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## Sips Industries Terms and Conditions of Sale

In these conditions the expression "the Company" means Sips Industries Ltd. and the expression "the Customer" means the persons, firms or Company to whom a quotation is addressed and/or whose order is accepted by the Company as a sale and shall include any person acting on behalf of the Customer at any time during the sale and the acceptance of this quotation includes the acceptance of the following terms and conditions:

### General

1. These conditions shall override any differing conditions on the Company's order forms or other documentation. No variation of these conditions shall be valid unless agreed in writing by the Company.
2. Company will not be held responsible by the Customer to take on the role of Designer, Architect or Engineer for the project.
3. Company will only manufacture according to approved Architectural and/or Engineering drawings.
4. The agreement between the parties is a construction contract.

### Quotation

5. Unless otherwise agreed in writing by the Company the Company's quotation and price is based on the cost of goods, materials, labour, plant and services ruling at the date of quotation and the Company reserves the right to make any adjustments to the quotation in the event of any fluctuation in the cost of such goods, materials, labour, plant and services occurring after the date of quotation. Quotations are valid for a period of 60 days from date of issue. Clerical errors whether made verbally or in writing are subject to correction if necessary. Any materials purchased through the Company not included in the quotation will be charged at cost +15%, labour for fitting will be charged at £22.00 per man per hour plus on costs as determined by The Company.
6. In the event that any materials are required in addition to those included in the quotation they will be charged extra at prices ruling at the date of despatch and additional labour will be charged for at the current day work rates paid on actual hours worked unless a fixed price basis is agreed in writing.
7. All quotations are based on the assumption that the site will have easy and safe access and egress for the personnel, tools, material and tackle necessary to carry out the works and presents no obstacle to the proper and

continuous performance of the work. In the event that access to site is delayed or abnormal steps are required to achieve access the Company reserves the right to charge all the additional costs it incurs. The Customer must provide suitable hard-standing for the offloading of components or units immediately adjacent to the foundations. Access to these hard standings must be suitable for the vehicles required for the installation.

8. Any order is accepted on the basis of the current drawings stated in the quotation. The Company reserves the right to make additional charges in respect of any subsequent variation but any special items which have commenced. In the event that changes to layouts after the placing of an order affecting the manufacturing programme and/or delivery dates the Company reserves the right to make additional charges.
9. After the *acceptance of the quotation* payment is made the CAD drawing is started. The primary use for this drawing is to produce factory drawings. If the Customer changes the drawings after this payment, all changes to our CAD drawing are chargeable at £35.00 an hour.
10. Acceptance of orders by the Company is subject to the receipt of satisfactory references in respect of the Customer.
11. Unless otherwise explicitly detailed in the quote, all steel quoted is mild steel painted with red oxide paint. Stainless, extra finishes, brushing, polishing, galvanising are all extra.
12. Unless explicitly included, insulation of floor zone, steel posts, steel beams or similar is not included in the quote.
13. Framing and connecting back to existing structures from the Sips structure
14. The quote excludes any retention or Main Contractors Discount.
15. "Supply only" excludes tools, supplies, equipment and labour associated with the erection of the sips kit, such as nails, screws, foam, external membrane, delivery, labour, machines, tools and site visits.

### **Intellectual Property Rights**

16. All drawings, descriptive matters and other documents furnished in connection with the quotation remain the property of the Company and must not be copied and/or shown to any third party without the Company's consent in writing. Where work is carried out to the Customer's specifications or instructions or where the Customer uses products or goods in breach of any patent, registered design, copyright or other intellectual property, the Customer shall indemnify the Company against all damages, penalties, costs and expenses arising out of the infringement or alleged infringement.

17. The Customer agrees that any photographs of the Customers building in any stage of construction can be used for sales and marketing purposes by the Company.
18. All drawings that are generated by Company to manufacture the kit are to be checked and signed off by the Customer's Architect and/or Engineer before manufacture can proceed.

### **Drawing**

19. Drawings produced by Sips are used for approval for production by the customer and for factory production of Sips structure. Occasionally the customer requests a copy for building control; we can send an electronic version of our standard factory drawings. Any changes to these standard drawings are charged at £30 an hour.
20. Any engineering drawings are overmarked architect drawings along with supporting details and calculations. There are no CAD or layout engineering drawings. Any drawings other than the overmarks and details required by the customer are prepared by the engineer charged at £35 an hour.

