

STANDARD CONDITIONS

1 Interpretation

1.1 Definitions:

Affected Party: as defined in clause 19.1.

Affiliate: any entity that directly or indirectly Controls, is Controlled by, or is under common Control with, another entity.

Business Day: a day other than a Saturday, Sunday, or public holiday in England.

Code of Conduct: the rules of conduct as set out on the Customer's website.

Confidential Information: all information (however recorded or preserved) disclosed by a party or its employees, officers, or advisers (or a party's Affiliate or its employees, officers, or advisers) to the other party in connection with the Contract which is identified by the disclosing party as being confidential or would be regarded as confidential by a reasonable business person, relating to:

- (a) the business, assets, affairs, customers, suppliers, partners or plans of the disclosing party or of any Affiliate of the disclosing party; and
- (b) the operations, processes, product information, know-how, designs, trade secrets, capabilities or Intellectual Property Rights of the disclosing party or of any Affiliate of the disclosing party.

Contract: the agreement between the Supplier and the Customer for the supply of Goods and/or Services incorporating the Standard Conditions and the Order.

Control: the beneficial ownership of more than 50% of the issued share capital of a company or the legal power to direct or cause the direction of the general management of the company, and **Controls, Controlled** and the expression **change of Control** shall be construed accordingly.

Controller: has the meaning given in the Data Protection Legislation.

Customer: means Pennon Group Plc (company number 02366640).

Customer Materials: all materials, equipment, tools, drawings, specifications and data supplied by the Customer to the Supplier.

Data Protection Legislation: any data protection and privacy legislation in force from time to time in the UK (including the Data Protection Act 2018 and the General Data Protection Regulation 2016/679) and any other European Union regulation relating to data protection and/or privacy directly applicable in the UK.

Data Subject: an individual who is the subject of Personal Data.

Deliverables: all documents, products and materials developed by the Supplier or its agents, sub-contractors and personnel as part of or in relation to the Services in any form, including without limitation computer programs, data, reports and specifications (including drafts).

Delivered Duty Paid: as defined in the Incoterms 2020.

Delivery Date: the date specified for delivery of the Goods, as set out in the Order.

Delivery Location: the address for delivery of the Goods, as set out in the Order, or such other location as instructed by the Customer before delivery.

Dispute: as defined in clause 23.1.

Dispute Notice: as defined in clause 23.1(a).

Due Date: as defined in clause 11.7.

Existing Agreement: means any existing signed written formal agreement made between the Supplier and the Customer and/or any of the Customer's Affiliates in relation to the supply of the Goods and/or Services.

Force Majeure Event: any circumstance not within a party's reasonable control including, without limitation:

- (a) acts of God, flood, drought, earthquake, or other natural disaster;
- (b) epidemic or pandemic;
- (c) terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations;
- (d) nuclear, chemical, or biological contamination or sonic boom;
- (e) any law or any action taken by a government or public authority, including without limitation imposing an export or import restriction, quota or prohibition;
- (f) collapse of buildings, fire, explosion or accident;
- (g) interruption or failure of utility service; and/or
- (h) (other than by the Supplier's workforce or the workforce of the Supplier's Affiliates where the Supplier is the Affected Party) any labour or trade dispute, strikes, industrial action or lockouts.

Goods: the goods (or any part of them), as set out in the Order.

Goods Price: the price for the Goods, as set out in the Order.

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

Incoterms 2020: the International Chamber of Commerce rules for the use of domestic and international trade terms which came into force on 1 January 2020.

Intellectual Property Rights: all patents, rights to inventions, utility models, copyright and related rights, trademarks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database rights, topography rights and any other intellectual property rights, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection in any part of the world.

Laws: all legislation, statutes, statutory instruments, orders, resolutions, regulations, notices, judgments, determinations, rules of court, bye laws, directives, codes of conduct or other instrument in each case as issued by UK Parliament, the legislative making institutions of the European Union (to the extent that such laws apply in England and Wales), any court, tribunal or other person or body exercising judicial functions or Commission of Inquiry, local authority, relevant authority or any other body or person having such powers and any exercise of the Royal Prerogative and having the force of law from time to time in England and Wales, and any other laws or regulations, regulatory policies or codes which apply to the provision of the Goods or Services or to the Supplier.

Mandatory Policies: the Customer's mandatory policies and codes for contracts set out on the Customer's website (including the Code of Conduct) as amended from time to time.

Mandatory Requirements: all applicable Laws relating to anti-bribery, anti-corruption, anti-facilitation of tax evasion, anti-slavery and human trafficking including the Bribery Act 2010, the Criminal Finances Act 2017 and the Modern Slavery Act 2015.

New Supplier: as defined in clause 18.2.

Personal Data: has the meaning given in the Data Protection Legislation and relates only to personal data, or any part of such personal data, of which the Customer is the Controller and the Supplier is the Processor and in relation to which the Processor is providing Processing as part of the Services under the Contract.

Processing: has the meaning given in the Data Protection Legislation and **Processed** or **Process** shall be construed accordingly.

Processor: has the meaning given in the Data Protection Legislation.

Order: the Customer's purchase order for the Goods and/or Services submitted to the Supplier.

