

OPTILAN (UK) LIMITED
STANDARD CONDITIONS OF PURCHASE

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1. Definitions - In these conditions:

- (i) “Contract” means the agreement between Optilan (UK) Limited (Optilan) and the Contractor comprising Optilan’s request for quotation, any specification, the Contractor’s quotation, these Conditions of Contract, the Purchase Order, and any documents referred to therein.
- (ii) “Contractor” means the individual, firm or company with whom Optilan enters into the Contract (including where the context requires any of the Contractor’s sub-contractors) as identified in the Purchase Order.
- (iii) “Goods” means anything (other than Services) supplied or to be supplied to Optilan under the Contract.
- (iv) “Services” means all the services that the Contractor is required to carry out under the Contract.
- (v) “Purchase Order” means the purchase order issued by Optilan to the Contractor for the supply of Goods and/or the provision of Services.
- (vi) “Incoterms® 2010” means the selected Incoterms rule of Incoterms 2010 for the interpretation of trade terms or international commercial terms as published by the International Chamber of Commerce.
- (vii) “Force Majeure” means, but is not limited to, any of the following events:
 - (a) Riot, war, invasion, act of foreign enemies, hostilities (whether war be declared or not), acts of terrorism, civil war, rebellion, revolution, insurrection of military or usurped power;
 - (b) Earthquake, flood, fire, named cyclone/hurricane/typhoon, tidal wave, explosion and/or other natural physical disaster, but excluding weather conditions as such regardless of severity;
 - (c) Changes to any general or local statute, ordinance, decree, or other law, or any regulation or by-law of any local or other duly constituted authority or the introduction of any such statute, ordinance, decree, law, regulation or by-law.

2. Conditions for the supply of Goods - Contractor’s duties

- (i) The Contractor shall supply the Goods specified in the Contract. Goods may be returned at the Contractor’s expense if they do not correspond with the Contract.
- (ii) Unless otherwise agreed between Optilan and the Contractor, all Goods shall be Delivered Duty Paid (DDP) in accordance with Incoterms® 2010, and in accordance with the Contract, to Optilan, Coventry CV3 4FD, United Kingdom.
- (iii) A delivery note must accompany the Goods and must specify the Goods being delivered and must also include Optilan’s Purchase Order number.
- (iv) Optilan will not accept part delivery of Goods specified in the Contract unless agreed in advance.
- (v) The cost of packaging will be deemed to be included in the cost of the Goods. If the Contractor requires packaging to be returned, it will be returned at the Contractor’s expense.

3. Conditions for the supply of Services – Contractor’s duties

- (i) The Contractor shall properly perform the Services specified in the Contract.
- (ii) The Contractor shall perform the Services with the standard of skill, care and diligence with which a competent and suitably qualified person performing such services could reasonably be expected to exercise and in accordance with all relevant statutory requirements and industry best practice.

4. Invoices and Payment

The Contractor shall submit a correctly prepared and properly supported invoice within 28 days of supplying the Goods or Services to the satisfaction of Optilan. The invoice shall show the amount of such Sales Tax in compliance with the relevant law and regulations in force at the time of supply and bear the Purchase Order number. Save where an invoice is disputed, Optilan shall pay the Contractor within 45 days of the end of the month of invoice.

5. Warranty

The Contractor shall ensure that all parts and labour are guaranteed for a minimum of 24 months, and that all equipment supplied has a 15 year (minimum) design life. Optilan has to provide proof that all systems and equipment are installed to meet the requirements of 15 year design life. If in the event that prior to operational acceptance it becomes apparent that the equipment will not remain operational for 15 years, the Contractor will be required to repair or replace the equipment or implement an alternative solution at no cost to Optilan.