### **Delivery**

21. Any time or date for delivery, completion or performance will be calculated from receipt by the Company of a written order to proceed and of all necessary information and drawings to enable it to put work in hand. Any such time or date is to be treated as an estimate only and the Company will not be liable for indirect or consequential loss or loss of profit or business alleged to have arisen from any delay or other circumstances in relation to the Company's activities. If the Customer is not ready by the agreed date, the Customer is still liable for the 35% instalment for the production of the kit on that date and the production will still go ahead.
22. If the Customer delays delivery from the agreed programme date for whatever reason then the Company reserves the right to charge storage arising from such delays amount being no more than ½% of the total cost of the kit per week, starting from the first week of delay.
23. Unless otherwise agreed in writing, the kit will be delivered to site by road transport for erection in sequence and to an agreed delivery programme. The units will be lifted by crane or telehandler and placed in position on a

prepared foundation. Generally crantage is included in our quotation. Where it is offered a 35 tonne capacity crane will be included unless otherwise specified. If access requires a larger capacity crane to be used then the Company reserves the right to make additional charges respect thereof. In all instances the Company accepts no liability for any damage caused to unprotected surfaces or underground services that have to be crossed in order to gain access to carry out the installation. All liability rests with the Customer. If trackway (or similar) protection can help prevent damage, however this is up to the customer to arrange at their cost.

## **Works**

24. The Company reserve the right to return to our works and levy a charge if the any of the points below are ignored in particular those relating to health and safety.
25. Unless otherwise stated the foundations are installed by the Customer, the Customer shall be responsible for the accuracy of the setting out, dimensions, levels and, where applicable, pockets and sole plate to a tolerance of + — 5 mm. All substructure works are to be complete and ready for shell erection prior to the date agreed, for Company to start erection. If the panel kit needs to be packed because the foundations are not level, all grouting under the panels is the Customer's responsibility.
26. Company reserves the right to access the project at any point in time during the construction phase.
27. The Company is not responsible for any supporting structure or foundation work not designed and manufactured by the Company and accepts no liability in respect of any consequences of the insufficiency of any such supporting structure or foundation. Any additional costs incurred by the Company by reason of inaccurate foundations will be charged as an extra.
28. It shall be the responsibility of the Customer to provide security around the perimeter of the project as required by the Health and Safety Executive. Any overhead cables over or near the site need to be noted and the company is to be informed.
29. The Customer will provide suitable access for the articulated lorry to get close to the site to enable unloading by telehandler. Should plant and labour be needed to get the kit to its final destination this will be charged to the Customer at cost +5% and labour will be £16.00 per man per hour. The Company also requires 5 metres clearance around the foundation and the Customer's boundary. The Company must be notified 4 weeks prior to delivery if such access is not possible whereupon the Company will reflect any additional expense, in writing, to the Customer who must then either provide further suitable personnel or suitable transport to enable access to

the site, or agree to pay further charges for the Company to provide additional personnel. Access to the site must be safe and unrestricted.

30. The Company is not responsible for the underfoot conditions, damage to the ground caused by plant and machinery, mud on roads or damage to underground and/or overhead services. The Company will not be held responsible for any damage howsoever caused to the Customer's land or property whilst gaining access, or in the execution of the installation of the Customer's buildings. This includes vehicular access to the Customer's base/site and required transit across the Customer's land/paddocks/fields or gardens. The Company is not responsible for the underfoot conditions, mud on roads or damage to underground and/or overhead services.
31. Any remedial work required, or non productive time incurred on site will be charged to the Customer at a rate of £16.00 per man per hour plus on costs as determined by Company.
32. Any non-productive time incurred by hired plant equipment as a result of the above will be charged to the Customer. Any additional drawing work that is required outside of the original scope of works will be charged to the Customer at £35.00 per hour.
33. It shall be the responsibility of the Customer to provide and erect adequate and legal scaffolding for the safe erection of the shell on an agreed date by both parties. Should the agreed date not be met the Customer will be charged for the removal and the relocation of the Company's team along with any site establishment, travel and plant hire costs.
34. It shall be the responsibility of the Customer to provide a facility for the safe & secure storage of tools & equipment.
35. It shall be the responsibility of the Customer to provide toilet facilities as required by the Health and Safety Executive.
36. It shall be the responsibility of the Customer to provide a facility for the disposal of waste and rubbish from the site.
37. The panels will be placed on the foundations by the Company's installation team in accordance with the Company's method statement. All site works required to complete the building in accordance with our quotation will then be carried out to the reasonable satisfaction of the Company's Contracts Manager prior to it being offered for acceptance by the Customer.
38. If the Customer makes any alteration or adjustment to the building or building works when in progress without the Company's written permission, all the Company's liabilities in respect thereof shall immediately cease.

