

NG Bailey Group Ltd and Subsidiary and Associated Companies - Terms and Conditions of Purchase

1. Definitions

1.1 Throughout these Terms and Conditions of Purchase the following terms have the following meanings:

'Buyer' - means NG Bailey Group Limited or any subsidiary of NG Bailey Group Limited which issues a Contract.

'Conditions' - means these Terms and Conditions of Purchase and any additional terms specifically incorporated into the Contract in writing by the Buyer.

'Contract' - means the Order and the other Contract Documents.

'Contract Documents' - means the documents listed as follows:

- the National Framework Agreement (if applicable);
- the Order (or variation of the Order in accordance with Condition 2.1), including any documents appended to it (but excluding any Supplier terms and conditions);
- these Conditions (or variation of these Conditions in accordance with Condition 2.1);
- the Principal Contract (if applicable);
- any other documents attached to the Order and specifically referred to therein;
- any documents expressly referred to in the Order but not attached;
- any quotation from the Supplier which is specifically referred to in the Order (excluding any Supplier terms and conditions).

'Delivery Date' - means the date or dates for physical delivery of any Goods and/or completion of any Services.

'National Framework Agreement' – means, if applicable, the national framework agreement entered into by NG Bailey Group Limited and the Supplier which governs the supply and purchase of Goods and Services.

'Goods' – means any goods which are or form part of the subject matter of the Contract including without limitation all components and materials, items, articles or things as set out in the Contract.

'Intellectual Property Rights' – means all intellectual property rights (including without limitation, patents, trademarks, designs, design rights, copyright, inventions, trade secrets, knowhow and confidential information) 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.

'Order' - means the written purchase order or written agreement issued by the Buyer which incorporates these Conditions (which, unless agreed otherwise, shall constitute the Buyer's offer).

'Principal Contract' – means, if applicable, the contract between the Buyer and its client under which the Buyer is employed to provide certain works and/or services, of which the Goods and/or Services to be provided by the Supplier shall form all or part which reference includes any documents included or referred to within it.

'Practical Completion' – means the completion of the works under the Principal Contract.

'Supplier' - means the person, firm or company with whom the Contract is placed.

'Services' - means any services to be provided by the Supplier as set out in the Contract.

'Specification' - means the specification or performance requirements of the Goods or Services as set out in the Contract.

1.2 Headings do not affect the interpretation of these Conditions.

2. Contract terms

2.1 Unless set out in the National Framework Agreement or otherwise agreed in writing, the Order constitutes an offer by the Buyer to purchase the Goods and/or Services from the Supplier in accordance with these Conditions. The Order shall be deemed to be accepted on the earlier of: (a) the Supplier issuing written acceptance of the Order, or (b) any act by the Supplier

consistent with fulfilling the Order, at which point and on which date the Contract shall come into existence. Any acceptance of the Contract by the Supplier shall be subject to these Conditions. Any amendments to or variation of the Contract shall only have effect if contained within a variation order issued by the Buyer. Any amendments to or variation of these Conditions shall only have effect if contained within any National Framework Agreement or an Order.

- 2.2 The Contract constitutes the entire agreement between the Buyer and the Supplier with regard to the Goods and/or Services to the exclusion of all other terms and conditions which the Supplier may seek to apply under any quotation, acknowledgement, acceptance of order or otherwise and supersedes all prior negotiations, representations, misrepresentations or agreements whether written or oral unless and to the extent that they are expressly accepted in writing by the Buyer in the Contract Documents. Without limitation, any restriction sought to be imposed by the Supplier as to the time within which any complaints or claims may be lodged shall not apply.
- 2.3 If any term or condition of the Contract is held to be unenforceable, invalid or illegal by any Court or tribunal it shall be deemed severable and shall not affect any other term or condition of the Contract which shall otherwise remain in full force and effect between the parties.
- 2.4 Any conflicts, discrepancies or ambiguities within or between the Contract Documents will be resolved by an instruction from the Buyer. If the Supplier discovers any such conflict, discrepancy or ambiguity, he shall forthwith inform the Buyer of the same. The Buyer shall give its instructions thereon in a reasonable time. The Supplier shall have no entitlement to any extension of time, variation or other remuneration in respect of any conflict or ambiguity within or between the Contract Documents and the Supplier shall be deemed to have priced the interpretation of any conflict, discrepancy or ambiguity most favourable to the Buyer.

