

CAMMELL LAIRD SHIPREPAIRERS AND SHIPBUILDERS LIMITED

GENERAL TERMS AND CONDITIONS OF PURCHASE FOR GOODS AND SERVICES (2 March 2020 edition)

These Terms and Conditions of Purchase apply to all Orders that the Company places with the Supplier and variations or amendments thereof and sets out all the terms in relation to the Supplier supplying Goods and Services to the Company. By signing these Conditions, accepting the Order and/or commencing the supply, the Supplier acknowledges and agrees that it shall be bound by them (noting that Registered Suppliers and Approved Suppliers to the Company have accepted these terms as the basis of their registration / approval).

1 DEFINITIONS AND INTERPRETATION

1.1 In these Conditions:

Accepted Schedule means the schedule for the Services (which may include Goods) as set out in the Order (or where stated in the Order, as shall be submitted within 2 weeks of issue of a PO and become the Accepted Schedule by written Company agreement) **where such is required due to the nature of the Contract** and constitutes the agreed schedule for the activities to be undertaken under the Contract, including Delivery Date(s), Completion Date and dates for Deliverables under the Order;

Applicable Laws means any applicable statute, regulation, by-law, ordinance, codes of practice or subordinate legislation of any government or governmental authority or body in force from time to time and include the common law and any applicable judgment of a relevant court of law which creates or changes a binding precedent;

Approved Suppliers means Registered Suppliers who have had an additional formal evaluation by the company and subsequently approved to supply Goods/Services in their area of expertise;

Company means Cammell Laird Shiprepairers and Shipbuilders Limited, a company incorporated in England and Wales (registered number: 04211637);

Company Materials has the meaning given in clause 10;

Completion Date means a specified date for completion of the Services as set out in the Order or the completion of a specified duration in the Order for the Services and/or when all activity has been completed including Delivery Dates achieved and all Deliverables have been provided and accepted by the Company;

Conditions means the terms and conditions of purchase set out in this document;

Contract means a contract for the purchase of Goods and/or Services by the Company from the Supplier that incorporates the Order, these Conditions, any Specification, Scope of work and/or SOW, an Accepted Schedule/Completion Date or Delivery Date(s), any Special Conditions (if applicable) and any other requirements specified in the Order;

Delay Damages means the charges to be paid by the Supplier for delay in accordance with clause 13 herein;

Deliverables means any goods, materials, equipment, machinery, spares, reports, technical information, manuals, drawings, certificates, statements or other documents which are to be supplied as part of the supply of the Goods or Services;

Delivery Address means the place for delivery of the Goods as set out in the Order (or if no place is specified in the Order, at the Company's shipyard in Birkenhead);

Delivery Date means the date for delivery of the Goods as set out in the Order;

Delivery Note has the meaning given in clause 6.2.1;

End Customer means any customer of the Company to whom the Goods or Services may be supplied (in whole or in part), including the MOD, which may be the owner of the vessel or other to which the Goods will be affixed or incorporated, and/or the Services will be implemented;

Goods means the goods specified in the Order, whether of a temporary or permanent nature, any materials which the supplier shall acquire or allocate for incorporation in the Goods, any items to be provided by the Supplier in connection with the Contract including any ancillary items and services to be supplied in connection with such Goods (which may also include the supply of Deliverables which are ancillary to the supply of the Goods);

Intellectual Property Rights means patents, trademarks, service marks, registered designs, applications for any of those rights, trade and business names, unregistered trademarks and service marks, copyrights, know-how, rights in designs and inventions, rights in databases; and any other rights of the same or similar effect or nature, in each case in any jurisdiction;

Mandatory Policies has the meaning given in clause 21.3 and 21.4;

MOD means the UK Ministry of Defence;

Order means a purchase order in respect of Goods and/or Services and/or Deliverables issued by the Company to the Supplier on the Company's purchase order form, together with all other documents referred to therein;

Price has the meaning given in clause 9.1;

Quotation means a quotation provided by the Supplier to the Company in response to a Scope of Work and/or Specification issued by the Company for Goods and/or Services;

Registered Suppliers means all suppliers to the Company registered in the Company finance system who have provided basic account information and other confirmations;

Services means the services specified in the Order, whether of a temporary or permanent nature, and any services to be provided by the Supplier in connection with the Contract including any materials, articles and goods to be supplied in connection with such Services (which may also include the supply of Deliverables which are ancillary to the supply of the Services);

Site means the place where the Services are to be implemented /embodied as set out in the Order (or if no place is specified in the Order, at the Company's shipyard in Birkenhead, any location therein and/or more specifically a Vessel);

Special Conditions has the meaning given in clause 2.3;

Specialist Contractor Standards means the document issued by the Company on its external website containing the mandatory general requirements/expectations of the Company for all Suppliers carrying out the Supply of Goods /Services to the Company and applicable to every Order/Contract (insofar as applicable to the Goods/Services being supplied);

Specification, Scope of Work or SOW means any specification, scope of work or description given by the Company as to its requirements for the Goods /Services/Deliverables;

Supplier means the person, firm or company to whom an Order is addressed;

Variation means a change to the original Specification, Scope of Work or SOW;

VAT means value added tax at the rate prevailing at the time of the relevant supply charged in accordance with the provision of the Value Added Tax Act 1994;

1.2 In these Conditions:

1.2.1 headings are for identification and indexing purposes only and they shall not affect the construction or interpretation of these Conditions;

1.2.2 words importing the singular meaning shall include the plural meaning and vice versa;

1.2.3 in the event of a conflict between the documents comprising the Contract, the documents shall take the following order of preference: (i) terms on the Order; (ii) the Special Conditions (as applicable) (iii) these Conditions; (iv) the Specification / SOW; (v) the Accepted Schedule, Completion Date(s) or Delivery Date(s) (as applicable); and (vi) the Price;

1.2.4 references to a **person** shall include natural persons, corporate or unincorporated bodies (whether or not having separate legal personality) and that person's legal and personal representatives, successors and permitted assigns and references to a **party** shall mean either the Supplier or the Company as the context requires and **parties** shall mean both of them;

1.2.5 the word **including, include, includes** and **for example** will be construed without limitation unless inconsistent with the context and **working days** are all days other than Saturdays, Sundays or English public holidays;

1.2.6 **tax** shall be construed so as to include any tax, levy, impost, duty, deduction, withholding or other charge of whatever nature (present or future) levied by or on behalf of any local, municipal, governmental, state, federal or other fiscal, revenue, customs or excise agency, authority, body or official anywhere in the world including HM Revenue & Customs (including any penalty or interest payable in connection therewith or with respect thereto), and the word **taxes** shall be construed accordingly.