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6. Defective Materials/Workmanship

Without prejudice to all Optilan's rights and remedies at law, the Contractor will repair at Optilan's request or replace any defective item or items free of charge within previously agreed timescales. The Contractor shall keep Optilan indemnified in respect of all loss and/or expense which results during proper use directly or indirectly in whole or part from defective materials, goods, workmanship or design supplied by the Contractor. The Contractor shall also keep Optilan indemnified against any damage to the Optilan's property (including any materials, tools or patterns sent to the Contractor for any purpose) and against any claims for loss or injury to any person or death of any person or to the property of any person to the extent caused by the Contractor's negligence or any act or omission on the part of the Contractor's employees, sub-contractors or agents arising out of the performance of the Contract. Whenever any sum of money is recoverable from the Contractor or payable by the Contractor to Optilan as a result of the operation of any of these Conditions or any breach by the Contractor of the same, such sum may be deducted by Optilan from any sum then due or which as any time thereafter may become due to the Contractor under any Contract or transaction placed or entered into by Optilan with the Contractor.

7. Liquidated Damages

(i) If the Goods, as specified in the Contract, are not delivered on or by the date set out in the Contract, then without prejudice to Optilan's other rights under the Contract, Optilan reserves the right to apply liquidated damages at the rate of 1.5% of the Contract value for each week that elapses between the due date and the date of actual delivery of the Goods, up to a maximum of 15% of the Contract value.

(ii) If the Services are not performed on or by the date set out in the Contract, then without prejudice to Optilan's other rights under the Contract, Optilan reserves the right to apply liquidated damages at the rate of 1.5% of the Contract value for each week that elapses between the due date and the date of actual performance of the Services, up to a maximum of 15% of the Contract Value.

8. Force Majeure

(i) A party will not be in breach of its obligations under the Contract or otherwise liable to the other as a result of any delay or failure in the performance of its obligations if and to the extent that such delay or failure is directly caused by Force Majeure and is beyond the reasonable control of the party. Optilan will be relieved from any obligation to make payments to the Contractor for Goods and/or Services to be provided under the Contract for so long as the supply of Goods and/or Services is impacted by Force Majeure.

(ii) A party whose performance of obligations under the Contract is delayed or prevented by Force Majeure will without delay:

- (a) notify the other party on an ongoing basis of the nature, extent, effect and likely duration of the circumstances constituting the Force Majeure;
- (b) use all reasonable endeavours to minimize the effect of the Force Majeure on its performance of its obligations under the Contract; and
- (c) promptly after the cessation of the Force Majeure, notify the other party thereof, provide the other with all reasonable information concerning the impact of and planned response to the Force Majeure, and promptly resume full performance of its obligations under the Contract.

(iii) If Contractor's performance under the Contract is prevented, hindered or delayed by an event of Force Majeure for a period exceeding one (1) month, Optilan may in its absolute discretion terminate the Contract upon giving written notice of termination.

9. Corrupt Gifts and Payments of Commission

The Contractor shall not receive or agree to receive from any person, or offer or agree to give to, any gift or consideration of any kind as an inducement or reward for doing or not doing anything, or for showing favour or disfavour to any person in connection with the Contract.

10. Sub-contracting and assignment

The Contractor shall not sub-contract or transfer, assign, novate, charge, or otherwise dispose of the Contract or any part of it without the prior written consent of Optilan. Where the Contractor enters into a contract with a supplier or sub-contractor for the purpose of performing the Contract or any part of it, it shall cause a term to be included in such contract which requires payment to be made by the Contractor to the supplier or sub-contractor within a period not exceeding 45 days of the end of the month of invoice.

11. Title

The Contractor warrants good title to all the Goods supplied by it in accordance with the Contract. Title to all the Goods shall pass to Optilan at

- (i) the date the Goods are delivered in accordance with the Contract, and as agreed between Optilan and the Contractor, or
- (ii) the date payment for the Goods is made, whichever of the foregoing first occurs. The transfer of title shall in no way affect Optilan's rights to refuse the Goods in case of non-conformity with the requirements for the Goods in accordance with the Contract

12. Patent and Other Rights

Where development forms part of the Contract the ownership of any intellectual property rights including but not limited to patents, registered designs, unregistered design rights and copyright arising from such development shall be transferred to Optilan and the Contractor shall co-operate in any measure necessary to make such transfer effective as soon as any such right arises.

13. Intellectual Property Indemnity

The Contractor shall keep Optilan indemnified in respect of any claim of intellectual property rights by the use or sale of any goods supplied under the Contract and against all costs and damages for which Optilan may become liable or may incur in any action for such infringement.