39. Unless otherwise stated the Customer is responsible for the provision and connection of all services to the building, cladding, windows and doors or all other finishing.
40. Generally where the Company incurs additional costs as a result of late or faulty completion of work not under the Company's control the Company may at its discretion charge such costs as an extra and extend the programme to reflect any delay
41. Where the Company is not appointed main or general contractor, no responsibility is accepted by the Company in respect of loss or damage arising outside normal working hours or after personnel have left the site on completion of erection.
42. The fireproofing of steel and the structure is the responsibility of the customer.
43. Align, cut, shape or install facials, soffits and bargeboards.
44. Finished weathering surface, roof cover, slates, tiles, sarking etc

## **Completion**

45. On completion of the installation the building will be offered for handover to the Customer and seven days will be allowed for inspection and all defects to be noted. In the event that the defects list is prepared by a representative of the Customer then the Customer must pass to the representative the authority to prepare the list within seven days of the handover and approve the works on completion of any remedial works necessary. Subsequent and/or multiple defects lists will not be accepted. Practical completion will be deemed to have taken place upon the expiry of the seven day period or completion of the works listed on the defects list has been completed to the Customer's reasonable satisfaction whichever ever happens sooner.
46. Final Handing Over is deemed to have taken place when any of the following occurs: The Customer or his employee or agent signs the Final Handing Over document; or any of the Customer's employees, agents, contractors, or sub-contractors enter the building or store equipment or materials in the building or carry out any work whatsoever in or on the building; or by his action or inaction the Customer prevents completion of the building work and the Company advises him in writing thereof; or the building has been completed and the Company has advised the Customer of this in writing whether or not the building is occupied by the Customer; or in the case of supply only, the date of delivery of goods and/or materials and/or plant and/or a building to site notwithstanding whether a) above has or has not occurred.
47. If within a period of 12 months from the date of Final Handing Over any fault either of materials or workmanship is proved to exist in any of the Company's

work, the Company shall, at its option, repair, replace or make good such fault. Save as provided herein all express and implied conditions or warranties, statutory or otherwise, by the Company as to the quality or fitness for any purpose of goods, materials, labour, plant and services supplied are hereby excluded to the full extent permitted by law.

48. Notwithstanding the provisions of any main contract in relation to a defects liability period applicable to the products and services sold hereunder, the defects liability period shall be as specified in Clause 34 hereof and shall commence on the date of Final Handing Over under Clause 33 hereof.

### **Payment Terms**

49. Subject to a satisfactory credit references being obtained:  
Payment Terms: (Manufacture, Deliver and Erection the kit)

- 10% on acceptance of the quotation. Engineering, Drawings or work will start on this project when the 10% payment is received by Company as cleared funds in the Company's bank account.
- 30% on procurement of materials for the kit.
- 25% on kit going to factory for production.
- 32.5% upon delivery of the kit to site on a date that has been agreed by the Customer and The Company. It is the Customers responsibility to ensure that the funds are available on the planned date of erection ready for a CHAPS transfer (same day transfer) when the kit arrives on site. Should there be a delay of payment when the kit arrives on site, the plant, accommodation, transport and rates of the crew will be charged to the customer and the crew will return back to the office.
- 2.5% seven days after the completion of the erection of the kit.

Payment Terms: (Manufacture and Deliver the kit)

- 50% on acceptance of the quotation
- 50% prior to delivery of the kit to site on a date that has been agreed by the Client and SIPS Industries Ltd.

50. In the event of the delivery being delayed by the Customer then payment must still be made. The installation cost will be invoiced on the date of practical completion for payment 30 days from the date of the invoice. This final invoice will also include any variations requested by the Customer during installation.