2 APPLICATION

2.1 These Conditions alone shall govern and be incorporated in every Contract for the purchase of Goods, Services, and Deliverables by the Company from the Supplier. They shall prevail over and apply in place of any terms or conditions contained in or referred to in the Supplier's Quotation, acceptance of order, correspondence or elsewhere or implied by trade custom, practice or course of dealing (including any oral arrangements). The Supplier hereby expressly waives any right which it otherwise might have to rely on any terms or conditions contained or referred to in any documentation of any nature whatsoever submitted by the Supplier to the Company at any time.

2.2 No addition to, variation of or exclusion or attempted exclusion of the Order and/or these Conditions or any of them shall be binding upon the Company unless specifically agreed to in writing and signed by a director of the Company.

2.3 The parties may agree special terms and conditions applicable to the Order in writing in accordance with clause 2.2 (**Special Conditions**).

3 ORDER ACCEPTANCE

3.1 Each Order for Goods/Services/Deliverables by the Company shall be deemed to be an offer by the Company to buy Goods/Services/Deliverables subject to these Conditions. The offer is made subject to these Conditions and conditional upon acceptance by the Supplier of these Conditions.

3.2 The Supplier shall issue a signed acknowledgement of the Order to the individual named on the Order as soon as possible and in any event within five (5) days (and failure to provide one shall entitle the Company to cancel the Order without liability to the Supplier).

3.3 Notwithstanding the right of the Company to cancel the Order under Clause 3.2, commencement of activity associated with the Goods/Services/Deliverables by the Supplier constitutes acceptance by the Supplier

3.4 The price given in any Quotation for that Contract given by the Supplier shall be valid for a period of no less than sixty (60) days from its date, unless otherwise agreed in writing.

4 SPECIFICATION

4.1 In supplying the Goods and/or Services to the Company under a Contract the Supplier shall:

4.1.1 satisfy itself as to the accuracy of the information provided by the Company in the Specification/SOW (including but not limited to all referenced standards, specifications, drawings, calculations);

4.1.2 subject always to clause 4.1.1 ensure that the Goods and/or Services correspond exactly /comply with the Specification / SOW and with any samples supplied by the Supplier and approved by the Company;

4.1.3 ensure that the Goods shall be new, of the best available design, of the best quality, using first class materials, workmanship, standards and techniques throughout, without fault and conform in all respects with the governing specifications referred to in the Order including those specifying quantity, quality standards and description;

4.1.4 ensure that the Goods correspond with the relevant classification and marine standards, and if this is a requirement of the Order, the Supplier must ensure that all parts of the Goods and Deliverables conform to such standards and/or approvals;

4.1.5 be fit and suitable for the purpose(s) intended by the Company and the End Company, and fit for use in a marine environment as held out by the Supplier or made known to the Supplier by the Company expressly or by implication (and in this respect the Company relies on the Supplier's skill and judgement), of satisfactory quality (within the meaning of the Sale of Goods Act 1979, as amended), of good materials and workmanship and free from defects;

4.1.6 co-operate with the Company in all matters relating to the supply of Goods/undertaking of Services and comply with all instructions of the Company;

4.1.7 carry out any commissioning of the Goods (if required, and set out on the Order) and all Services with the best care, skill and diligence in accordance with best practice in the Supplier's industry, profession or trade;

4.1.8 use personnel who are suitably skilled and experienced to perform tasks assigned to them, and in enough to ensure that the Supplier's obligations are fulfilled in accordance with the Contract;

4.1.9 use best endeavours when performing the Services to work around others / third parties which may be working in the same location/at the same work fronts on the Site to ensure the Services are progressed. The Supplier shall advise the Company of any potential delay/risk to implementation/embodiment before it arises to enable the Company to act and mitigate/manage any potential delay;

4.1.10 observe all health and safety rules and regulations and any other security requirements that apply at the Delivery Address; and

4.1.11 ensure that it keeps within any weight limit agreed with the Company, or otherwise submitted by the Supplier to the Company, and supply to the Company any reports, certificates or other documentation evidencing the weight, promptly upon request.

4.2 The Supplier shall not make any changes to the Specification of the Goods and /or Services without the Company's prior written consent.

4.3 The Company may inspect and test the Goods at any time before delivery in accordance with clause 7.

4.4 The Supplier acknowledges and agrees that in supplying the Goods and /or Services the Supplier has warranted and represented that, and the Company has relied on and is entitled to continue to rely on, the Supplier being an expert in its field in supply the Goods ,Services and the Deliverables, in particular in respect of any designs produced by the Supplier and any advice or representations given by the Supplier.

5 VARIATIONS

5.1 From time to time the Company may require changes to the Specification, Scope of Work or SOW which may encompass the removal and/or additional of Goods/Services. Where such is required the Company will advise the Supplier and the Supplier shall provide a written Quotation in the format requested by the Company and in the timescales requested by the Company.

5.2 For the avoidance of doubt the Supplier shall not proceed with Variations until formal acceptance by the Company of the Quotation and issue of an Order covering the Variation.

6 DELIVERY AND PERFORMANCE

Goods

6.1 The Supplier shall deliver the Goods: (i) on the Delivery Date; (ii) at the Delivery Address; and (iii) during the Company's normal business hours, or as instructed by the Company. Unless otherwise agreed on the Order, Goods shall be delivered Delivery Duty Paid (DDP), Incoterms 2010 (or any equivalent replacement thereof).

