



SUPPLY TERMS AND CONDITIONS

DEFINITIONS

In these terms, the following definitions are applicable:

Customer: Alternative Heat Limited, 19a Scarva Road Industrial Estate, Scarva Road, Banbridge, Co. Down, BT32 3QD (forthwith known as 'AH').

Supplier: Company, person(s) or any other entity to which the inquiry and/or purchase order are addressed.

Goods: has the meaning of the products of any kind, manufactured and/or sold by the Supplier.

Order: AH's order for the supply of goods and/or services. This will ordinarily be in the form of a purchase order, unless otherwise agreed in writing.

Draw-Off Orders: Bulk-orders which are delivered by the Supplier or direct to site by the manufacturer, in batch quantities and on various dates, as per AH's specific instruction(s). This will ordinarily be in the form of a purchase order, unless otherwise agreed in writing.

TERMS AND CONDITIONS

1. Contract basis:

A. These Terms govern the supply of Goods sold by the Supplier to the Customer. These terms constitute the entire and only agreement between the parties.

B. These Terms are applicable to all parties used for supply of goods to AH. The Supplier will be accountable for actions of all third parties during the supply of goods.

2. Product profiles:

A. The Supplier must provide, upon AH's request, their full product profile, with product description per catalogue: including manufacture and bar code, ordering key, and leads times. The Supplier is to make AH aware of any additions or changes to the original details provided as necessary for AH to maintain accurate product profiles and assure correct reordering.

3. Orders and deliveries:

A. Upon successful receipt of purchase order(s) to confirm Order and/or Draw-Off Order, Supplier will provide an order acknowledgment to confirm prices, which will be invoiced as per the purchase order and confirm, where necessary, that the goods are in production to achieve the required delivery date specified by AH. Supplier is to ensure the availability of stock as requested, in full, by the delivery date specified by AH (See Clause 3.E.) or notify stock limitations to AH in writing at the point of initial inquiry (See Clause 3.F.).

B. AH accepts no amendment to prior agreed pricing where existing Orders and/or Draw-Off Orders are in place. Advice of price changes are subject to new or additional purchase (Superseded by Clause 3.A.).

C. Where there is no required delivery date specified by AH, Supplier to default to minimum lead time and communicate said lead time to AH via email.

- D.** AH reserve the right to amend required delivery dates on existing purchase order(s), within the allowance of minimum lead times, if specified.
- E.** It is Supplier's responsibility to instruct AH (See Clause 3.A.) of any restriction in alteration to existing Orders and/or Draw-Off Orders.
- F.** AH will assume the absence of a returned order acknowledgment from Supplier as acceptance to the terms of the provided purchase order(s).
- G.** Deliveries must be made per the details of provided purchase order(s).
- H.** Any variation to the product and/or quantity to be delivered to site from any purchase order(s) must be notified to AH's Purchasing Department or AH representative at least 48 hours in advance of the expected delivery. (See Clause 5.B. & 5.D.).
- I.** Supplier must provide delivery vehicle appropriate to site requirements or in line with special instruction(s). It is the Supplier's responsibility to notify AH Purchasing Department if quotes/orders are based on a particular delivery volume/vehicle or any other such assumptions made by the Supplier.
- J.** All delivery documents must be itemised with full product description and loaded quantity, all accompanying documentation must quote the AH purchase order number, job reference and any additional information relevant to the floor allocation of materials and/or special instruction(s).
- K.** It is Supplier's responsibility to have the delivery documents (as per Clause 3.J.) signed by an authorised AH operative as proof of delivery and retain such signed delivery documents for a minimum of 120 days. If Supplier fails to obtain such signed delivery documents, they will be responsible for any consequences of not. Signed delivery documents must be returned by the Supplier to AH Purchasing Department.
- L.** AH does not accept back orders and expect all deliveries to be met in line with the original purchase order agreement.
- M.** It is Supplier's obligation to make delivery as specified per allocated timeslot. AH will aim to facilitate as best possible and find solutions where able by working with third parties to secure offload and/or reallocating of delivery timeslots. However, AH take no responsibility for failed deliveries as a result of missed delivery timeslots. AH reserves the right to pass on to the Supplier any associated third party or penalty costs incurred.
- N.** Failed deliveries will be rebooked by AH and new required delivery date and/or timeslot communicated to Supplier. Supplier must adhere to revised delivery dates and/or timeslots.
- O.** It is Supplier's responsibility to inform AH of any items which are considered 'special' or non-stock and therefore exceptional to standard re-stocking. Supplier must clearly identify these items at the point of initial order inquiry, on order acknowledgement (See Clause 3.A.) and on all delivery documents. AH will assume no responsibility for restocking charges on products not clearly identified.
- P.** It is Supplier's responsibility to inform AH of any additional carriage and/or delivery charges applicable to any Order and/or Draw-Off Order prior to the point of order (See Clause 3.A.). Any additional carriage and/or delivery charges attempting to be added by the Supplier after this point will be treated as invalid by AH.
- Q.** On Draw-Off Orders, it is the responsibility of the Supplier to Manage their own stock levels in order to meet the demands of the Draw-Off Order, AH will assume no responsibility or charge for the storing of materials at the Suppliers Facility.
- R.** Given the everchanging nature of the Construction process, AH reserve the right to stop, amend or cancel an order due to a change in the Site requirements. It is assumed that the Supplier has managed their stock level to ensure minimum out lay on their behalf. Any bulk ordering carried out by the Supplier ahead of the Draw-Off Orders requirements will have been carried out at risk and AH will not be liable for any costs incurred in the loss of revenue, scrapping or restocking charges.

