proceedings have been brought in an inconvenient forum.

27. PUBLIC SECTOR

27.1 The Supplier (and any sub-contractor) shall not unlawfully discriminate either directly or indirectly within the meaning and scope of any law (whether on such grounds as age, race, colour, ethnic or national origin, gender, religion, disability, sexual orientation or otherwise in employment) including but not limited to the Equality Act 2010.

27.2 The Supplier notes the Customer's obligations under the UK GDPR, Data Protection Act 2018, Freedom of Information Act 2000 ("FOI Legislation"), Human Rights Act 1998 and any codes of practice and best guidance notes issued by the government and appropriate enforcement agencies. The Supplier will comply with this legislation in so far as it places obligations on it as well as facilitating the Customer's compliance. In particular, the Supplier notes that the Customer may be required to provide information relating to this Contract or the Supplier to a person in order to comply with the Customer's obligations under such legislation. The parties shall comply with the provisions of the UK GDPR and the Data Protection Act 2018 and shall each comply with the data protection principles and provide appropriate safeguards in relation to the storage, transfer and processing of personal data. Where the Supplier acts as processor on behalf of the Customer as defined in UK GDPR article 4 then the Supplier shall also agree to an appropriate addendum to this agreement to comply with UK GDPR article 28 ("Data Processing Addendum").

27.3 If the Supplier receives any request for information pursuant to FOI Legislation (regardless of whether such request complies or does not comply with the strict requirements of FOI Legislation) it shall (1) make no response to such request other than a bare acknowledgement of receipt stating that the request has been passed to the Customer; (2) pass such request to the Customer within 2 Working Days of the request being made to the Supplier; (3) provide the Customer with a copy of all information required to comply with any request for information and such Information shall be provided within 10 days of a request from the Customer (or such other period as the Customer shall specify) and in such form as the Customer may specify; and (4) take no further action in regard to such request save at the direction of the Customer.

27.4 The Supplier understands and acknowledges that the Customer may be obliged under FOI Legislation to disclose information without consulting or obtaining consent from the Supplier and the Customer shall be responsible (in its sole and unfettered discretion) for so doing.

27.5 For the avoidance of doubt the Customer may disclose all information and documentation, in whatever form, as necessary to respond to that request for information and the Supplier acknowledges that the provisions of this Clause and of the FOI Legislation shall override any obligation of confidentiality.

27.6 If the Customer at the Supplier's request seeks to rely upon a FOI Legislation exemption, the Supplier shall indemnify the Customer for any liability, costs, claims, loss, damage or expense including but not limited to responding to information notices or lodging appeals against a decision of the Information Commissioner.

27.7 The Customer shall not be liable for any loss, damage, harm or other detriment, however caused, arising from any disclosure made pursuant to a request for information and failure by the Supplier to comply with any of the provisions of this clause 27 shall be a default.

27.8 In connection with this or any other contract between the parties, the Supplier shall not give, provide, or offer to the Customer's staff and agents any loan, fee, reward, gift or any emolument or advantage whatsoever which is an offence under the Bribery Act 2010 and/or section 117(2) of the Local Government Act 1972. In the event of any breach of this clause 27.8, the Customer shall, without prejudice to its other rights, be at liberty forthwith to terminate this Contract and any other contract and to recover from the Supplier any loss or damage resulting from such termination.