6.2 The Supplier shall ensure that:

6.2.1 each delivery of the Goods is accompanied by a separate itemised delivery note in duplicate which shows the date of the Order, the Order number, contract name the type and quantity of the Goods (including the code number of the Goods, where applicable and weight and/or quantities), special storage instructions (if any) and, if the Goods are being delivered by instalments, the outstanding balance of Goods remaining to be delivered (**Delivery Note**) and a copy each shall be: (i) delivered to the individual that issued the Order by the time and date specified; (ii) packed with the Goods; and (iii) attached to the invoice;

6.2.2 the Delivery Note is signed legibly by an employee of the Company who is in charge at the Delivery Address and that it can produce this signed Delivery Note to the Company upon request;

6.2.3 an invoice is not rendered until delivery of all the Goods in an Order is complete, including commissioning if applicable, regardless of any delivery in instalments;

6.2.4 Goods are supplied with certification and test certificates where applicable. Any Goods and/or materials which are hazardous shall be marked with the appropriate international danger symbols and the name of the goods or materials in English and where appropriate the Material Safety Data Sheets and/or Product Data Sheets will accompany the goods and/or materials. The Supplier shall comply with all Applicable Laws relating to the packing, labelling and carriage of hazardous goods;

6.2.5 where Goods are supplied with:

6.2.5.1 loose parts and/or equipment to be attached to the main Goods (either by the Company or as part of the commissioning), such loose parts and/or equipment shall be delivered in separate packaging from the main Goods and from any spare parts, clearly marked that they are loose parts and/or equipment to be attached to the main Goods;

6.2.5.2 spare parts, such spare parts shall be delivered in separate packaging from the main Goods and from any loose parts and/or equipment, clearly marked that they are spare parts for the Goods; and

6.2.5.3 manuals and/or technical or operational information the manuals and/or technical or operational information shall be sent by post to the Company's drawing office manager separately from delivery of the Goods, loose parts and/or equipment and/or any spare parts; and

6.2.6 it shall not deliver the Goods in instalments without the Company's prior written consent. Where it is agreed that the Goods are to be delivered by instalments, they may be invoiced and paid for separately. However, failure by the Supplier to deliver any one instalment on time or at all, or any defect in an instalment shall entitle the Company to the remedies set out in clause 13.

6.3 The Supplier shall ensure that the Goods are properly packed and secured in such manner as to enable them to reach their destination in good condition and delivered on suitable pallets to allow for efficient offloading at the Delivery Address, at the Supplier's sole cost. The Supplier will be responsible for any/all damage arising because of improper or ineffective packing.

6.4 If requested in writing prior to delivery, the Company will use its reasonable endeavours to preserve packaging materials or containers for collection by and at the Supplier's expense which must be affected promptly after notification by the Company. The Company shall be entitled to recover its reasonable costs of disposal of any non-returnable packaging from the Supplier, upon written notice.

Commissioning

6.5 If the Goods supplied are to be commissioned by the Supplier:

6.5.1 the Supplier shall provide the commissioning at the Delivery Address or elsewhere, as directed by the Company, during the Customer's business hours;

6.5.2 the Company may require the Supplier to carry out a pre-commissioning inspection after installation and before the Company and/or the End Customer uses the Goods;

6.5.3 the Supplier shall ensure that for the purposes of continuity and efficiency, only one commissioning engineer shall be engaged by the Supplier to provide the entire commissioning work for each Order until such commissioning is complete;

6.5.4 the Supplier must inspect and test the installation of the Goods with all due skill, care and diligence (including any associated wiring, pipework and engineering work) to ensure it is correct; and

6.5.5 if the Supplier fails to properly test the installation of the Goods in whole or in part, the Supplier will be solely liable for any defects in, or damage to the Goods or their installation if that defect or damage would have been reasonably discoverable on inspection and testing.

6.6 The Supplier shall be solely responsible for all commissioning in accordance with best industry standard practices and shall procure that its employees and agents who perform the commissioning shall comply with all safety, security and other regulations which are in force or apply at the Delivery Address.

6.7 The Supplier shall indemnify and hold the Company harmless against any loss, damage, liability cost and/or expense which the Company may suffer or incur as a result of its failing to carry out commissioning in accordance with this Contract, or as a result of any negligence on the part of the Supplier during commissioning and for any damage caused to the Goods, any vessel or any property of the Company or a third party during such commissioning.

6.8 The Supplier shall promptly supply all technical information and drawings, and any other relevant Deliverables required by the Company for Goods to be installed on a vessel.

Acceptance and Rejection

6.9 Notwithstanding any other clause in these Conditions, the Company shall not be deemed to have accepted the Goods until it has had thirty (30) days to inspect and test them following delivery or commissioning (if applicable). The Company shall also have the right to reject the Goods as though they have not been accepted for thirty (30) days after any latent defect has become apparent. For the avoidance of doubt where Goods are part of a wider Services offering, acceptance of Goods will contribute to the Completion Date for the Services as stated in the Order and/or the Accepted Activity Schedule.

6.10 Signed Delivery Notes and/or sign off that commissioning has been completed, or any approval of plans, specifications drawings and suchlike by the Company, will not be treated as deemed acceptance of the Goods.

6.11 If delivery of Goods pursuant to a Contract is incomplete, damaged in transit or otherwise defective, the Company reserves the right (without prejudice to any of its other rights) to reject the Goods so delivered and to cancel or vary the balance of the Contract.

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

6.13 The Supplier shall provide technical support and/or Company service support in respect of the Goods (including by telephone and site visits), promptly without delay and free of charge, to resolve any issues or problems which the Supplier has with the Goods and which the Supplier deems to be serious, as necessary until resolution.

6.14 In the event that the Company does not require the full amount of Goods delivered to it, the Supplier agrees to collect such excess Goods and provided that they are in saleable condition, shall credit the Company the pro-rata Price of such Goods

Time for performance

6.15 The Company reserves the right to amend the Accepted Schedule and/or delay the Delivery Date (Goods) and/or Completion Date (Services) where it is otherwise unable to take delivery on the scheduled Delivery Date and/or requires the Services to be rescheduled, upon fair and reasonable notice to the Supplier. Where Services are to be rescheduled the impact of such an amendment shall be established and agreed in accordance with clause 9.5.

6.16 Time is of the essence in the performance by the Supplier of the Contract. If the Goods are not delivered by a) the Delivery Date/in accordance with the Accepted Schedule (as applicable) then the Supplier shall promptly notify the Company of the earliest possible date for delivery of the Goods. Notwithstanding such notice, and unless a substitute Delivery Date for the Goods has been expressly agreed to by the Company in writing, the Supplier's failure to effect delivery of the Goods on the due date shall entitle the Company (in addition to any other rights or remedies which the Company may have under these Conditions or otherwise) to exercise the rights and remedies set out in clause 13); b). If the Services are not completed by the Completion Date/in accordance with the Accepted Schedule (as applicable), then the Supplier shall promptly notify the Company of the earliest possible date for Completion. Notwithstanding such notice, and unless a substitute Completion Date for the Services has been expressly agreed to by the Company in writing, the Supplier's failure to effect completion of the Services on the due date shall entitle the Company (in addition to any other rights or remedies which the Company may have under these Conditions or otherwise) to exercise the rights and remedies set out in clause 13).