51. All goods remain the property of the Company until paid for in full. The Company reserves the right to dismantle and remove any buildings not paid for in full. The Customer must allow the Company's staff access to the site for this purpose. The Customer will be notified in writing if this action is to be instigated.
52. A charge of 5% above the Barclays Bank minimum lending rate will be made on accounts overdue for payment. This will be applied for the period from the due date to the date of receipt of settlement.
53. Any discount offered for timely payment included with the price will be forfeited if payments are not received by the Company by the due date.
54. All orders are deemed to include the Company's standard terms of payment in respect of "off site materials".
55. Upon delivery of any goods, materials or plant supplied by the Company to the Customer, the Customer shall hold the goods, materials or plant solely as bailee for the Company and the goods, materials or plant shall remain the property of the Company until such time as the Customer shall have paid to the Company in full all sums due to the Company from the Customer whether in respect of the goods, materials or plant or otherwise. Until such time the Customer shall store the goods, materials or plant separately from other goods and products and shall mark them in such a fashion as to show that they are the property of the Company and the Company is entitled to require at any time before it has received payment in full that they shall be delivered up to it. If the Customer is in default in respect of payment, the Company shall be entitled to enter upon the premises of the Customer for the purposes of removing the goods, materials or plant there from and the Company shall have no liability for any costs arising from such action.

### **Liability**

56. Except as otherwise provided herein, the Company shall not be liable for any loss costs or damage including but not limited to indirect or consequential loss or loss of profit or business sustained by the Customer arising from the provision of goods, materials, plant or services by the Company. The Company accepts liability for personal injury or death caused to any person arising from the negligence of the Company.



57. In the event that war, strikes, combinations of workmen, lock outs, accidents, fire or other unforeseen circumstances cause a stoppage of the Company's work or supplies of raw materials or should these or other exceptional circumstances interfere with the means of transport of raw or finished materials, delivery may be wholly or partially suspended and the time for completion of the contract extended proportionally.
58. Normally engineering for the Sips portion of the building is explicitly included in a project, on the quotation document. If not, it is the responsibility of the customer to ensure that engineering is carried out prior to the manufacture by Sips Industries.

### **Insurance**

59. The Customer shall take out or procure insurance cover for all goods, materials, plant and contract works provided hereunder and are adequately covered by insurance against fire, theft, extreme weather conditions, Acts of God, or other loss or damage.

### **Warranty**

60. The Customer warrants and represents that he has complied with every applicable statute, Order or council regulation or direction by law or of a lawful requirement or instruction whether of the Government or any local of other authority and in particular that he has lawfully obtained every necessary licence, permit or authority that may be required in connection with the work.
61. The building construction and finish is to be in accordance with building regulations in particular external walls and roof must have a vented cavity.

### **Cancellation**

62. The Customer shall not be entitled to cancel this Order except with the written agreement of the Company signed by a duly authorised officer of the Company. In the event of such cancellation by the Customer the Customer shall pay forthwith to the Company all costs or losses sustained by the Company in respect of design, manufacture, opportunity costs and loss of profit on such cancelled Order. The 15% initial deposit is non-refundable.

### **Termination**

63. The Company shall, without prejudice to any other of its rights and remedies, have the right immediately to suspend or terminate works under this Order

and refuse to make any further deliveries at any time upon the occurrence of any of the following events:

- if the Customer shall become bankrupt or commit any act of bankruptcy or if the Customer goes or is put into liquidation, otherwise than by voluntary liquidation for the purpose only of amalgamation or reconstruction, or if the Customer shall enter into arrangement or composition with its creditors, or if an administrator, a liquidator or a receiver of the Customer's assets or undertaking or any part thereof is appointed.
- if the Customer commits any breach of these conditions.

### **Assignment**

64. The Customer shall not assign its rights and obligations under this Order without the written consent of the Company.

### **Waiver**

65. Waiver of any or all of these conditions shall not prejudice or affect the Company's rights and remedies in respect of any subsequent breach, non-observance by the Customer of these.

### **Law**

66. These Conditions and any Order or Contract shall be construed in accordance with and governed by the Laws of Scotland.

### **Notices**

67. Any notice to be given hereunder shall be sent by registered post to the registered office of the party to be served or any other address which shall be notified to the other party from time to time.