3. Notices and communications

- 3.1 Unless otherwise stated in the Contract Documents (and in addition to any requirements regarding the service of documents as a matter of law), any notice or communication required by the Contract to be given by either party to the other shall be in writing addressed to the Supplier at its registered address or principal place of business and to the Buyer at the Buyer's office from which the Contract was issued, marked for the attention of the Procurement Manager. Such notice or communication shall be given by hand, first class post or recorded delivery. Notice given by hand shall be effective immediately. Notice by recorded or postal delivery shall be effective two working days after the date of posting. In addition, the Buyer may give any such notice or communication by e-mail, in which case the said notice or communication shall be effective upon transmission. If the Supplier is not based in England and Wales, it hereby agrees to accept service of any document or proceedings arising out of or in relation to this Contract at its place of business (if any) in England and Wales.

4. Goods

- 4.1 The Supplier warrants and represents that the Goods shall conform as to quantity, quality and description with the Specification.
- 4.2 Without prejudice to the generality of Condition 4.1, it is a condition of the Contract that:-
 - 4.2.1 the Goods shall be new and of best quality and free from defects in design, material and workmanship;
 - 4.2.2 the Goods shall comply with all applicable laws and with the applicable British Standards, if any, and/or relevant trade standards/regulations, including any appropriate foreign or international trade standards/regulations/laws;
 - 4.2.3 where the Buyer makes known to the Supplier the purpose for which the Goods are to be used, either expressly or by implication, the Goods shall be fit for that purpose; and
 - 4.2.4 the sale or use of the Goods shall not infringe any Intellectual Property Rights and the Supplier hereby indemnifies the Buyer against all actions, costs, claims, demands and expenses arising out of or resulting from any actual or alleged infringement and undertakes at

- the Supplier's own expense, and as required by the Buyer, to defend or assist in the defence of any action which may be brought in respect of such infringement.
- 4.3 The Supplier shall not substitute or provide alternative Goods or change the quantities to be supplied to the Buyer without the Buyer's prior written consent in the form of a revised Order issued pursuant to Condition 2.1 above.
- 4.4 The Buyer (and/or its nominated representative) may inspect or arrange for the inspection of all or any of the Goods in the course of production at the Supplier's premises, or the premises where the Goods are being produced, at any reasonable time and may require the making good, amendment or alteration of anything which is defective or does not comply with the Contract and to reject any Goods or Services of which it reasonably disapproves. The Supplier shall immediately make good, amend or alter as so required and any Goods or Services shall be replaced and/or re-executed by the Supplier to the Buyer's full satisfaction. No such inspection shall operate in any way to relieve the Supplier of any liability under the Contract.
- 4.5 Unless otherwise agreed in writing:
- 4.5.1 All Goods shall be securely packed free of charge and in such a manner to reach the Buyer in good condition.
- 4.5.2 The Goods shall be fully and accurately described in all tickets, labels, invoices, packing and delivery notes, quoting the Buyer's Order number.
- 4.5.3 The Supplier shall submit with the Goods full instructions for use and clear warnings with respect to anything which may reasonably be done or omitted to be done in relation to the Goods and which could render them unsafe.
- 4.5.4 The Buyer shall not accept any charge in respect of packing materials and shall not be responsible for returning or for the cost of returning any such materials.
- 4.6 The Supplier shall ensure, warrant and guarantee that any timber products supplied to the Buyer are from a Forest Stewardship Council (FSC) or equivalent approved source and carry the FSC or equivalent trademark. The Supplier will be required to provide documented evidence (including chain of custody as appropriate) as proof upon request from the Buyer.
- 4.7 Without prejudice to any other rights or remedies which the Buyer may possess, if any defect in design, specification, materials, workmanship, operating characteristics or otherwise develops in the Goods during the first 24 months from the later of (1) the Delivery Date, or (2) the Goods being put into service by the Buyer, or (3) Practical Completion, the Supplier shall, without limitation to the Buyer's other legal rights and remedies, carry out, at the site where the Goods are located, all necessary alterations or repairs to the defective Goods free of charge. If the defect in the Goods cannot be corrected the Supplier shall promptly, at the site where the Goods are located, remove and replace free of charge the Goods or at the Buyer's option remove the Goods and refund the full price paid. The Supplier shall guarantee for a period of a further 24 months any replacement, altered or repaired part or parts of the Goods. If the Supplier refuses or fails to alter, repair or replace defective Goods when requested, the Buyer may make other arrangements for such alteration, repair or replacement and recover any costs so incurred from the Supplier as a debt.
- 4.8 If the Goods do not comply with all the provisions of the Contract, the Buyer may, without prejudice to its other rights and remedies, require the Supplier to collect the Goods at the Supplier's cost from wherever the Goods are situated, and the Buyer shall not be liable to pay the Supplier for the Goods and shall be entitled to recover all costs and expenses incurred in connection with the exercise of its rights hereunder.
- 4.9 Any Specification, plans, designs or other similar document or data supplied by the Buyer to the Supplier or specifically produced by the Supplier for the Buyer, together with the Intellectual Property Rights therein, shall be the exclusive property of the Buyer. The Supplier shall not disclose to any third party or use any Specification, plan, design or other similar document or data except, or as required, for the purpose of the Contract.
- 4.10 By providing any design or other similar document or data the Supplier gives to the Buyer an irrevocable, worldwide, royalty free licence to copy and/or use any drawings, computer disks, software and information (and/or any future modification thereto) contained therein and the