7 DOCUMENTS, INSPECTION, TESTING AND AUDIT

All Deliverables or other documents issued by the Supplier must include the Order number, date and contract name, and shall where applicable (including in the case of certificates), be the originals. The Deliverables should be sent to the Company's drawing office manager unless otherwise specified on the Order.

7.1 The Company, the End Customer and its or their representatives shall be entitled, during business hours, at any time (including before or after delivery), to enter on to the Supplier's premises to:

7.1.1 inspect Goods and Deliverables in accordance with clause 4.3 and 6.9;

7.1.2 check the progress of the Order and carrying out and/or witnessing tests and/or procedures and the Company shall be entitled to require the Supplier carry out such tests in front of the Company, the End Customer and/or its or their representatives; and/or

7.1.3 inspect, audit and take copies of relevant records, and other documents as necessary to verify the Supplier's compliance with the terms and conditions of the Contract.

7.2 The Supplier shall remain fully responsible for the Goods, Services and Deliverables despite any such inspection or testing and any such inspection or testing shall not reduce or otherwise affect the Supplier's obligations under the Contract.

7.3 If following such inspection or testing the Company considers that the Goods, Services and Deliverables do not conform or are unlikely to comply with the Supplier's undertakings at clause 4.1, the Company shall inform the Supplier and the Supplier shall immediately take such remedial action as is necessary to ensure compliance. The Company may conduct further inspections and tests after the Supplier has carried out its remedial actions. The Company may require a full or partial refund of any sums paid by it to the Supplier at that date pending resolution of any issue or any warranty claims.

7.4 The Supplier will co-operate with, and provide all reasonable assistance to any personnel attending the Supplier's site in accordance with this clause 7, including carrying out tests in the Company's presence (or that of the End Customer or its or their authorised representatives) and shall provide the Company with all facilities reasonably required for inspection and testing and the Supplier shall provide such certificates or other documentation as reasonably required by the Company to evidence that the Supplier has carried out such tests or inspections.

8 TITLE AND RISK

8.1 The risk in the Goods and any Deliverables shall pass to the Company when delivery of the Goods and any Deliverables (or any instalment hereof) in accordance with the Order is complete without prejudice to any right of rejection which may accrue to the Company under a Contract or otherwise. The Supplier is liable for all risk of losses, damage and delays during transit, including any losses due to improper or ineffective packing, and shall take out and maintain appropriate insurance for the same.

8.2 The property (Title) in the Goods and any Deliverables shall pass to the Company upon the earlier of: (i) delivery as described in this clause 8; or (ii) payment of the Price by the Company.

9 PRICE AND PAYMENT

9.1 The Price of the Goods and/or Services shall be the price stated in the Order, or if no such price is stated in the Order then the price of the Goods and/or Services shall be the lowest market price currently available or quoted at the date of the Order by the Supplier for those Goods and/or Services but in no event higher than the price most recently charged to the Company by the Supplier for those Goods and/or Services (the **Price**).

9.2 Unless otherwise expressly agreed in writing by the Company, the Price of the Goods and/or Services shall:

9.2.1 be exclusive of VAT but inclusive of all other charges including any other taxes;

9.2.2 include all customs duties, storage and handling charges, delivery costs, insurance in transit, packaging, containers and pallets to the Delivery Address, (unless the Order states otherwise); and

9.2.3 be a firm price (not subject to exchange rate or inflation increases or otherwise) unless specifically stated otherwise in the Order

9.3 Subject to clause 9.4, no variation in the Price nor extra charges shall be accepted by the Company after an Order is placed, unless expressly agreed in writing by the Company.

9.4 Subject always to clause 9.5, in the event that the Company asks the Supplier to supply a smaller quantity of Goods and/or descope the Services than that set out in the Order, the Supplier will adjust the Order and the Price accordingly, but the Price shall be based on the same unit price as agreed in the Order. In the event the Company asks the Supplier to supply a larger quantity of Goods and/or increase the scope of the Services than that set out in the Order, the Supplier will adjust the Order and the Price accordingly (on the basis that the unit price will be reduced or increased from that agreed on the original order by the fixed cost element of the supply).

9.5 Should the Company require an amendment to the Goods/Services/ Deliverables the Company shall request the supplier to provide a Quotation which shall be accepted or rejected by the Company. If accepted the Order shall be amended accordingly. For the avoidance of doubt the Supplier shall not proceed with any variation to the Goods /Services/Deliverables under the Order until formal acceptance by the Company and an amendment of the Order.

9.6 The Supplier shall invoice the Company only after delivery of all the Goods has occurred and Completion of the Services (including commissioning, if applicable) (unless an alternate payment methodology/plan has been otherwise agreed and made explicit in the Order). Unless otherwise stated in the Order, the Company shall pay the Price of the Goods and/or Services within sixty (60) days of the end of the month following the month in which the Company received a correctly submitted invoice. Time shall not be of the essence in the performance by the Company of its payment obligation under this clause 9.6. Payment of the Price shall not be evidence of acceptance.

9.7 The Supplier shall send all invoices by email to the following email address: ACCS@cammell-laird.co.uk. Invoices shall be accompanied with a signed Delivery Note, and failure to comply with this clause may lead to delays in receipt of the invoice and payment.

9.8 The Company shall be entitled to withhold payment of the Price until:

9.8.1 the Supplier complies in full with the Contract;

9.8.2 the Company has accepted the Order in full;

9.8.3 all Deliverables have been delivered, including such original certificates as are reasonably required by the Company are supplied (for example, Lloyds, or other Classification Society, or Maritime or other Coastguard Agency) to the Company's satisfaction; and

9.8.4 any defects, problems or issues with the Goods, Services and/or Deliverables have been rectified.