Order Number: the order number quoted on the Order.

Senior Officer: any senior manager or director of either the Customer or the Supplier.

Service Charges: the charges payable by the Customer for the supply of the Services by the Supplier, as set out in the Order.

Services: the services, including without limitation any Deliverables, to be provided by the Supplier under the Contract, as set out in the Service Specification.

Service Specification: the description or specification for Services agreed in writing by the Customer and the Supplier.

Services Start Date: the date on which the Supplier is to start provision of the Services, as set out in the Order.

Site: means the location at which the Services will be performed, as set out in the Order.

Special Conditions: any additional terms and conditions specified in the Order by the Customer.

Standard Conditions: these terms and conditions.

Supplier: the person from whom the Customer purchases the Goods and/or Services and whose details are set out in the Order.

Supplier IPRs: all Intellectual Property Rights either arising, obtained or developed by the Supplier independently of the Order, whether before or after the applicable Services Start Date and/or the Delivery Date.

Transferring Employees: as defined in clause 18.2.

TUPE: the Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended or replaced from time to time.

1.2 Interpretation:

- (a) a reference to a statute or statutory provision is a reference to such statute or provision as amended or re-enacted. A reference to a statute or statutory provision includes any subordinate legislation made under that statute or statutory provision as amended or re-enacted;
- (b) a reference to a 'party' means either the Supplier or the Customer and includes that party's personal representatives, successors and permitted assigns;
- (c) a reference to a 'person' includes a natural person, corporate or unincorporated body (in each case whether or not having separate legal personality) and that person's personal representatives, successors and permitted assigns;
- (d) a reference to a 'company' shall include any company, corporation or other body corporate, wherever and however incorporated or established;
- (e) unless the context otherwise requires, references to clauses are to the clauses of these Standard Conditions and any clause or other headings in these Standard Conditions are included for convenience only and shall have no effect on the interpretation of these Standard Conditions.
- (f) any phrase introduced by the terms including, include, in particular, or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and
- (g) a reference to writing or written includes email.

2 Basis of Purchase

- 2.1 The Order shall be an offer to purchase the Goods and/or Services from the Supplier in accordance with the Standard Conditions.
- 2.2 These Standard Conditions shall apply to any Order except that in the event of any conflict between the Standard Conditions and the Special Conditions the Special Conditions shall prevail.
- 2.3 Where any Existing Agreement applies to the Goods and/or Services, the terms of the Existing Agreement shall prevail over the Standard Conditions.
- 2.4 Subject to clause 2.3, these Standard Conditions apply to and form part of the Contract to the exclusion of any other terms that the Supplier seeks to

impose or incorporate or which are implied by trade, custom, practice or course of dealing.

- 2.5 The Contract and any Existing Agreement shall constitute the entire agreement between the parties and any of the Customer's Affiliates as applicable and supersedes and extinguishes all previous agreements, promises, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

3 Acceptance and Cancellation of Orders

- 3.1 The Customer may submit Orders for Goods and/or Services for itself and on behalf of any of its Affiliates. Any Order shall be deemed to be accepted by the Supplier on the earlier of the Supplier:

- (a) issuing a written acceptance of the Order; or
- (b) doing any act consistent with fulfilling the Order; at which point the Contract shall come into existence.

- 3.2 The Customer may amend or cancel the Order in whole or in part at any time before delivery of the Goods to the Customer or before the Services Start Date by giving the Supplier written notice. Where the Goods are bespoke products and the Supplier is not in breach of any term of the Contract at the time of cancellation, the Customer shall pay to the Supplier a fair and reasonable proportion of the costs properly incurred by the Supplier in connection with any work in progress in respect of the Order at the time of termination (to the extent that the Supplier has not been able to mitigate its losses having first taken all reasonable steps to do so), but such compensation shall not include loss of anticipated profits or any consequential loss. Where the Goods are not bespoke products (i.e. they are standard issue products), the Customer shall not be responsible for reimbursing any costs incurred by the Supplier as a result of the Customer amending or cancelling the Order.

4 Supply of Goods

- 4.1 The Supplier shall supply the Goods in accordance with the Order and time shall be of the essence where a Delivery Date is specified in the Order. Where the Delivery Date is estimated only, the Supplier shall use its best endeavours to deliver the Goods by the Delivery Date.

- 4.2 The Supplier shall ensure that the Goods:

- (a) correspond with their description and any applicable Goods Specification;
- (b) are of satisfactory quality (within the meaning of the Sale of Goods Act 1979) and fit for any purpose held out by the Supplier expressly or by implication, and in this respect the Customer relies on the Supplier's skill and judgment; and
- (c) where they are manufactured products, are free from defects in design, material and workmanship and remain so for 12 months after delivery (without prejudice to any applicable manufacturer's warranty), subject to any applicable extended warranty set out in the Order.

- 4.3 The Supplier shall comply with all applicable Laws relating to the manufacture, packaging, storage and transport of the Goods and shall ensure that it maintains all the licences, permissions, authorisations, consents and permits that it needs to carry out its obligations under the Contract and shall indemnify the Customer from and against any loss or expense (including, but not limited to direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on an indemnity basis) and all other reasonable professional costs and expenses) sustained or incurred by reason of the Supplier's breach of this clause 4.3.