14. Software

Where software is required to be supplied in accordance with the Contract, the Contractor warrants that Optilan has been provided with any conditions of use or licence terms relating to such software prior to the date of the Contract. In the event that such conditions or licence terms have not been provided the Contractor agrees to waive their application and the Contractor agrees to fully indemnify Optilan against all losses, claims, liabilities, damages, costs and expenses arising from the Contractor's use of the software in contravention of any such conditions or licence terms. The Contractor warrants that the Contractor is the owner of the copyright or other intellectual property in such software to be supplied or has a valid licence from the owner of the copyright or intellectual property to sell or sub-licence the software to Optilan.

15. Termination

(i) If the Contractor fails to fulfil its obligations under the Contract, Optilan may terminate the Contract forthwith by written notice, and may recover from the Contractor any reasonable costs necessarily and properly incurred by Optilan as a consequence of termination.

(ii) Optilan shall be entitled at any time by notice in writing to terminate this Contract without compensation to the Contractor in respect of the terminated portion in the event that:-

- (a) The Contractor becomes insolvent or the Contractor makes a composition or arrangement with their creditors; or
- (b) Any petition is presented for the Contractor's winding-up; or
- (c) The Contractor passes any resolution for the Contractor's winding up

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16. Variations to the Contract

(i) Without prejudice to condition 15, Optilan shall at any time have the right to terminate the Contract or reduce the quantity of Goods or Services to be provided by the Contractor in each case by giving to the Contractor one months' written notice. During the period of notice Optilan may direct the Contractor to perform all or any of the work under the Contract. Where Optilan has invoked either of these rights, the Contractor may claim reasonable costs necessarily and properly incurred by him as a result of the termination or reduction, excluding loss of profit and consequential losses, provided that the claim shall not exceed the total cost of the Contract.

(ii) Termination or reduction under this provision shall not affect the rights of the parties to the Contract that may have accrued up to the date of termination.

17. New Material

Unless specifically agreed otherwise all materials to be supplied under the Order are to be new.

18. Confidentiality and Publicity

The Contractor shall treat all information provided by Optilan as confidential and use such information only for the purpose of performing the Contract. Where drawings or other data are issued, the Contractor shall exercise proper custody and control and return/dispose of such in accordance with Optilan's instructions. Prior written consent shall be obtained from Optilan before any publicity is issued by the Contractor in connection with the Contract.

19. Loss or Damage

The Contractor shall, without delay and at the Contractor's own expense, reinstate, replace or make good to the satisfaction of Optilan, or if Optilan agrees, compensate Optilan, for any loss or damage connected with the performance of the Contract, except to the extent that such loss or damage is caused by the neglect or default of Optilan. "Loss or damage" includes but is not limited to: loss or damage to property; loss of profits or loss of use suffered as a result of any loss or damage.

20. Recovery of Sums from Contractor

Whenever under the Contract any sum or sums of money shall be recoverable from or payable by the Contractor to Optilan, that amount may be deducted from any sum then due, or which at any later time may become due, to the Contractor under the Contract or under any other contract with Optilan.

21. Insurance

The Contractor shall effect and maintain an adequate level of insurance cover in respect of all risks that may be incurred by him in the performance of this Contract and will provide copies of insurance policy certificates on request by Optilan

22. Notices

A notice may be served: by delivery to the Contractor; by sending it by email or facsimile to him; or by ordinary first class post to the Contractor's last known place of business or registered office. A notice shall be deemed served at the time of delivery, after four hours for an email or facsimile, or on the third working day after posting.

23. Law and Jurisdiction

The Contract shall be governed by and interpreted in accordance with the law of England and Wales. The parties hereby submit to the exclusive jurisdiction of the English Courts.

24. Dispute Resolution

In the event of dispute, the parties shall negotiate in good faith to reach a solution. If they do not reach a solution within one month, the dispute shall be escalated to the Senior Management in each party to reach a solution.

If a resolution is not reached by the Senior Management in each party, Optilan may refer the dispute to adjudication.

During the dispute the Contractor shall at Optilan's discretion continue to perform the Contract with all due diligence.