9.8.5 Notwithstanding clause 16.1 and clause 17 herein, the Supplier shall submit all invoices properly due for the Goods/Services within 6 weeks of their due date. Should the Supplier fail to submit such invoices to the Company within this reasonable period, the Company shall have no liability for the payment of these invoices/they shall be deemed disallowable prices and time barred under the Contract/Order.

9.9 The Company may at any time, without limiting any of its other rights or remedies, set off any liability of the Supplier to the Company against any liability of the Company to the Supplier.

9.10 The Supplier shall be entitled to charge interest on any invoices not paid by the due date for payment (unless such invoices are subject to a bona fide dispute, or have otherwise not been issued in accordance with this clause 9) at a rate of 1% above the base rate of the Bank of England from time to time, provided that it gives the Company no less

than five (5) working days' notice of its intention to charge interest on any overdue amount. The parties acknowledge that this is substantial remedy for the purposes of the Late Payment of Commercial Debts Act 1998.

10 COMPANY MATERIALS

The Supplier acknowledges that all written instructions, technical information, materials, equipment and tools, drawings, patterns, specifications, and data or any free issue materials supplied by the Company to the Supplier (including any Specification or SOW) (**Company Materials**) and all rights in the Company Material are and shall remain the exclusive property of the Company. The Supplier shall:

10.1 keep the Company Materials in safe custody at its own risk (and insured appropriately), maintain them in good condition until returned to the Company;

10.2 keep all such items confidential and shall not disclose them or details of them to any third party except to the extent that this restriction shall not apply to any information which is or becomes public knowledge through no fault of the Supplier;

10.3 use such items only in the manufacture of the Goods and/or the supply of the Services and/or submission of the Deliverables for the Company and shall not use them to manufacture any Goods, undertake any Services or supply Deliverables for itself or for any third parties, nor make any modifications to nor part with possession of any of them; and

10.4 return or dispose of (in accordance with the Company's instructions) any Company Materials upon request by the Company and at the end of the Contract.

11 MOD CONTRACTS

11.1 In the event that the Company's requirement for the Goods/Services and/or Deliverables is pursuant to the Company's contracts with the MOD whether a military vessel or support ship,

11.2 the Supplier expressly acknowledges and agrees that:

11.2.1 notwithstanding the generality of clause 11.1 MOD DEFCONs shall apply and can be made available upon request;

11.2.2 notwithstanding the generality of clause 11.1 MOD Special Conditions may apply and shall be included in the Contract where required;

11.2.3 it shall comply with the Company's Quality Plan which has been agreed with the MOD for the Contract and can be made available upon request (including the Military Contracts Special Considerations and Counterfeit Material documents);

11.2.4 the MOD may have the right to require that the Supplier assigns all Intellectual Property Rights in any Goods, Services or Deliverables at any time; and

11.2.5 the security level for the Contract is 'Official Sensitive' and the Supplier must treat it accordingly.

11.3 The Supplier shall, at its own expense promptly execute and deliver such documents and perform such acts as may be required for the purpose of giving full effect to this clause 111.

12 WARRANTIES

12.1 Notwithstanding any acceptance of the Goods and/or Completion of the Services, the Supplier warrants, and it is a condition of a Contract, that at the time of delivery or supply and for a period of either: (i) any warranty period set out in the Order or Specification/SOW, or otherwise accepted by the Company; or (ii) twelve (12) months, after the Goods/Services have been commissioned or the date upon which any vessel, machinery or structure for the construction of which they are intended has been delivered by the Company (whichever is longer):

12.1.1 the Goods supplied to the Company under a Contract shall conform with clause 4.1;

12.1.2 the Goods/Services (as applicable) will: (a) be fit and suitable for the purpose intended by the Company; (b) be of satisfactory quality; (c) be of good materials and workmanship; (d) be free from defects; (e) correspond exactly with any specification or description given by the Supplier; and (f) correspond exactly with any samples supplied by the Supplier; and

12.1.3 the Supplier will keep within the weight limit set out in clause 4.1.11 and shall supply evidence of the same in accordance with clause 4.1.11.

12.2 The Supplier also warrants (on an on-going basis), and it is a condition of the Contract that:

12.2.1 it has all necessary licences, permission, consents, permits and authorisations to supply the Goods/Services to the Company pursuant to a Contract;

12.2.2 the Goods/Services are safe to use for their intended purposes and that it follows reasonable and proper procedures for quality control testing to ensure that the Goods/Services comply with all Applicable Laws;

12.2.3 it complies with all Applicable Laws in relation to the supply of Goods/Services, including as to the manufacture, labelling, packaging, storage, handling and delivery of the Goods and Deliverables and with the Mandatory Policies;

12.2.4 it has an effective and responsible product recall procedure in place to ensure that any Goods may be recalled safely and effectively, if required;

12.2.5 it shall give the Company prompt notice of receipt of any claim filed or made with respect to any Goods/Services or any investigation, directive, or notice from any national or international consumer product safety commission, or other governmental safety agency with respect to Goods/Services; and

12.2.6 it shall not do or omit to do anything which may cause the Company to lose any licence, authority, consent or permission on which it relies for the purposes of conducting its business, nor shall it do anything which does or may be likely to damage the reputation of the Company.

12.3 The Supplier shall promptly upon demand produce evidence or otherwise demonstrate to the Company's satisfaction that it has and will continue to comply with clause 12.2.

12.4 In the event of a breach of any warranty under clause 12.1 and/or 12.2, the remedies set out in clause 13 shall apply (on a full parts and labour guarantee basis). The Supplier shall at all times act promptly in response to any warranty claims and exercise by the Supplier of its available remedies.

12.5 The warranties and remedies provided for in this clause 12 and clause 13 shall be in addition to those in favour of the Company implied by or available at law or in equity and shall continue in force notwithstanding the acceptance by the Company of all or part of the Goods/Services in respect of which such warranties and remedies are applicable.

12.6 The Supplier shall assign to the Company the full benefit of any other manufacturer's warranties or any other guarantee which may apply to the Goods/Services.

12.7 Any goods or materials replaced, or any defective workmanship made good (Services) shall be guaranteed for a further period of twelve (12) months or such other period detailed with the Contract (whichever is the longest), and the warranties in clause 13 shall apply to those replaced or remedied Goods (on a full parts and labour guarantee basis).