- 4.4 The Customer reserves the right, either itself or through an authorised agent, to inspect and test the Goods at any time before delivery but any such inspection shall not imply acceptance of the Goods nor relieve the Supplier of any of its obligations under the Contract.

- 4.5 If, following inspection or testing under clause 4.4, the Customer considers that the Goods do not conform or are unlikely to comply with the Supplier's undertakings at clause 4.2, the Customer shall inform the Supplier and the Supplier shall immediately take such remedial action as is necessary to ensure compliance.

5 Delivery of Goods

- 5.1 The Supplier shall ensure that:

- (a) the Goods are properly packed and secured;
- (b) each delivery of the Goods is accompanied by a delivery note which shows the Order Number, the type and quantity of the Goods (including the code number of the Goods, where applicable), any instructions or other information required to enable the Customer to accept delivery of the Goods and, if the relevant Order is being delivered by instalments, the outstanding balance of the Goods remaining to be delivered; and
- (c) if the Supplier requires the Customer to return any packaging material to the Supplier, that fact is clearly stated on the delivery note. Any such packaging material shall be returned to the Supplier at the cost of the Supplier.

- 5.2 The Supplier shall deliver the Goods to the Delivery Location during the Customer's normal business hours unless otherwise specified in the Order or as instructed by the Customer.

- 5.3 The Goods will be deemed to have been delivered when the unloading of those Goods at the Delivery Location has been completed.

- 5.4 The Goods shall be delivered on the basis of Delivered Duty Paid at the Delivery Location with the Supplier bearing the cost and risk of unloading the Goods at the Delivery Location.

- 5.5 The Customer shall not be deemed to have accepted the Goods until the Customer has had a reasonable time to inspect them following delivery or, if later, within a reasonable time after any latent defect in the Goods has become apparent. If the Customer rejects the Goods they are

returnable at the Supplier's risk and expense. If the Supplier fails to collect the rejected Goods within a reasonable period after notification of the rejection, the Customer may charge the Supplier storage costs and sell or dispose of the rejected Goods. The Customer will account to the Supplier for the proceeds of sale (if any) after deducting the Goods Price paid to the Supplier for the Goods, storage costs and its reasonable costs and expenses in connection with the sale.

- 5.6 The Supplier shall not deliver any Order of Goods in instalments without the Customer's prior written consent. Where it is agreed that the Order of Goods may be delivered by instalments, such instalments shall be invoiced separately. Any failure by the Supplier to deliver one instalment on time or at all, or any defect in an instalment, shall entitle the Customer to the remedies set out in clause 8.2.

6 Supply of Services

- 6.1 The Supplier shall provide the Services and deliver the Deliverables to the Customer from and including the Services Start Date in accordance with the Contract.

- 6.2 In supplying the Services, the Supplier shall:

- (a) comply with any performance dates specified in the Order and time shall be of the essence unless the dates are expressed to be estimated dates;
- (b) perform the Services with the highest level of care, skill and diligence in accordance with best practice in the Supplier's industry, profession or trade;
- (c) co-operate with the Customer and comply with all reasonable instructions;
- (d) only use personnel who are suitably skilled and trained to perform the tasks assigned to them and in sufficient number to ensure that the Supplier's obligations are fulfilled;
- (e) comply with all applicable Laws and ensure that it obtains and maintains all consents, licences and permissions which are necessary to comply with its obligations in the Contract;
- (f) ensure that the Services and Deliverables conform with all descriptions, standards and specifications set out in the Service Specification, and that the Deliverables are fit for any purpose expressly or implicitly made known to the Supplier by the Customer and are free from defects in workmanship, installation and design;
- (g) provide all equipment (including adequate personal protective equipment), tools, vehicles and other items required to provide the Services unless otherwise set out in the Order;
- (h) hold all Customer Materials in safe custody at its own risk, maintain the Customer Materials in good condition until returned to the Customer, and not use the Customer Materials other than in accordance with the Customer's written instructions;
- (i) comply with any additional obligations as set out in the Service Specification; and
- (j) not do or omit to do anything which may cause the Customer to lose any licence, authority, consent or permission.

7 Customer's Obligations

- 7.1 The Customer shall provide:

- (a) access to such of the Customer's premises, data, office accommodation and other facilities as agreed in writing with the Customer for the purposes of the Services; and
- (b) such information as the Supplier may reasonably request and the Customer considers necessary in order to carry out the Services in a timely manner, provided that the Customer gives no warranty as to the accuracy or completeness of any information unless expressly stated in writing.

8 Customer Remedies

- 8.1 If the Supplier breaches any of the terms in clause 6, the Customer may exercise any one or more of the following remedies:

- (a) terminate the Contract in whole or in part on written notice to the Supplier in accordance with clause 17.1(c) without liability to the Supplier;
- (b) refuse to accept any subsequent performance of the Services; and
- (c) purchase substitute services from elsewhere and hold the Supplier accountable for any loss and additional costs incurred.