S. It is the Supplier's responsibility to ensure they have an agreed Supply and / or Delivery schedule in place with AH prior to commencing any manufacturing, and / or Ordering of Materials. Any Delay / Potential delay to delivery due to lack of supply and / or Delivery schedule must be notified by Supplier.

4. Service level agreement:

The Supplier warrants that:

A. all goods and/or services supplied shall be of the best quality and conform in all respects with the Order(s) and/or Draw-Off Order(s) and any specification notified by AH.

B. where the Goods and/or Services (or part thereof) include any element of design by the Supplier such design shall be carried out exercising all the reasonable skill, care, and diligence to be expected of a competent designer who is experienced in preparing design work of a similar scope, nature, and complexity. The Supplier shall provide AH with all necessary native design files for incorporation into their wider works.

C. any design and any selection of materials or goods by the Supplier shall be such that they are safe and in accordance with these conditions.

D. it will hold, throughout the duration of the contract, all necessary permits and licences and will hold such relevant current industry accreditations as required to fulfil AH's requirements.

E. where the Services (or part thereof) include any element of design by the Supplier, professional indemnity insurance shall be maintained by the Supplier at a limit of cover of no less than £5,000,000.00.

F. where defects are found in Goods and/or services (or part thereof), the Supplier shall make good all defects and other faults in the Services (or part thereof) which AH are liable to make good under their own client agreements.

G. it shall be liable for the cost of executing any work to the Goods and/or services (or part thereof) of AH own facilities and/or AH client sites which have been impacted or damaged by reason of any defects or other faults in the Goods and/or Services (or part thereof) which the Supplier is liable to make good under Clause 4F.

H. it will maintain a quality and safety management system, which includes a tried and tested product recall procedure and processes.

I. where applicable, it is Supplier's responsibility to apply for the Warranty of goods subject to registration, both material and supplied equipment. Certification, or proof of such, to be retained by Supplier and be available upon request by AH.

J. it will provide all necessary Technical Specifications, O&M manuals and Product Data sheets, as required by AH for incorporation into AH wider works.

K. recognise that drawings and specifications are complementary to each other. Include any work, materials or equipment indicated on the drawings but not described by the specifications or described by the specifications but not shown on the drawings, which is necessary for the completion of supplied systems. Although such work may not be specifically indicated, furnish and install all supplementary or miscellaneous items, appurtenances and devices incidental to or necessary for a complete mechanical system.

5. Non-conformance:

A. Due to the operational nature of the business, AH will be subject to incur additional costs because of delays in projects.

B. Site progress is dependent on the requirement of materials. AH reserve the right to proportion these costs, and issue failed delivery charges (where terms of our trading are not met) to Supplier.

C. AH will issue notice of non-conformance when terms of trading are breached, including failed and/or late deliveries, incomplete or incorrect products and quantities than expected. (See Clause 3.K.)