12.8 The stipulations of this clause 12.1 and 12.2 shall remain valid in respect of latent defects, discovered, after the date of expiration of the Warranty period or any further guarantee period (in accordance with clause 12.7), if the Company can reasonably establish on the balance of probabilities that such defects were in existence during the Warranty period and clause 12 remedies shall apply.

13 REMEDIES

Without prejudice to any other right or remedy which the Company may have under these Conditions or otherwise, if any Goods, Services or Deliverables are not supplied in accordance with, or the Supplier fails to comply with, any of the terms of a Contract, the Company shall be entitled to avail itself of any one or more of the following remedies at its discretion, without any liability to the Supplier, which the Supplier will action (where appropriate) promptly without delay, whether or not any part of the Goods, Services or Deliverables have been accepted by the Company:

13.1 claim or deduct 2% of the full Price of the whole Order (regardless of the value of the outstanding Goods/Services /Deliverables) per week (or part thereof) up to a maximum of 20% of the Price from a) the Delivery Date until the delivery of the Goods is received in full (inclusive of Deliverables) or b) the Completion Date until completion of the Services is achieved in full (inclusive of Deliverables), by way of Delay Damages and the parties confirm that these Delay Damages are reasonable and proportionate to protect the Company's legitimate interest in performance;

13.2 to reject the Goods and /or Services inclusive of Deliverables (in whole or in part) and require the Supplier to a) repair or replace the rejected Goods and/or reperform the Services at the Supplier's sole cost and expense within such reasonable time frame specified by the Company, on a full parts and labour basis (meaning that the Supplier will be responsible for all labour costs and expenses incurred in removing any defective Goods from the Site/Vessel, replacing or repairing the Goods, delivering them to the Site or Vessel and the labour costs in installing the replacement or repaired Goods on Site /on the Vessel, as well as costs incurred in docking the Vessel for removal and replacement of any parts);

13.3 to reject the Goods /Services or Deliverables (in whole or in part) back to the Supplier at the risk and cost of the Supplier on the basis that a full refund for the Goods/Services and Deliverables so returned shall be paid forthwith by the Supplier, plus all labour and other costs for removal of the defective Goods/incorrectly/poorly performed Services;

13.4 at the Company's option to give the Supplier the opportunity at the Supplier's expense either to remedy any defect in the Goods/incorrectly/poorly performed Services or to supply replacement Goods/rework incorrectly/poorly performed Services and carry out any other necessary work to ensure that the terms of the Contract are fulfilled (such expenses to include any Site costs and/or associated Vessel costs such as but not limited to dry docking, cramage, labour, carriage, and supply of all parts, survey fees, all necessary materials and equipment and labour to affect the repair);

13.5 to refuse to accept a) any further deliveries of the Goods or b) further poorly performed Services which the Supplier attempts to make;

13.6 to carry out at the Supplier's expense any work necessary to make the Goods and or incorrectly/poorly performed Services comply with the Contract;

13.7 notwithstanding clause 13.1, claim additional damages for any specific additional costs, losses or expenses incurred by the Company which are directly attributable to the Supplier's failure to carry out its obligations under the Contract (including any costs incurred by the Company in obtaining substitute Goods/Services /Deliverables from a third party and costs associated with the Site and/or docking the Vessel to rectify any issue); and/or

13.8 to terminate the Contract with immediate effect by giving written notice to the Supplier.

14 INDEMNITY

The Supplier agrees to fully indemnify and at all times to hold the Company, its agents, employees, officers, subsidiaries, associated companies and assigns fully indemnified from and against any and all direct, indirect, special or consequential liabilities, losses, charges, damages, costs and expenses including loss of profit, loss of business, loss of revenue, depletion of goodwill, loss of anticipated savings, loss of management time or legal and other professional costs awarded against or incurred or paid by the Company as a result of or in connection with:

14.1 any breach of the warranties in clause 12.1 or clause 12.2;

14.2 any claim made against the Company for breach of a MOD Contract arising out of or in connection with the supply of the Goods/Services by the Supplier;

14.3 any claim for death or personal injury or damage to property caused by the Goods/Services;

14.4 any act or omission in the performance of or in connection with any or all of the obligations undertaken by the Supplier pursuant to a Contract, whether by reason of the negligence of the Supplier, its agents, employees or sub-contractors or their agents or employees or otherwise but excluding any such liability, losses, charges, damages, costs or expenses arising directly from negligence on the part of the Company; and/or

14.5 any claim made against the Company for actual or alleged infringement of a third party's Intellectual Property Rights arising out of or in connection with the supply or use of the Goods/Services.

15 INSURANCE

The Supplier will at all times insure and keep itself insured with a reputable insurance company against all insurable liability under a Contract including against all of the Supplier's liabilities under these Conditions, appropriate for the Goods and Services supplied (including delivery and commissioning) including: (i) Employer's Liability Insurance, (ii) Public Liability Insurance (with product liability cover); and (iii) Professional Indemnity Insurance. The Supplier will provide all facilities, assistance and advice required by the Company or the Company's insurers for the purpose of contesting or dealing with any action, claim or matter arising out of the Supplier's performance of a Contract. The Supplier shall, promptly on request from the Company, produce evidence as to the terms of all applicable insurances and that they are in full force and effect (including certificates of insurance and accompanying schedules).

16 LIABILITY

16.1 Subject to clause 16.3, other than the Company's liability to pay the Prices, including agreed Variations (subject always to the rights and remedies of the Conditions herein and specifically clause 9.8.5), the Company's aggregate liability to the Supplier under the Contract howsoever caused, whether for negligence, breach of contract, breach of statutory duty, misrepresentation, restitution or otherwise shall in no circumstance exceed 105% of the Order value.

16.2 Subject to clause 16.3, the Company is not liable for: (i) any indirect, special or consequential liabilities; (ii) any loss of business or business opportunities; (iii) any pure economic loss; (iv) any loss of profits, anticipated profits, revenue or anticipated savings (v) any loss of goodwill or reputation; or (vi) any loss of management time, howsoever caused.

16.3 Nothing in these Conditions excludes or limits the Company's liability: (i) for death or personal injury caused by the Company's negligence; (ii) for fraud or fraudulent misrepresentation; or (iii) for any matter which it would be illegal for the Company to exclude or attempt to exclude its liability.