- 8.2 If the Supplier fails to deliver the Goods by the applicable date or has delivered Goods (or any repaired or replacement Goods) that do not comply with the undertakings set out in clause 4.2, the Customer may exercise any one or more of the following remedies whether or not it has accepted the Goods:

- (a) reject the Goods (in whole or in part) and return them to the Supplier at the Supplier's own risk and expense and the Supplier shall provide to the Customer a refund of the Goods Price of the rejected Goods (if paid by the Customer);
- (b) terminate the Contract in whole or in part on written notice to the Supplier in accordance with clause 17.1(c) without liability to the Supplier;
- (c) require the Supplier to repair or replace the rejected Goods;
- (d) refuse to accept any subsequent delivery of the Goods; and
- (e) recover from the Supplier any costs incurred by the Customer in obtaining substitute goods from a third party.

- 8.3 The Customer's rights and remedies under this clause 8 are in addition to its rights and remedies implied by statute and common law and exercise of any remedy under clause 8.1 and/or clause 8.2 shall not limit any of its other rights or remedies.

9 Title and Risk

- 9.1 Title and risk in the Goods shall pass to the Customer on completion of delivery.

- 9.2 Title to any Deliverables including any physical media on which Deliverables are stored shall pass to the Customer on the earlier of their delivery to the Customer or payment of the Service Charges for them and risk in any Deliverables shall pass to the Customer on delivery. The Supplier transfers the Deliverables to the Customer free from all liens, charges and encumbrances.
- 9.3 All Customer Materials are and shall remain the exclusive property of the Customer.
- 10 Health and Safety, Security and Environmental Protection**
- 10.1 In carrying out its obligations under the Contract, the Supplier shall be responsible for the observance by itself, its employees and sub-contractors of all:
- (a) Laws relating to health and safety and the Supplier shall have in place robust health and safety policies and procedures to eliminate or minimise so far as is reasonably practicable all health and safety risks; and
- (b) health and safety, security and environmental protection requirements that apply at the Site or Delivery Location.
- 10.2 Where requested by the Customer, the Supplier shall ensure that all relevant personnel attend site safety induction training by the Customer prior to accessing the Site or Delivery Location in accordance with the Customer's health and safety and security requirements.
- 10.3 Where requested by the Customer, the Supplier shall attend all health and safety, security and environmental protection meetings in respect of the Services.
- 10.4 The Supplier shall:
- (a) notify the Customer immediately if the Supplier has any concerns regarding general health and safety, security and environmental protection at the Site or Delivery Location; and
- (b) provide reasonable assistance to the Customer in any internal investigation or investigation by a competent authority in relation to health and safety, security or environmental protection which involves the Supplier, its employees or sub-contractors.
- 11 Charges and Payment**
- 11.1 The Customer shall pay for the Goods and Services in accordance with this clause 11.
- 11.2 The Goods Price includes the costs of packaging, insurance and carriage of the Goods and any applicable duties and imposts and the Service Charges shall be the full and exclusive remuneration of the Supplier in respect of the Services (including the Deliverables).
- 11.3 No extra charges shall be effective and no increase in the Goods Price or Service Charges may be made (whether on account of increased material, labour or transport costs, fluctuations in rates of exchange or otherwise) unless agreed in writing by the Customer.
- 11.4 The Goods Price and Service Charges exclude any amounts in respect of value added tax chargeable from time to time (VAT) and the Customer shall be liable to pay VAT at the prevailing rate for any taxable supply made under the Contract, subject to the receipt of a valid VAT invoice.
- 11.5 The Supplier shall submit invoices to the Customer:
- (a) for the Goods Price, on or at any time after delivery of the Goods in accordance with the terms of the Contract; and
- (b) for the Service Charges, monthly in arrears.
- 11.6 The Supplier shall send each invoice to the Customer at the contact details specified in the Order (or such other details as confirmed in writing by the Customer) and shall ensure that each invoice includes the Order Number, the invoice number, the Supplier's VAT registration number, and any supporting documentation that the Customer may reasonably require.
- 11.7 Subject to clauses 8.1 and 8.2, the Customer shall pay each invoice which is properly due and submitted to it within 30 days after the end of the month of receipt by the Customer of a valid undisputed invoice (the "Due Date"). Payment shall be made to the bank account nominated in writing by the Supplier.
- 11.8 It is the Supplier's responsibility to render separate invoices for deposits and stage payments due prior to the final invoice. Should any invoices be rendered late, or delivery delayed, by circumstances other than a Force Majeure Event or a request by the Customer, the Customer will not be responsible for foreign exchange rate movements and the obligations of the Customer will be satisfied by transferring the amount of Sterling that would have purchased the requisite amount of foreign currency through the Customer's normal banking arrangements at the time the payment would have become due had no invoicing or delivery delays occurred.
