

LAC PURCHASE ORDER - CONDITIONS OF CONTRACT

1. General

As used herein the term "LAC" shall mean London AC Ltd. The term "Supplier" means the person or company to whom this order is addressed, and the term "Goods" shall be construed as meaning the goods, materials, or services which the Supplier has contracted to provide.

These conditions shall form the basis of a contract between LAC and the Supplier and is personal to the Supplier and may not be assigned or sub-let without LAC's consent in writing.

Notwithstanding anything to the contrary in the Supplier's standard conditions or in any tender, quotation, advice note, invoice acknowledgement, letter or any other document issued or sent by the Supplier, these conditions shall apply except as otherwise specifically agreed by LAC in writing. No servant or agent of LAC has power to vary these conditions orally. If the Supplier shall not have previously accepted these conditions, then delivery by him of the Goods shall constitute such acceptance.

The conditions of any contract to which this order relates shall be applicable so far as they are not inconsistent with the terms hereof. All terms and conditions of any contract made between LAC on the one part and their Employer on the other part ("the Main Contract") applicable to this order are incorporated herein.

A copy of the Main Contract is available for inspection by the Supplier who shall be deemed to have full knowledge of the provisions therein and shall comply with the terms of such Main Contract so far as they are applicable to this Contract and shall indemnify LAC for all liabilities, costs, claims, demands, proceedings, or damages payable or incurred by LAC by reason of any act, default, or breach of this contract by the Supplier.

2. Liability

No liability will be accepted by LAC in respect of any Goods supplied without a written instruction on an official order form, duly authorised on behalf of LAC.

All orders for specified projects are deemed include all the required equipment to comply with the consultant's specification, schedule and drawings. The associated manufacture is responsible to ensure London AC have been supplied with the correct equipment for the project requirements.

3. Quality

All goods and workmanship supplied must be to appropriate specification as required by and be to the satisfaction of, LAC and the Architect, Surveyor or Engineer as defined in the Main Contract, where relevant.

4. Deliveries

Deliveries are to be made in accordance with the dates shown on this order, unless otherwise agreed in writing. Late delivery will be regarded as constituting a breach of this contract.

Delivery and carriage of Goods must be free to LAC unless otherwise expressly agreed in writing and carriage paid whatever the mode of transit. Where sent by rail or carrier, detailed advice notes must be sent to the place of delivery on the day of despatch.

Any damage suffered or costs incurred by LAC as a result of delivery delays will be charged to the Supplier who will indemnify LAC against all claims arising out of or in the course of this contract attributable in any way to the execution of this order or any defect or failure in the Goods supplied including any losses, claims or damages sustained or incurred by LAC under the Main Contract.

LAC do not guarantee that facilities will be available to off-load deliveries at any given time of day. LAC will endeavour to co-ordinate activities so as to avoid unnecessary waiting time but will not accept any additional waiting time charges from the Supplier. Deliveries attempted after agreed times may be rejected at the sole discretion of LAC.

5. Risk and Insurance

The Supplier warrants that LAC shall get good and clear title to the goods comprised in this contract at the point when the Goods or any part thereof are first set aside, selected or appropriated by the Supplier for the purpose of this Contract, but will remain at the Suppliers risk as regards deterioration, damage or loss until they are actually delivered to and accepted by LAC irrespective of the method of transportation.

The Supplier shall on request provide evidence that he has paid all manufacturers or other suppliers or subcontractors in respect of monies due to them prior to delivery of the Goods to LAC. If the Goods are not accepted by LAC on delivery or are subsequently rejected by them, then title shall thereupon revert to the Supplier.

The Supplier shall obtain and maintain product liability insurance for a minimum amount of £5,000,000 (five million pounds) for any one claim or series of claims arising from the same incident.

6. Quantity and Type

LAC will not be liable in any respect for any Goods supplied either of the wrong specification or in excess of that stated on the order, and will be entitled to reject any delivery or part of any delivery consisting of insufficient, excessive, incorrect, damaged or defective Goods.

LAC will endeavour to advise the Suppliers promptly of any shortage, loss, damage or defect and in the absence of a proper credit note reserve the right to deduct the value thereof from any monies due to the Supplier.

7. Acceptance

A detailed delivery ticket must accompany each consignment of Goods and only a delivery ticket bearing an original signature of LAC duly authorised representative will constitute acknowledgement of delivery thereof subject to the terms of this contract. The signature will not otherwise form evidence of any matter other than simple delivery, nor will such signature be recognised as a variation or extra order without LAC official confirmation in writing.