Buyer shall be entitled to assign or sub-licence this design or similar document or data to third parties.

- 4.11 In the case of any Goods which have been designed and manufactured by the Supplier in accordance with drawings and/or specifications or patterns supplied by the Buyer, the Supplier agrees not to sell goods created from the same designs to any person, firm or company except against an Order of the Buyer or with the permission of the Buyer in writing. The Supplier further undertakes not to manufacture quantities in excess of the Order for the purpose of sale or otherwise. Such drawings and/or specifications or patterns shall remain the property of the Buyer and shall be returned by the Supplier to the Buyer on demand and the Supplier shall not keep any copies.
- 4.12 It shall be the Supplier's responsibility to notify the Buyer if the Goods, or part thereof, are scheduled to become obsolete within 24 months of the Delivery Date.
- 4.13 Regardless of any anticipated obsolescence of any Goods, the Supplier warrants to provide, at a fair price to be agreed between the Supplier and the Buyer, spare parts for a period of 10 years or such length of period as may be prescribed by any proper government or other authority after the Delivery Date.
- 4.14 The rights set out in this Condition 4 are in addition to all other rights which the Buyer may have, whether at common law, statute or otherwise.

5. Delivery and performance

- 5.1 The Supplier shall deliver the Goods, carriage paid, to or perform the Services at the address stated in the Contract or any other address notified by the Buyer to the Supplier in writing.
- 5.2 Delivery of Goods is deemed to include off loading and placement by the Supplier to the reasonable instructions of the Buyer.
- 5.3 All Goods shall be accompanied by a delivery note, confirming the items being delivered, clearly identifying that they are being supplied by the Supplier, and stating the Buyer's Order number. Where Goods are left at the delivery address without obtaining the signature of an authorised representative of the Buyer on the delivery note, then delivery shall be deemed not to have taken place until accepted and confirmed by the Buyer. Signature of any documentation on delivery shall have no contractual effect, other than confirming the date of delivery.
- 5.4 Deliveries shall be always of the total quantity ordered unless phased deliveries have been specified by the Buyer. Any Goods delivered in excess of or less than the amount stated in the Contract may be accepted or rejected at the Buyer's option.
- 5.5 The Buyer shall be entitled, in accordance with the procedure in Condition 2.1, to amend the Delivery Date to a later date or to change the address for delivery of the Goods or performance of the Services or the date the Services are to commence, without any liability for any costs whatsoever that may be incurred by the Supplier as a result of any such amendment.
- 5.6 Unless otherwise agreed in writing, the Supplier shall not be entitled to deliver Goods or provide Services in instalments. If delivery of Goods or provision of Services is by instalments, each delivery shall not constitute a separate contract. The failure by the Supplier to deliver or provide any one instalment shall entitle the Buyer to treat the entire Contract as wholly repudiated by the Supplier.
- 5.7 Time is of the essence for the delivery of the Goods and performance of the Services. No defaults, breaches, acts or omissions of the Buyer shall entitle the Supplier to any extension of time for performance of any obligation under the Contract unless it is the Buyer's defaults, breaches, acts or omissions which have been the material cause of the Supplier being unable to meet the Delivery Date. Any extension of time shall only be with the express written agreement of the Buyer (not to be unreasonably withheld), and any such agreement shall not waive any of the Buyer's rights under the Contract. Any amendments to the Delivery Date shall be made solely in accordance with the procedure in Condition 2.1. Time will remain of the essence for any changed Delivery Date.