- 11.9 If a party fails to make any payment due to the other by the Due Date, the defaulting party shall pay interest on the overdue amount at the rate of 2% per annum above the Bank of England's base rate from time to time. Interest shall accrue on a daily basis from the Due Date until payment is made, whether before or after judgment except that in relation to payments disputed in good faith, interest is payable only after the dispute is resolved, on sums found or agreed to be due, from 7 days after the dispute is resolved until payment is made.
- 11.10 The Customer may at any time, without notice to the Supplier, set off any liability of the Supplier to the Customer against any liability of the Customer to the Supplier, whether or not either liability arises under the Contract. If the liabilities are expressed in different currencies, the Customer may convert either liability at a market rate of exchange. Any exercise by the Customer of its rights under this clause 11.10 shall not limit or affect any other rights or remedies.
- 12 Intellectual Property**
- 12.1 The Supplier and its licensors shall retain ownership of all Supplier IPRs. The Customer and its licensors shall retain ownership of all Intellectual Property Rights in the Customer Materials.
- 12.2 The Supplier grants to the Customer, or shall procure the direct grant to the Customer of a fully paid-up, worldwide, non-exclusive, royalty-free, licence to use, copy and modify the Supplier IPRs for the purpose of receiving and using the Services and the Customer may sub-licence the rights granted to its Affiliates.
- 12.3 The Supplier assigns to the Customer, with full title guarantee and free from all third party rights, all Intellectual Property Rights and all other rights in the Deliverables.
- 12.4 At its own expense, the Supplier shall, and shall use all reasonable endeavours to procure that any necessary third party shall, promptly execute and deliver such documents and perform such acts as may be required for the purpose of giving full effect to the Contract, including securing for the Customer all rights assigned to the Customer in accordance with clause 12.3.
- 12.5 The Supplier shall obtain waivers of any moral rights in the Deliverables 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.
- 13 Indemnity and Liability**
- 13.1 The Supplier shall keep the Customer indemnified in full against all costs, expenses, damages and losses (whether direct or indirect), including any interest, fines, legal and other professional fees and expenses awarded against or incurred or paid by the Customer as a result of or in connection with any claim:
- (a) brought against the Customer for actual or alleged infringement of a third party's rights (including any Intellectual Property Rights) arising out of, or in connection with, the receipt, use or onward supply of the Goods and/or Services by the Customer and its licensees to the extent that the claim is attributable to the acts or omissions of the Supplier, its employees, agents or sub-contractors;
- (b) made against the Customer by a third party arising out of or in connection with the supply of the Goods and/or Services, to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of the Contract by the Supplier, its employees, agents or sub-contractors; and
- (c) made against the Customer by a third party for death, personal injury or damage to property arising out of or in connection with defects in the Goods and/or Services, to the extent that such defects are attributable to the acts or omissions of the Supplier, its employees, agents or sub-contractors.
- 13.2 Nothing in the Contract shall limit or exclude a party's liability for:
- (a) death or personal injury caused by its negligence, or the negligence of its personnel, agents or sub-contractors;
- (b) fraud or fraudulent misrepresentation; and
- (c) any other liability which cannot be limited or excluded by law.
- 13.3 Subject to clause 13.2, the Customer shall not be liable to the Supplier for any of the following:
- (a) loss of profits;
- (b) loss of sales or business;
- (c) loss of agreements or contracts;
- (d) loss of anticipated savings;
- (e) loss of use;
- (f) loss of or corruption of software, data or information;
- (g) loss of or damage to goodwill; and
- (h) any indirect or consequential loss.
- 13.4 Subject to clause 13.2, the Customer's total liability to the Supplier, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, arising under or in connection with the Contract shall be limited to a sum equal to one hundred per cent (100%) of the value of the Order placed by the Customer for the Goods and/or Services which is the subject of the claim.
- 13.5 This clause 13 shall survive termination of the Contract.
- 14 Insurance**
- 14.1 During the period in which the Goods and/or Services are being provided under the Contract and for a period of 6 years after the termination or expiry of the Contract, the Supplier shall effect and maintain with a reputable insurance company, professional indemnity insurance, product liability insurance and public liability insurance of a minimum cover of £5,000,000 each to cover the liabilities which may arise through performing the Contract or on default.
- 14.2 The Supplier shall on the Customer's request produce for inspection the policies and receipts for the current year's premium in respect of each insurance.
- 15 Compliance with Relevant Laws and Policy**
- 15.1 In performing its obligations under the Contract, the Supplier shall comply with all applicable Laws.
- 15.2 Without prejudice to the generality of clause 15.1, the Supplier shall:
- (a) comply with all the Mandatory Requirements and have and maintain its own policies and procedures to ensure its compliance;
- (b) not engage in any activity, practice or conduct which would constitute:
- (i) an offence under sections 1, 2 or 4, of the Modern Slavery Act 2015;