17 **FORCE MAJEURE**

If the Company is prevented, hindered or delayed from carrying out any obligation in accordance with these Conditions by an event which is beyond the Company's reasonable control including acts of terrorism, insurrection, riots, civil unrest and military action, the exercise of emergency powers by any local, regional or national governmental authority, fire, flood, earthquake, storm and other natural disasters, industrial action, strikes and lock-outs, blockage or embargo or the failure or delay of supplies of power, fuel, transport, equipment, telecommunications systems, Internet or other goods and/or services (including any third party materials) the Company may terminate any Contract so affected with immediate effect by written notice to the Supplier, and the Company will not be liable for any loss or damage suffered by the Supplier as a result.

18 **TERMINATION**

18.1 The Company shall have the right at any time and for any reason to cancel a Contract in whole or in part by giving the Supplier written notice (including by e-mail) whereupon all work on the Contract shall be discontinued and, only to the extent that such Goods are bespoke and the Supplier cannot reasonably dispose of them to another Company, the Company shall pay to the Supplier fair and reasonable compensation for work in progress at the time of termination where substantiated/evidenced but such compensation shall not include loss of anticipated profits or any indirect or consequential loss.

18.2 Without prejudice to any other rights or remedies of the Company, the Company shall have the right at any time, by giving notice in writing to the Supplier, to terminate a Contract immediately if:

18.2.1 it is entitled to pursuant to clause 13.8 or clause 17;

18.2.2 the Supplier refuses or fails to make deliveries of the Goods or implement the Services within the time specified in the Order (and/or the Accepted Activity Schedule) or refuses or fails to perform any other provisions of the Contract and fails to remedy such breach within five (5) days after receipt of written notice from the Company requiring remedy thereof;

18.2.3 any distress, execution or other process is levied upon any of the assets of the Supplier, the Supplier passes a resolution for its winding up or a court of competent jurisdiction makes an order for the Supplier's winding up or dissolution, an administration order is made in relation to the Supplier or a receiver is appointed over an asset of the Supplier or an encumbrancer takes possession of or sells an asset of the Supplier, the Supplier makes an arrangement or composition with its creditors generally or makes an application to a court of competent jurisdiction for protection from its creditors generally or any similar circumstances occur in any jurisdiction; or

18.2.4 the Supplier ceases or threatens to cease to carry on its business or the financial position of the Supplier deteriorates to such an extent that in the opinion of the Company the capability of the Supplier adequately to fulfil its obligations under the Contract has been placed in jeopardy.

18.3 The termination of the Contract, however arising, shall be without prejudice to the rights and duties of the Company accrued prior to termination. Those Conditions which expressly or impliedly have effect after termination shall continue to be enforceable notwithstanding termination.

18.4 Upon termination or expiry of a Contract, the Supplier shall: (i) promptly and within five working days return all Confidential Information and Company Materials to the Company; (ii) immediately account to the Company for any sums due to it.

19 **CONFIDENTIAL INFORMATION**

The Supplier shall treat any Confidential Information relating to the Company as strictly confidential except to the extent that such Confidential Information can be proved to be within the public domain at the time of disclosure other than as a result of any breach of these Conditions. The Supplier shall not disclose such Confidential Information to any third party nor use it for any purpose except as is strictly necessary for the performance of its obligations under the Contract. For the purpose of these Conditions, **Confidential Information** means all information disclosed (whether in writing, orally or by another means and whether directly or indirectly) by the Company to the Supplier or otherwise acquired by the Supplier in connection with these Conditions or its subject matter whether before or after the commencement of the Contract including information relating to the Company's products, operations, processes, plans or intentions, product information, know-how, trade secrets and other Intellectual Property Rights, Company Materials, market opportunities, business affairs, financial information and other confidential information.

20 **INTELLECTUAL PROPERTY RIGHTS**

20.1 All right, title and interest in and to any Intellectual Property Rights owned by or licensed to the Company prior to the Contract is and shall remain the exclusive property of the Company (or, where applicable, the third party from whom it's right to use such Intellectual Property Rights has derived).

20.2 The Supplier grants to the Company (and, if applicable, the End Customer), or shall procure the direct grant to the Company (and, if applicable, the End Customer) of, a fully paid-up, worldwide, non-exclusive, royalty-free, transferable, sub-licensable, perpetual and irrevocable licence to use, copy and modify the Deliverables (excluding Company Materials) for the purpose of receiving, modifying and using the Goods and the Deliverables.

20.3 In the event that the Goods are manufactured to a bespoke specification of the Company and/or End Customer, the Supplier shall not disclose or use the specification for any other purposes, including the manufacture of goods for third parties. All Specifications and SOWs shall be treated as confidential information. The Supplier shall not apply any copyright notices or similar to any Goods or Deliverables.

20.4 The Supplier shall maintain for no less than ten (10) years after the end of a Contract full documents, records, data and information relating to the results of any Services carried out in relation to a Contract (including the manufacture of any Goods and any Intellectual Property Rights relating to the same, including reports, drawing, specifications and manufacturing data).

20.5 The terms in this clause 20 are subject always to the terms of clause 111, which shall take precedence when an MOD Contact applies.

20.6 All Company Materials are the exclusive property of the Company and the Supplier shall execute any documents and do anything necessary to vest such rights in the Company without making any charge unless the Company directs otherwise.

21 SPECIALIST CONTRACTOR STANDARDS, CORPORATE AND SOCIAL RESPONSIBILITY POLICIES & SUSTAINABLE PROCUREMENT

21.1 The Supplier shall adhere to Government sustainable procurement guidelines. As a minimum the Supplier acknowledges and agrees that it must: (i) maintain effective policies and procedures to manage its environmental impact; (ii) respect fundamental human rights; (iii) have a positive impact on the communities in which it operates; (iv) maintain and evidence responsible health and safety practices; (v) be committed to a comprehensive policy of equal opportunities; (vi) manage and reduce its carbon footprint by use of renewable resources.

21.2 The Company may require the Supplier to provide the Company with copies of its Mandatory Policies and/or evidence of its compliance with clause 21.1 from time to time. The Supplier shall provide such Mandatory Policies or evidence, as applicable to the Company within two (2) working days of any request.