- 5.8 The Supplier shall notify the Buyer as soon as it becomes apparent that the delivery of the Goods or performance of the Services may be delayed and that the Goods or Services may not be delivered or performed by the Delivery Date. If the Supplier does not deliver the Goods or perform the Services in accordance with the requirements of the Contract, or indicates by its actions, inactions or otherwise that it will be unable to deliver the Goods or perform the Services by the Delivery Date, the Buyer may, in its absolute discretion and without prejudice to its other rights and remedies:
- 5.8.1 require the Supplier to deliver the Goods or perform the Services as soon as practicable; or
 - 5.8.2 obtain alternative goods or services from other sources, in which case the quantity of Goods or Services to be provided by the Supplier under the Contract shall be reduced accordingly; or
 - 5.8.3 elect to terminate the Contract forthwith by serving notice on the Supplier and claim damages for breach of contract.
- 5.9 In the event of the Buyer exercising its rights under Conditions 5.8.2 or 5.8.3, the Buyer shall be relieved from any obligation to pay for Goods or Services ordered but not provided. Any additional costs or expenses incurred by the Buyer in exercising its rights under Condition 5.8, including any difference in price between the Goods or Services which should have been provided under the Contract and alternative goods or services, shall be recoverable from the Supplier as a debt. The Supplier's obligations under the Contract in connection with Goods and Services supplied previously and Goods and Services which remain to be supplied shall remain in full force and effect. The Supplier shall have no entitlement to recover any costs, expenses or losses it incurs as a result of the Buyer exercising its rights under Condition 5.8, including (without limitation) any loss of profit or additional costs incurred.
- 5.10 The Buyer reserves the right to refuse delivery of the whole or any part of the Goods if they are supplied before the Delivery Date and any charges relating thereto shall be the responsibility of the Supplier.
- 5.11 The Supplier shall be deemed to have full knowledge of the Principal Contract and the provisions of any contract between the Buyer and any other party in relation to the procurement of works to be provided by the Buyer, the same having been made available for inspection at its offices by appointment. The terms of any such contract shall be deemed to be incorporated into the Contract and the Supplier hereby acknowledges and agrees that any breach by the Supplier of the Contract may result in the Buyer being in breach of or becoming liable for damages under such contracts. The Supplier shall indemnify the Buyer against any liability, loss, loss or diminution of entitlement, costs, damages or expenses which it may incur in consequence of any defect in the Goods or Services or by reason of any act or omission of the Supplier, his servants or agents and in the performance of the Contract or the Principal Contract.

6. Surplus goods

- 6.1 Any Goods that the Supplier supplies to the Buyer in accordance with a Contract which are not required by the Buyer ("Surplus Goods") shall be dealt with in accordance with this Condition 6.
- 6.2 Any Surplus Goods which the Buyer deems to be re-saleable shall be collected by the Supplier from the Buyer within any timeframe stipulated by the Buyer in writing. A credit note shall promptly be issued to the Buyer for the same value as the price paid by the Buyer for the Surplus Goods.
- 6.3 The Supplier shall obtain from the Buyer confirmation of the Order number against which it will issue a credit note and the Supplier shall record that Order number on any such credit note.
- 6.4 The Buyer and the Supplier shall sign an NG Bailey goods return note to confirm the Surplus Goods being returned to the Supplier and credited to the Buyer.
- 6.5 The Supplier shall never issue cash or other non-credit note refunds for Surplus Goods.
- 6.6 Should the Supplier fail to collect the Surplus Goods within any timeframe stipulated by the Buyer in writing, the Buyer shall be entitled to dispose of the Surplus Goods as it deems

appropriate. For the avoidance of doubt, any action taken by the Buyer in accordance with this Condition 6.6 shall not affect the Buyer's other rights as set out in this Condition 6.