Notwithstanding the acceptance of any consignment or delivery, LAC shall be entitled to reject any goods which are found to be incorrect, damaged, defective or otherwise not suitable for their purpose and the Supplier shall immediately remove such incorrect, defective, damaged or unsuitable goods or materials and, if so instructed by LAC, replace them with suitable goods or materials, without any further cost to LAC.

8. Cancellation

Without prejudice to any other rights or remedies which LAC may possess, the right is reserved to cancel the whole or any part of this order should technical approval not be achieved and/or during the progress of the works events arise to prevent the performance of the contract for which the goods are required, or if the Supplier fails to comply with any of the conditions of the Main Contract or this order. In this event, liability will be limited to amounts due for Goods supplied at the date of cancellation PROVIDED THAT no further payments whatsoever shall be due to the Supplier until after LAC have prepared and submitted a fully detailed account of all costs and damages that LAC are entitled to recover from the Supplier, the preparation and submission of such account not to be unreasonably withheld or delayed. Any sums otherwise payable to the Supplier will be abated by the value detailed in the aforesaid account.

Similarly, any breach on the Supplier's part of any term of his contract, either as regards quality, quantity, time of delivery or otherwise shall (whether LAC have accepted the Goods or any part thereof or not, and whether the title in the Goods has passed to it or not) entitles LAC at its discretion, either to treat the contract as repudiated or to treat any such breach as a breach of warranty giving rise to a claim for damages.

Any determination of the contract by LAC under this provision shall be without prejudice to any rights of LAC which have arisen before the date of termination.

9. Price

The Goods will be paid for at the prices stated on this order, unless otherwise agreed by LAC in writing before delivery is made or subsequently at the discretion of LAC. If this order is given subject to any rise and fall in labour and/or material costs, notification must be made in writing to the address shown overleaf immediately on the occurrence of any such variations and LAC's written approval obtained thereto prior to execution.

10. Set offs and Contra Charges

LAC reserve the right to set-off or deduct from any monies due or becoming due to the Supplier the amount of any actual or contingent costs, claims, damages, or expenses which LAC may have or are likely to incur in respect of any breaches of this agreement or the supply of any Goods in connection with this or any other contract or the amount of any outstanding or disputed accounts, rendered by LAC to the Supplier for materials supplied or services rendered to the Supplier by LAC.

11. VAT

Where the goods are subject to value added tax, the amount legally demandable is to be rendered as a separate item of account on a form of VAT invoice acceptable to HM Customs and Excise and if required the Supplier shall produce bona fide evidence of the amount paid or to be paid in respect thereof.

12. Sale of Goods Act 1979

The Sale of Goods Act 1979 and the Supply of Goods and Services Act 1982, or subsequent amendments to such legislation, shall apply to this contract in so far as the terms and conditions previously mentioned are not inconsistent therewith. The Supplier shall comply with all law and regulations concerning the manufacturing, procuring, purchasing transport and delivery of the contract goods and with the relevant requirements of the Health & Safety at Work Act 1974 or subsequent amendments to such legislation.

13. Guarantee

No limitation of guarantee will be accepted unless specifically agreed in writing by LAC. Where a specific or limited period or amount of guarantee is offered subject to observances by LAC of certain qualifying conditions, it is a condition of acceptance of this order that any action required by LAC under such conditions shall be regularly and formally notified to it in writing at the address given overleaf, failing which the period and value of the guarantee shall operate without any limitation.

14. Payment of your account may be delayed unless:

- (a) All invoices are priced in the same method as shown on the face of this order.
- (b) All invoices and credit notes to quote the correct official LAC order number in full together with place of delivery.

15. Non-Waiver

No failure to exercise, nor any delay in exercising, any right, power, or remedy under this contract shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. Any waiver of any breach of this contract shall not be deemed to be a waiver of any subsequent breach.

16. Third Party Rights

This contract does not create any right under the Contracts (Rights of Third Parties) Act 1999 which is enforceable by any person who is not a party to this contract.

17. Applicable Law and Jurisdiction

This contract shall in all respects be governed by and interpreted in accordance with the laws of England. The courts of England shall have exclusive jurisdiction with regard to any disputes arising under or in connection with this contract.

Any Other Terms and Conditions issued would be deemed as Invalid and London AC Terms and Conditions take precedence