21.3 For the purposes of these Conditions **Mandatory Policies** means the policies described in the **Specialist Contractor Standards document** (clause 21.4) or if not covered therein, the following : Modern Slavery and Human Trafficking Policy, Corporate and Social Responsibility Policy, Environmental and/or Sustainability Policy, Health and Safety Policy, Data and Privacy Policy, Ethics and Anti-Bribery Policy, Expenses Policy, Management of Counterfeit, Suspect and Fraudulent Information/Goods/Materials (CSFI) Policy, Equality and Diversity Policy or any other appropriate policy relevant to the supply of the Goods and /or Services, or otherwise appropriate for a responsible supplier.

21.4 The Company requires the Supplier to comply with its **Specialist Contractor Standards** document (available on the Company website to view) which is a condition precedent for all Suppliers doing work for the Company and/or carrying out Services on the Site (insofar as they apply to the Suppliers/contractors scope of supply). The Standards detail the Company requirements across a number of important areas and primarily SHE/Site rules and Security. Accordingly, the Standards are incorporated into any/all Orders/Contracts whether expressly stated or otherwise in Scopes of Work/Specifications. Non-adherence to the Standards is a breach under any Order/Contract and may, at the Company's sole decision result in termination of the Order/Contract, termination of other live Orders/Contracts and a review of the Suppliers' "Registered" or "Approved" status with the Company.

22 ANTI-BRIBERY COMPLIANCE

The Supplier shall:

22.1 comply with all Applicable Laws relating to anti-bribery and anti-corruption and shall have and shall maintain in place its own policies and procedures to ensure compliance with the same;

22.2 immediately notify the Company (in writing): (i) of any request or demand for any undue financial or other advantage of any kind received by the Supplier in connection with the performance of the Contract; and (ii) if a foreign public official becomes an officer or employee of the Supplier or acquires a direct or indirect interest in the Supplier (and the Supplier warrants that it has no foreign public officials as direct or indirect owners, officers or employees at the date of the Contract); and

22.3 ensure that all of its employees, sub-agents and sub-contractors who perform services in connection with the Contract do so only on the basis of a written contract which imposes on and secures from such persons terms equivalent to those imposed on the Supplier in this clause 222 (**Relevant Terms**). The Supplier shall be responsible for the observance and performance by such persons of the Relevant Terms and shall be directly liable to the Company

for any breach by such persons of any of the Relevant Terms. The Supplier shall certify to the Company in writing signed by an officer of the Supplier upon demand, compliance with this clause 22 by the Supplier and all persons referred to under this clause 22. The Supplier shall provide such supporting evidence of compliance as the Company may reasonably request.

23 NON-SOLICITATION

During the term of a Contract and for a period of six (6) months thereafter, the Supplier shall not (and shall procure that no contractor shall), without the Company's prior written consent, directly or indirectly solicit, interfere with or endeavour to entice away from the Company or induce or cause a third party to induce any employee, supplier, customer or prospective customer of the Company with whom the Supplier or any of its contractors has had contact in connection with a Contract, to enter into a contract for service or a contract of employment with the Supplier or any member of its group or any contractor.

24 NOTICES

A notice under or in connection with a Contract shall be in writing and shall be delivered personally or sent by recorded or registered delivery post or sent by email to the other party at its last known address or email address. In the absence of evidence of earlier receipt, service of a notice is deemed to have been effected as follows: (i) if delivered personally, when left at the address referred to in this clause 24; (ii) if sent by recorded or registered delivery post, two (2) working days after posting it (excluding the day of posting); or (iii) if sent by email on a working day before 5.00 p.m. at the time of its transmission and otherwise on the next working day.

25 SUPPLIER'S INSOLVENCY/LIQUIDATION/BANKRUPTCY

25.1 If the Supplier becomes insolvent or (being a company) makes an agreement with its creditors or has a receiver or administrative receiver appointed or commences to be wound up or suffers any similar event in any jurisdiction (other than for the purpose of amalgamation or reconstruction as a result of which a validly constituted party assumes all obligations of the Supplier under the Contract) then the Company may without prejudice to any of its other rights terminate the Contract in whole or in part by notice in writing with immediate effect to the Supplier or to any person in whom the Order may have become vested.

25.2 So much of the Goods(inclusive of Deliverables) as shall have been manufactured or produced and all things which have become vested in the Company by virtue of Condition 8 herein at the time the Supplier becomes insolvent, or makes an agreement with its creditors or has a receiver or administrative receiver appointed, or commences to be wound up, shall remain the property of the Company and shall not be held to be part of the assets of the Supplier and shall be released to the Company on demand.

26 GENERAL

26.1 Unless otherwise stated in these Conditions, a Contract (and any documents referred to in it) constitutes the entire understanding between the parties in relation to its subject matter and supersedes all prior representations, communications, negotiations and understandings concerning the subject matter of the Contract. No party has relied on any warranty or representation except as expressly set out in the Contract.

26.2 The Supplier may not assign or transfer or purport to assign or transfer any of its rights or obligations under a Contract without first having obtained the Company's written consent. The Company may assign a Contract or any part of it to any person.

26.3 If any clause of a Contract, (or part of a clause), is found by any court or administrative body of competent jurisdiction to be invalid, unenforceable or illegal, the other clauses shall remain in force.

26.4 If any invalid, unenforceable or illegal clause of a Contract would be valid, enforceable or legal if some part of it were deleted, the clause shall apply with whatever modification is necessary to give effect to the commercial intention of the parties.

26.5 Nothing in a Contract is intended to confer on any person any right to enforce any clause of a Contract which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999.

26.6 The failure by the Company to exercise or delay by the Company in exercising any right, power or remedy provided by a Contract or by law does not constitute a waiver of such right, power or remedy or a waiver of any other rights, powers or remedies. No single or partial exercise of a right, power or remedy provided by a Contract shall prevent any further exercise of the right, power or remedy or the exercise of another right, power or remedy.

26.7 Each right or remedy of the Company under a Contract is without prejudice to any other right or remedy of the Company whether under the Contract or not.

26.8 The Supplier ,supplying Goods/Services to the Company must comply with, and price for all necessary safety /environmental/ legislative requirements as described in , but not limited to, the Company Specialist Contractor Standards Document (refer to clause 21.4) regardless of whether these are specifically stated in any **Specification, Scope of Work or SOW**.

26.9 A Contract is governed by, and shall be construed in accordance with, the laws of England and Wales and the courts of England and Wales shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with a Contract.