7. Risk and title

- 7.1 Title to the Goods shall pass to the Buyer when the Goods are delivered to the Buyer in accordance with the Contract, or when payment is made for the Goods (whichever is the earlier).
- 7.2 The Supplier shall have no right to claim or retake possession of Goods once delivered to, or after any payment has been made for the Goods by, the Buyer (whichever is the earlier).
- 7.3 Risk of damage to or loss of the Goods shall pass to the Buyer only when the Goods are delivered to the Buyer in accordance with the Contract.

8. Services

- 8.1 The Supplier shall provide the Services in accordance with the Contract and all reasonable directions of the Buyer and shall allocate sufficient resources to enable it to comply with this obligation.
- 8.2 The Supplier warrants to the Buyer: that the Supplier will perform the Services with all reasonable diligence, prudence, care and skill and in accordance with generally recognised best practices, guidance, and standards in the industry for similar services; that the Services will conform with all descriptions and specifications provided to the Buyer by the Supplier, including the Specification (if any); and that the Services will be provided in accordance with all applicable legislation from time to time in force and the Supplier will inform the Buyer as soon as it becomes aware of any changes in that legislation.
- 8.3 Without prejudice to any other rights or remedies which the Buyer may possess, if any defect in the Services develops or is discovered during the first 24 months from either the date of performance or the date of Practical Completion, whichever is the later, the Supplier shall, without limitation to the Buyer's other legal rights and remedies, carry out all necessary alterations or repairs free of charge. If the defective Services cannot be corrected the Supplier shall promptly refund the full price paid. The Supplier shall guarantee for a period of a further 24 months any repair work carried out. If the Supplier refuses or fails to comply with this Condition 8.3 when requested, the Buyer may make other arrangements for the alteration or repair of the Services or purchase alternative services and recover any costs so incurred from the Supplier as a debt.
- 8.4 The Supplier assigns to the Buyer, with full title guarantee and free from all third party rights, the Intellectual Property Rights and all other rights which are the product of the Services. The Supplier shall, promptly at the Buyer's request, do or procure to be done all such further acts and things and the execution of all such other documents as the Buyer may from time to time require for the purpose of securing for the Buyer the full benefit of the Contract, including all right, title and interest in and to the Intellectual Property Rights and all other rights assigned to the Buyer in accordance with this Condition 8.4.
- 8.5 The Supplier shall obtain waivers of all moral rights in the products of the Services to which any individual is now or may be at any future time entitled under Chapter IV of Part I of the Copyright Designs and Patents Act 1988 or any similar provisions of law in any jurisdiction.
- 8.6 The Supplier shall accept and comply with all site and contractor environmental, physical and other conditions and requirements and accept all such conditions and requirements at its own risk at no additional cost. The Supplier shall, as a part of such obligations, accept the responsibility for the safe storage and disposal of waste (generated by the Supplier) and in so doing comply with all relevant legislation and regulations.

9. Price

The price specified in the Contract shall be a fixed price calculated, where applicable, in accordance with the provisions of the National Framework Agreement. The price shall include, where applicable, all charges for packaging, loading, transport, insurance, delivery,

offloading and placement of Goods or provision of the Services to the delivery address and any duties or taxes other than value added tax.

10. Payment

- 10.1 The Supplier shall submit invoices, clearly showing the Order number, to the Buyer to its address at PO Box 9, Ilkley, West Yorkshire LS29 9YG. The Supplier shall also submit to the Buyer, at the address above, within the first 10 days of each month a statement identifying all the preceding month's invoices. Regardless of the manner of delivery, the Supplier shall only submit an invoice for the total quantity of Goods or Services specified in the Contract unless interim or part invoicing has been specifically agreed in the Contract.
- 10.2 The Buyer shall, subject to its rights under these Conditions, pay the Supplier the amount due calculated in accordance with the Contract no later than the date 2 months after the end of the month in which delivery of the Goods to the Buyer or performance of the Services takes place, or the date 2 months after the end of the month in which a correct and valid invoice from the Supplier is received by the Buyer, whichever date is the later.
- 10.3 The Buyer shall be entitled:
- 10.3.1 to set off at any time against any monies due from the Buyer to the Supplier under the Contract any sums owed to the Buyer by the Supplier, whether under the Contract, any other contract or otherwise;
- 10.3.2 in the event of any third party upon whom payment to the Buyer is conditional (whether directly or indirectly) becoming insolvent, to withhold payment of any amount which is due or may become due under the Contract to the Supplier (including for the avoidance of doubt pursuant to Condition 11.1) until such time as the Buyer has received payment in its bank account in respect thereof and then only to the extent of such receipt.
- 10.4 The Supplier undertakes that neither it nor any business or person to whom it assigns the benefit of the Contract shall initiate a winding up petition or other similar action against the Buyer and further undertakes that in the event that the Supplier or any business or person to whom it assigns the benefit of the Contract does initiate a winding up petition or other similar action against the Buyer, the Supplier shall indemnify the Buyer in respect of any costs, expenses (including all legal fees), and/or other liabilities that the Buyer may incur in responding to such petition or action.
- 10.5 The currency of the Contract for payment purposes shall be pounds sterling unless otherwise agreed between the parties.