- (ii) an offence under sections 1, 2 or 6 of the Bribery Act 2010 if such activity, practice or conduct were carried out in the UK;
- (iii) a UK tax evasion facilitation offence under section 45(1) of the Criminal Finances Act 2017; or
- (iv) a foreign tax evasion facilitation offence under section 46(1) of the Criminal Finances Act 2017;
- (c) not do, or omit to do, any act that will cause or lead the Customer to be in breach of any of the Mandatory Requirements; and
- (d) comply with the Mandatory Policies.
- 15.3 The Supplier shall immediately report to the Customer any actual or potential breaches of clause 15.2, any suspected human trafficking in a supply chain or any suspected undue influence or advantages given or demanded in connection with the Contract.
- 15.4 The Supplier warrants and represents that it has no convictions for, and is not subject to any investigations in relation to, the Mandatory Requirements and that it is not listed by any government agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or other government contracts.
- 15.5 The Supplier shall maintain records to trace goods and services provided in connection with the Goods, Services or Deliverables under the Contract and where requested by the Customer, the Supplier shall as soon as reasonably practicable produce a report setting out the steps that it is taking to comply with the Mandatory Requirements.
- 15.6 Without prejudice to clause 20.1, the Supplier shall carry out due diligence and include contractual requirements to ensure that sub-contractors comply with the Mandatory Requirements and implement annual audits of sub-contractors' compliance where reasonably requested by the Customer.
- 15.7 The Supplier shall indemnify the Customer against any costs, expenses, damages and losses (whether direct or indirect), including any interest, fines, legal and other professional fees and expenses awarded against or incurred or paid by the Customer as a result of or in connection with any breach of clause 15.2(b).
- 15.8 Any breach of clause 15.2(b) by the Supplier shall be deemed a material breach of the Contract that is not remediable and entitle the Customer to immediately terminate the Contract by notice under clause 17.1(c).
- 16 Audit and Reporting**
- 16.1 Without prejudice to any other rights of inspection and audit under the Contract by the Customer at the Customer's request and expense, with reasonable prior written notice to the Supplier, the Supplier shall grant the Customer, its auditors and/or professional advisors access to:
- (a) any of the Supplier's records in relation to the Goods and/or Services to allow the Customer to verify the accuracy of invoices and other information and records provided under the Contract; and
- (b) any records held by the Supplier in relation to the Goods and/or Services and the Supplier's premises or personnel (provided this is during a Business Day) in each case as is reasonably necessary to allow the Customer to comply with the Mandatory Policies or any Law or orders of any governmental or regulatory body to which the Customer is subject.
- 16.2 Where requested by the Customer, the Supplier shall provide information required by the Customer for the purposes of corporate responsibility reporting (including environmental and social contribution), supply chain carbon emissions (in line with the Customer's chosen carbon reporting methodology) and any reporting required under the Mandatory Policies.
- 17 Termination**
- 17.1 In addition to the rights to cancel an Order set out in clause 3.2 the Customer may terminate the Contract with immediate effect by giving written notice to the Supplier:
- (a) if there is a change of Control of the Supplier;
- (b) if the Supplier's financial position deteriorates to such an extent that in the Customer's opinion the Supplier's capability to adequately fulfil its obligations under the Contract has been placed in jeopardy;
- (c) if the Supplier commits a material breach of any term of the Contract which is irremediable or (if such breach is remediable) fails to remedy that breach within a period of 10 Business Days after being notified in writing to do so;
- (d) if the Supplier takes any step or action in connection with its entering administration, provisional liquidation or any composition or arrangement with its creditors (other than in relation to a solvent restructuring), being wound up (whether voluntarily or by order of the court, unless for the purpose of a solvent restructuring), having a receiver appointed to any of its assets or, if the step or action is taken in another jurisdiction, in connection with any analogous procedure in the relevant jurisdiction;
- (e) if the Supplier suspends, or threatens to suspend, or ceases or threatens to cease to carry on all or a substantial part of its business; or
- (f) at any time after the Services Start Date or the Delivery Date.
- 17.2 If the Customer exercises its right to terminate the Contract under clause 17.1(a), 17.1(b), 17.1(d), 17.1(e) or 17.1(f) it shall be liable only to pay for the Goods ordered and delivered and for the Services performed prior to the date of termination.
- 17.3 The Supplier may terminate the Contract with immediate effect by giving written notice to the Customer if:
- (a) the Customer commits a material breach of any term of the Contract which is irremediable or (if such breach is remediable) fails to remedy that breach within a period of 30 days after being notified in writing to do so; or
- (b) the Customer takes any step or action in connection with its entering administration, provisional liquidation or any composition or arrangement with its creditors (other than in relation to a solvent restructuring), being wound up (whether voluntarily or by order of the court, unless for the purpose of a solvent restructuring), having a receiver appointed to any of its assets or ceasing to carry on business or, if the step or action is taken in another jurisdiction, in connection with any analogous procedure in the relevant jurisdiction.
- 17.4 Termination of the Contract shall not affect either of the parties' rights and remedies that have accrued as at termination.
- 17.5 Any provision of the Contract that expressly or by implication is intended to come into effect or continue in force on or after termination shall remain in full force and effect.
- 18 Exit Arrangements**
- 18.1 On termination of the Contract for whatever reason the Supplier shall:
- (a) deliver to the Customer all Deliverables whether or not then complete, and return all Customer Materials; and
- (b) provide all assistance reasonably required by the Customer to facilitate the smooth transition of the Services to the Customer or any replacement supplier appointed by it.
- 18.2 The Supplier acknowledges and agrees that where all or part of the Services cease to be provided by the Supplier for any reason and where all or part of the Services continue to be provided by the Customer and/or any new contractor on behalf of the Customer (the "**New Supplier**") to the extent that TUPE applies to the transfer of any employees of the Supplier (the "**Transferring Employees**") to the Customer and/or the New Supplier the Supplier shall indemnify the Customer (both for itself and the New Supplier) against all costs, claims, liabilities and expenses (including reasonable legal expenses) incurred by the Customer and/or the New Supplier in connection with or as a result of:
- (a) the termination of employment by the Customer or the New Supplier of any Transferring Employee;
- (b) any failure of the Supplier to comply with TUPE; and
- (c) any claim made by a Transferring Employee arising from any act, fault or omission of the Supplier on or before the date upon which the relevant Transferring Employee transferred under TUPE to the Customer or the New Supplier.
- 19 Force Majeure**
- 19.1 Provided it has complied with clause 19.3, if a party is prevented, hindered or delayed in or from performing any of its obligations under the Contract by a Force Majeure Event (the "**Affected Party**"), the Affected Party shall not be in breach of the Contract or otherwise liable for any such failure or delay. The time for performance shall be extended accordingly.
- 19.2 The corresponding obligations of the other party will be suspended, and its time for performance of such obligations extended to the same extent as those of the Affected Party.
- 19.3 The Affected Party shall:
- (a) as soon as reasonably practicable notify the other party in writing of the Force Majeure Event, the date on which it started, its likely or potential duration, and the effect of the Force Majeure Event on its ability to perform any of its obligations; and
- (b) use all reasonable endeavours to mitigate the effect of the Force Majeure Event on the performance of its obligations.
- 19.4 If the Force Majeure Event prevents, hinders or delays the Affected Party's performance of its obligations for a continuous period of more than one month, the party not affected by the Force Majeure Event may terminate the Contract by giving two weeks' written notice to the Affected Party.
- 20 Assignment and Subcontracting**
- 20.1 The Supplier shall not, without the Customer's prior written consent, assign, transfer, mortgage, charge or sub-contract the Contract or any part thereof. If the Customer consents to any sub-contracting by the Supplier, the Supplier shall remain responsible for all acts and omissions of its sub-contractors as if they were its own.
- 20.2 The Customer may at any time assign, transfer, mortgage, charge, sub-contract or deal in any other manner with all or any of its rights or obligations under the Contract.
- 21 Confidentiality**
- 21.1 Except as permitted by clause 21.2 or where clause 21.3 applies, each party undertakes that it shall:
- (a) only use the other party's Confidential Information for the purposes of exercising its rights or carrying out its obligations under or in connection with the Contract; and
- (b) not at any time during the Contract, and for a period of 2 years after termination, disclose to any person any Confidential Information of the other party or its Affiliates.
- 21.2 Each party may disclose the other party's Confidential Information:
- (a) to its employees, officers, Affiliates, sub-contractors or advisers who need to know such information for the purposes of exercising the party's rights or carrying out its obligations under or in connection with the Contract. Each party shall ensure that such employees, officers, Affiliates, sub-contractors or advisers to whom it discloses the other party's Confidential Information comply with this clause 21; and
- (b) as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority or recognised stock exchange