D. Costs may still be incurred even with prior notice issued to AH Purchasing Department, should this affect the project schedule. In this case, AH reserve the right to pass these costs to Supplier for reimbursement.

E. (Further to Clause 5.C) Consistent non-conformance to terms will result in review of Supplier's capacity to fulfil order requirements. Outcome of such assessment could include, in addition to respective fines, withdrawal from approved supplier list.

6. Proof of deliveries and invoices:

A. Supplier will only issue invoice to AH following confirmation of successful delivery.

B. All invoices must be supported by the presence of valid itemised POD (proof of delivery) (See clause 3.J.), without such AH will assume the issued invoice is premature and relates to undelivered goods and will place invoice on hold.

C. AH will only qualify a POD as valid if signed for by one of the approved signatories on site (Superseded by Clause 6.I.). List of these specified personnel can be found on the AH 'Supplier Set Up Form' completed by Supplier and returned to AH, or can be requested by Supplier at any time.

D. The risk of materials in relation to collection and delivery shall only pass to the receipting party on completion and exchange of signed collection and/or delivery documents, acting as POD and/or POC (proof of collection). With exception (See Clause 7.D.).

E. Supplier will submit all invoices and statements to AH via e-mail at ah-accounts@alternativeheat.co.uk. If Supplier does not have the ability to achieve this, Supplier will inform AH to agree alternative arrangements (See Clause 6.J.).

F. Invoices and Statements are to be received to the above email address no later than the second working day after month end to ensure they are paid end of that current month. Otherwise, invoices and/or statements received after this date will fall into the following months processing, resulting in a delay in payment (See Clause 6.J.).

G. A statement is required to reconcile Supplier's account for payment, therefore failure to supply a statement will result in non-payment.

H. AH's payment terms are 30 or 60 days, end of month (as per agreed terms) and these terms will override any printed or implied payment terms on Supplier's invoice. Any variance to this must be agreed in writing from an AH Director, prior to invoice being issued by Supplier.

I. Supplier will not, under any circumstances, accept any verbal or written requests to carry out services or supply goods from anyone at AH without a valid signed purchase order issued from an AH buyer. Any invoice issued by Supplier that does not quote a valid purchase order number cannot be processed for payment by AH and will be returned to Supplier.

J. AH will not be subject to penalty in relation to early settlement discounts because of Supplier's delays in providing all necessary documents in relation account reconciliation (See Clauses 6.F. & 6.G.).

7. Collections and returns:

A. Where incorrect and/or faulty materials have been received on site, (contrary to requirements of purchase order) Supplier must arrange collection.

B. Supplier must collect goods following notification issued by way of e-mail from an AH operative or 'Goods Return Note' document, within 14 days, of advice.

C. Due to the operational nature of the business, AH has limited access to on site storage and therefore has no capacity to hold excessive material unless arrangements have be made by prior agreement.

D. AH will assume goods not collected by Supplier within specified period (See Clause 7.B.) are not required for uplift and will be discarded by AH, the credit for which will still be expected, and associated invoice placed on hold until settled.

E. Once a return of material and/or goods has been agreed, AH will issue a notification to Supplier by way of e-mail from an AH operative or 'Goods Return Note' document. This document is to be used as a collection note for the uplift of stated material and/or goods from the designated site.

F. Collections of all materials and/or goods from site must be made with the associated 'Goods Return Note' document as issued by AH. Collection attempts made without the relevant documentation or loading reference may be refused entry by site security or turned away by AH dispatch operatives.

G. Invoices where a supplier return has been issued will be placed on hold pending the receipt of associated credit (See Clause 6.J).

H. AH does not accept 'replacements' on site as exchange for damaged and/or faulty stock. Any returned item must have subsequent credit. Replacement of material should be completed by way of new purchase order. Stores will not accept 'Swaps' (Superseded by Clause 6.I.).

I. It is Supplier's responsibility to notify AH of any restocking charges that will be applied to collection of goods in the instance of no supplier fault. There must be prior agreement, in writing, to these charges in advance of commencing trading. Charges attempting to be applied without prior agreement will be treated as void.

8. Ethical standards:

A. AH expects its suppliers to have anti-slavery and human trafficking policies and procedures in place to protect workers from exploitation