11. Cancellation and termination

- 11.1 The Buyer reserves the right to cancel the Order by giving written notice to the Supplier. The Buyer recognises that cancellation may cause loss and expense to the Supplier and, therefore, provided that the Supplier can establish to the reasonable satisfaction of Buyer that it has suffered such loss and expense, the Buyer shall reimburse the Supplier, subject to such reimbursement not exceeding 25% of the value of the Order cancelled. Such reimbursement shall constitute the Buyer's sole liability upon cancellation.
- 11.2 The Buyer shall be entitled to terminate the Contract immediately without liability to the Supplier by giving notice to the Supplier at any time if:
- 11.2.1 the Supplier commits a material breach of the Contract (which shall include without limitation a breach of Conditions 12, 18 or 19, or failing to comply with the Buyer's instructions and failing to maintain progress of Services as required by the Buyer); or
- 11.2.2 the Supplier suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or (being a company) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986; or
- 11.2.3 the Supplier commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with its creditors other than (being a company) for the sole purpose of a scheme for a solvent amalgamation of the Supplier with one or more other companies or the solvent reconstruction of the Supplier; or

- 11.2.4 a petition is filed, a notice is given, or an order is made, for or in connection with the winding up of the Supplier (being a company) other than for the sole purpose of a scheme for a solvent amalgamation of the Supplier with one or more other companies or the solvent reconstruction of the Supplier; or
 - 11.2.5 an application is made to court, or an order is made, for the appointment of an administrator, or a notice of intention to appoint an administrator is given, or an administrator is appointed, over the Supplier (being a company); or
 - 11.2.6 the holder of a qualifying floating charge over the assets of the Supplier (being a company) has become entitled to appoint or has appointed an administrative receiver; or
 - 11.2.7 a person becomes entitled to appoint a receiver over the assets of the Supplier or a receiver is appointed over the assets of the Supplier; or
 - 11.2.8 a creditor or encumbrancer of the other party attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of the Supplier's assets and such attachment or process is not discharged within 14 days; or
 - 11.2.9 the Supplier suspends or ceases, or threatens to suspend or cease, to carry on all or a substantial part of its business; or
 - 11.2.10 the Buyer reasonably believes that any of the events mentioned above are about to occur in relation to the Supplier; or
 - 11.2.11 the Supplier is in material breach (including but not limited to refusing to make delivery) of any other contract between the Buyer and Seller, including but not limited to any applicable National Framework Agreement; or
 - 11.2.12 the Supplier commits any offence under the Bribery Act 2010 or any other act of fraud or corruption (which includes without limitation any anti-competitive conduct) or does not comply with The NG Bailey Code of Integrity whether under or in connection with the Contract or otherwise; or
 - 11.2.13 the Supplier fails to conduct its activities or to ensure that its upstream supply chain and procurement activity is conducted in a socially responsible manner in accordance with the UN Guiding Principles for Business and Human Rights; or
 - 11.2.14 the Buyer terminates the National Framework Agreement for a reason which allows the Buyer to terminate the Contract.
- 11.3 Termination of the Contract, however arising, shall not affect the rights of the Buyer accrued up to the date of termination.