having jurisdiction over either party or the subject matter of the Confidential Information.

21.3 The provisions of clause 21.1 shall not apply to any Confidential Information that:

- (a) is or becomes generally available to the public (other than as a result of its disclosure by the receiving party or its representatives in breach of this clause 21);
- (b) was available to the receiving party on a non-confidential basis before disclosure by the disclosing party;
- (c) was, is or becomes available to the receiving party on a non-confidential basis from a person who, to the receiving party's knowledge, is not bound by a confidentiality agreement with the disclosing party or otherwise prohibited from disclosing the information to the receiving party;
- (d) the parties agree in writing is not confidential or may be disclosed; or
- (e) is developed by or for the receiving party independently of the information disclosed by the disclosing party.

22 Data Protection

22.1 Both parties will comply with all applicable requirements of the Data Protection Legislation. This obligation is in addition to and does not relieve, remove or replace, a party's obligations under the Data Protection Legislation.

22.2 The parties acknowledge that for the purposes of the Data Protection Legislation, the Customer is the Controller and the Supplier is the Processor. The scope, nature and purpose of the Processing by the Supplier, the duration of the Processing and the types of Personal Data and categories of Data Subject are set out in the Order where applicable.

22.3 The Customer will ensure that it has all the necessary consents and notices in place to enable the lawful transfer of the Personal Data to the Supplier for the purposes of the Contract.

22.4 The Supplier shall in relation to any Personal Data Processed in connection with the performance by the Supplier of the Services:

- (a) Process that personal Data only on the written instructions of the Customer, unless required by law to act without such instruction in which case the Supplier shall promptly notify the Customer of this before the Processing;
- (b) have in place at all times appropriate technical and organisational measures (which shall be subject to inspection and audit by the Customer under clause 22.5) to:
 - (i) prevent and protect against any unauthorised access, loss, destruction, theft or damage to Personal Data or unauthorised or unlawful Processing or disclosure of the Personal Data (having taken account of the risks of the same);
 - (ii) ensure confidentiality, integrity, availability and resilience of its systems;
 - (iii) ensure timely restoration after an incident of availability of and access to Personal Data, and
 - (iv) provide for regular assessment and evaluation of the effectiveness of those technical and organisational measures;
- (c) ensure that only employees who need to have access to Personal Data for the purposes of performing the Services shall have access and that all such employees who have access to and/or Process Personal Data:
 - (i) are obliged to keep the Personal Data confidential and are subject to legally binding confidentiality obligations; and
 - (ii) have undergone training on the Data Protection Legislation and handling of Personal Data;
- (d) not transfer any Personal Data outside of the United Kingdom and/or the European Economic Area or to any third party;
- (e) notify the Customer as soon as practicable of any notice or communication concerning the Data Protection Legislation received from any person relating to the Contract including from a Data Subject or any regulatory authority (including the Information Commissioner or its successor) and co-operate fully with the Customer in relation to the Personal Data held and Processed by the Supplier under the Contract;
- (f) assist the Customer in responding to any request from a Data Subject (whether received by the Customer or the Supplier) and ensure that it takes all necessary actions as requested by the Customer in respect of a Data Subject exercising their rights under the Data Protection Legislation (including the right of rectification and the right of erasure);
- (g) ensure compliance with its obligations under the Data Protection Legislation with respect to security, breach notifications, impact assessments and consultations with supervisory authorities or regulators;
- (h) notify the Customer without undue delay on becoming aware of a Personal Data breach;
 - (i) at the written direction of the Customer, delete or return Personal Data and copies thereof to the Customer at any time and on termination of the Contract unless required by Law; and
 - (j) maintain complete and accurate records to demonstrate its compliance with this clause 22 and allow for audits by the Customer in accordance with clause 22.5.

22.5 The Customer is entitled on giving 48 hours' notice to the Supplier (unless the Customer believes the Supplier is in breach of its obligations upon which access shall be given immediately) to appoint representatives to inspect premises, equipment, documents, processes, technical and organisational measures and electronic data relating to the Processing of Personal Data by the Supplier.

22.6 The Supplier shall keep the Customer indemnified in full against all costs, expenses, damages and losses (whether direct or indirect), including any

interest, fines, legal and other professional fees and expenses awarded against or incurred or paid by the Customer as a result of or in connection with any breach by the Supplier, its employees or agents with its obligations under this clause 22.

23 Disputes

23.1 If a dispute arises out of or in connection with the Contract or the performance, validity or enforceability of it (the "Dispute") then the parties shall first follow the procedure set out in this clause 23:

- (a) either party shall give to the other written notice of the Dispute, setting out its nature and full particulars (the "Dispute Notice"), together with relevant supporting documents. On service of the Dispute Notice, the Supplier's contract manager and the Customer's contract manager shall attempt in good faith to resolve the Dispute; and
- (b) if the Supplier's contract manager and the Customer's contract manager are for any reason unable to resolve the Dispute within 30 days of service of the Dispute Notice, the Dispute shall be referred to the Senior Officer of the Supplier and Senior Officer of the Customer who shall attempt in good faith to resolve it.

24 Variation

24.1 Except as set out in these Standard Conditions, no variation of the Contract shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

25 Waiver

25.1 A waiver of any right or remedy under the Contract or by law is only effective if given in writing and shall not be deemed a waiver of any subsequent right or remedy. A failure or delay by a party to exercise any right or remedy provided under the Contract or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy provided under the Contract or by law shall prevent or restrict the further exercise of that or any other right or remedy.

26 Severance

26.1 If any provision or part-provision of the Contract is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable or, if not possible, the relevant provision or part-provision shall be deemed deleted. Any modification or deletion shall not affect the validity and enforceability of the rest of the Contract.

27 Notices

27.1 Any notice or other communication given to a party in connection with the Contract shall be in writing, addressed to that party at its registered office (if it is a company) or its principal place of business (in any other case) unless otherwise stated in the Order and shall be delivered personally, or sent by pre-paid first class post or other next working day delivery service, commercial courier or email (to the e-mail address contained in the Order or otherwise specified in writing by the parties).

27.2 A notice or other communication shall be deemed to have been received: if delivered personally, when left at the address referred to in clause 27.1; if sent by pre-paid first class post or other next working day delivery service, on the second Business Day after posting; if delivered by courier, on the date and at the time that the courier's delivery receipt is signed; or, if sent by email, one Business Day after transmission.

27.3 The provisions of this clause 27 shall not apply to the service of any proceedings or other documents in any legal action.

28 Third Party Rights

28.1 Except as expressly provided for in clause 28.2, a person who is not a party to the Contract shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of the provisions of the Contract.

28.2 Any Affiliate of the Customer shall be entitled under the Contracts (Rights of Third Parties) Act 1999 to enforce any of the provisions of the Contract to the extent the Affiliate has the benefit of Goods and/or Services under the Order. The consent of any such Affiliate is not required in order to rescind or vary the Contract or any provision of it.

29 No Partnership or Agency

29.1 Nothing in the Contract is intended to, or shall be deemed to, establish any partnership or joint venture between the parties, constitute either party the agent of the other, or authorise either party to make or enter into any commitments for or on behalf of the other party.

30 Governing Law

30.1 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 governed by the law of England and Wales.

31 Jurisdiction

31.1 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the Contract or its subject matter or formation (including non-contractual disputes or claims). ■