12. Compliance

- 12.1 The Supplier shall comply with all applicable laws, statutes, regulations, codes and policies relating to anti-bribery and anti-corruption, including but not limited to the Bribery Act 2010 and any NG Bailey policies which may be notified to the Supplier from time to time, including the NG Bailey Code of Integrity for Business Partners. The Supplier shall have, maintain and enforce its own policies and procedures to ensure compliance with the Bribery Act 2010 and any other applicable laws, statutes, regulations, codes and policies relating to anti-bribery and anti-corruption.
- 12.2 The Supplier shall comply with all applicable laws, statutes, regulations, codes and policies relating to anti-slavery and human trafficking, including but not limited to the Modern Slavery Act 2015, and any NG Bailey policies which may be notified to the Supplier from time to time. The Supplier shall have, maintain and enforce its own policies and procedures to ensure compliance with the Modern Slavery Act 2015 and to ensure that modern slavery (as it is defined in the Modern Slavery Act 2015) does not take place in any part of the Supplier's business or its supply chain.
- 12.3 Where access to the Buyer's premises (or other location where the Buyer's operations are taking place) is necessary in connection with the delivery of the Goods or Services, the Supplier shall observe and comply with, and shall ensure that its employees, agents and sub-contractors at all times observe and comply with, any Act of Parliament, any instrument, rule

or order made under any Act of Parliament, any regulation or bye law of a local authority, or any codes of practice, notices or instructions in place in relation to health and safety or construction sites generally, and any site rules in force from time to time.

13. Liability and insurance

- 13.1 The Supplier shall indemnify the Buyer in full against all direct and indirect liabilities, losses (including loss of profit), damages, costs, expenses (including legal expenses) and proceedings awarded or brought against or incurred or paid by the Buyer as a result of or in connection with:
- 13.1.1 a breach by the Supplier of any term or condition of the Contract or of any warranty given by the Supplier in relation to the Goods or Services; or
 - 13.1.2 any act or omission of the Supplier or its employees, agents or sub-contractors in supplying, delivering, installing, testing, commissioning or setting-to-work of the Goods; or
 - 13.1.3 any alleged or actual infringement, whether or not under English law, of any third party's Intellectual Property Rights or other rights arising out of the use or supply of the Goods or the Services; or
 - 13.1.4 any claim made against the Buyer in respect of any liability, loss, damage, injury, cost or expense sustained by the Buyer's employees or agents or by any customer or third party to the extent that such liability, loss, damage, injury, cost or expense was caused by, relates to or arises from the provision of the Services or the Goods as a consequence of a direct or indirect breach or negligent performance or failure or delay in performance of the Contract by the Supplier.
- 13.2 The Supplier shall have in place product liability, public liability and professional indemnity insurance in respect of potential liabilities to the Buyer and to third parties arising out of the Contract or otherwise for an amount sufficient to cover its potential liabilities. The Supplier shall at the request of the Buyer produce evidence to the satisfaction of the Buyer that such insurances are in place.
- 13.3 For the avoidance of doubt, the provisions of this Condition 13 shall survive termination of the Contract, however arising.

14. Performance security

- 14.1 The Supplier shall forthwith upon the request of the Buyer:
- 14.1.1 procure that the Supplier's holding company (as defined by section 1159 of the Companies Act 2006) shall guarantee to the Buyer the due performance by the Supplier of its obligations under the Contract and indemnify the Buyer against all losses, claims and liabilities arising from a breach thereof, such guarantee and indemnity to be given as a deed in a form satisfactory to the Buyer; and
 - 14.1.2 provide collateral warranties in favour of any third parties acquiring an interest in the Goods and/or Services. The terms of such collateral warranties shall be as set out or referred to in the Contract Documents.

15. Non waiver of rights

No relaxation, forbearance, delay or indulgence by the Buyer in enforcing any of these Conditions, or the granting of time by the Buyer to the Supplier shall prejudice, affect or restrict the rights of the Buyer under the Contract, nor shall any waiver by the Buyer of any breach by the Supplier operate as any waiver of any subsequent or continuing breach thereof.

16. No partnership or agency

Nothing in the Contract is intended to, or shall operate to, create a partnership between the parties, or to authorise either party to act as agent for the other, and neither party shall have authority to act in the name or on behalf of or otherwise to bind the other in any way (including

the making of any representation or warranty, the assumption of any obligation or liability and the exercise of any right or power).

17. Third party rights

- 17.1 The parties do not intend that any term of the Contract shall be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999, except that:
- 17.1.1 any third parties acquiring an interest in the Goods and/or Services shall be entitled to enforce the Supplier's obligations set out in Condition 14.1.2; and
- 17.1.2 any company who is, from time to time, a subsidiary or holding company of the Buyer, or is a subsidiary of the Buyer's holding company (as those terms are defined in section 1159 of the Companies Act 2006) shall be entitled to enforce any of the rights conferred on the Buyer in the Contract as if they were a party to the Contract.

18. Assignment

- 18.1 The Supplier shall not, without the prior written consent of the Buyer, assign, transfer, charge, sub-contract or deal in any other manner with all or any of its rights or obligations under the Contract, including for the avoidance of doubt, factoring of any amount due. The Buyer may at any time assign, transfer, charge, sub-contract or deal in any other manner with all or any of its rights or obligations under the Contract.
- 18.2 If the Supplier's employment under the Contract is determined for any reason, or the Supplier is in any other respect in breach of its obligations under the Contract, the Supplier shall if requested to do so forthwith and at no cost assign to the Buyer the benefit of any or all agreements for the supply of Goods and/or the provision of any Services for the purposes of the Contract and the Buyer may pay any supplier or sub-contractor of the Supplier under such agreements for any Goods delivered or Services provided for the purposes of the Contract after such assignment. Payments made under this Condition 18.2 may be deducted from any sum due or to become due to the Supplier or shall be recoverable by the Buyer as a debt.

19. Confidentiality

The Supplier agrees to keep and shall ensure that its personnel, servants, agents and employees keep all or any information in connection with the Contract and Principal Contract secret and confidential.

20. Governing law, jurisdiction and limitation

The Contract and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be read and interpreted according to English Law and the parties submit to the exclusive jurisdiction of the English courts. Without prejudice to any claims permissible by statute, without limitation, in relation to latent defects, fraud or concealment, the Supplier's liability hereunder shall be limited to 12 years from Practical Completion, except in relation to any claims intimated prior to such time.

Supplementary conditions in relation to construction operations

If the Contract includes construction operations as defined in the Housing Grants, Construction and Regeneration Act 1996, as amended, (the "HGCRA") the following conditions shall apply to only to that part of the Contract defined as construction operations in the HGCRA and shall be substituted for Conditions 9.2 and 9.3 above.

- A1 The due date for payment of invoices shall be the date 15 days after the date they are received by the Buyer (the "Due Date For Payment"). The Buyer shall, not later than 5 days after the Due Date For Payment, issue a notice to the Supplier specifying the sum the Buyer considers to be or have been due at the due date for payment and the basis on which that sum is calculated.

- A2 The Buyer shall, subject to its rights under these Conditions, pay the Supplier the sum set out in the notice no later than the date 2 months after the end of the month in which delivery of the Goods to the Buyer or performance of the Services takes place, or the date 2 months after the end of the month in which a correct and valid invoice from the Supplier is received by the Buyer, whichever date is the later (“the Final Date For Payment”).
- A3 The Buyer shall be entitled to set off any sums owed to the Buyer by the Supplier against any monies due from the Buyer to the Supplier under the Contract or any other contract provided that the Buyer has issued to the Supplier a notice no later than one day prior to the Final Date for Payment specifying the sum the Buyer considers to be due at the date of the notice and the basis on which that sum is calculated (a “Pay Less Notice”).
- A4 In the event of any third party upon whom payment to the Buyer is conditional (whether directly or indirectly) becoming insolvent as defined in Sections 113(2) to 113(5) of the HGCRA the Buyer shall be entitled to withhold payment of any sum which is due or may become due under the Contract to the Supplier (including for the avoidance of doubt pursuant to Condition 10.1) until such time as the Buyer has received payment in its bank account in respect thereof and then only to the extent of such receipt.
- A5 If the Supplier becomes insolvent as defined in Sections 113(2) to 113(5) of the HGCRA, no further sum shall become due to or payable to the Supplier under the Contract. The Buyer need not pay any sum that has already become due to the Supplier where the Buyer has given or gives a Pay Less Notice, or where the Supplier becomes insolvent after the last date on which a Pay Less Notice could be given by the Buyer in respect of that sum.
- A6 Any adjudication shall be conducted under the statutory Scheme for Construction Contracts 1998 (as amended from time to time), and the adjudicator shall be nominated by the Royal Institution of Chartered Surveyors. The adjudicator shall be required to give reasons for his decision. If the adjudicator requires expert or legal advice, the costs of the same shall be approved by the parties in advance.