# PREMIUM FABRICATIONS LTD TERMS & CONDITIONS – REV 02

1. **DEFINITIONS** in this CONTRACT, all capitalised terms shall have the definitions given to them in this Clause 1. The meanings specified are applicable to both the singular and the plural, and to the masculine and feminine form. A provision of law is a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law. The clause headings and sub-headings in this CONTRACT are intended for convenience only and are not in any way to be taken into account when construing the meaning of any part of this CONTRACT.
    a. "**VARIATION**" shall mean a change to the original PURCHASE ORDER issued pursuant to Clause 13.
    b. **"BUYER"** shall mean the party other than PREMIUM FABRICATIONS LTD, as specified in the applicable PURCHASE ORDER.
    c. **"CONTRACT**" shall mean this document together with the applicable purchase order.
    d. "**DELIVERY DATE"** shall mean the date upon which the GOODS shall be delivered as specified in the applicable PURCHASE ORDER.
    e. **"GOODS"** shall mean the goods and/or services to be provided as specified in the applicable PURCHASE ORDER and as may be changed by any VARIATION.
    f. "**PRICE**" shall mean the remuneration payable to PREMIUM FABRICATIONS LTD as specified in the PURCHASE ORDER for providing the GOODS.
    g. "**PURCHASE ORDER"** shall mean the document issued by the BUYER to PREMIUM FABRICATIONS LTD as an instruction to supply the GOODS pursuant to this CONTRACT.
    h. "**PREMIUM FABRICATIONS LTD"** shall mean PREMIUM FABRICATIONS LTD having its main office at Unit 4A-4B, Transpennine Trading Estate, Gorrells Way, Rochdale, OL11 2PX

2. **ACCEPTANCE**
    a. Unless otherwise specifically agreed in writing the PREMIUM FABRICATIONS LTD's receipt of the PURCHASE ORDER and any AMENDMENT shall be deemed to be an acceptance of and an agreement to comply with the PURCHASE ORDER.
    b. These Terms and Conditions are applicable to all quotations and contracts to purchase goods or services from PREMIUM FABRICATIONS LTD.
    c. These Terms and Conditions, together with any other information specified on the order acknowledgement, are deemed to have been accepted by clients unless client notifies PREMIUM FABRICATIONS LTD within 3 working days of issue.
    d. Other Terms and Conditions are only accepted with express written agreement of a director of PREMIUM FABRICATIONS LTD. Any other Terms and Conditions received with Purchase Orders or other documentation are not accepted unless specifically agreed in writing by a director of PREMIUM FABRICATIONS LTD. Similarly, where revised Purchase Orders are received by PREMIUM FABRICATIONS LTD, any such Terms and Conditions already in place (these terms) shall remain in place and shall not be superseded by other terms unless expressly agreed in writing by a director of PREMIUM FABRICATIONS LTD.

3. **LAWS**
    a. The construction, validity and performance of this CONTRACT and matters arising shall be governed in all respects by the law of England and Wales.

**4. QUOTATIONS**

a. Quotations are valid for 30 days unless stated otherwise. Quotations are made in good faith but are subject to items offered remaining unsold and costs remaining stable

b. Quotations are based on best estimates, sometimes using relatively limited information, however, should the specification change on more detailed analysis then PREMIUM FABRICATIONS LTD reserve the right to withdraw the quotation and advise revised costs.

c. Quotations are not a legally binding contract and PREMIUM FABRICATIONS LTD reserve the right to decline the issue of subsequent Purchase Orders.

d. Prices exclude VAT, which will be charged extra at current rates (where applicable), special packing and delivery charges.

e. Any other charges incurred as a direct result of the contract, e.g. customs charges for client's property, will be charged extra to client.

f. Where prices are quoted in currencies other than UK pounds, then payment shall be made in currency as stated on the Quotation. Where exchange rates vary by more than 5%, PREMIUM FABRICATIONS LTD reserve the right to amend the price to the equivalent price in UK pounds at time of order placement.

g. PREMIUM FABRICATIONS LTD prices are based on current supply and manufacturing costs. Where costs change due to events beyond PREMIUM FABRICATIONS LTD' control, then we reserve the right to renegotiate prices. Any price increases will be proportionate to the additional cost to PREMIUM FABRICATIONS LTD.

**5. DELIVERIES & LEAD TIMES**

a. Delivery times as stated on the quotation are offered as guidance only and cannot be accurately verified until order placement due to changes in circumstances. PREMIUM FABRICATIONS LTD always aim to quote realistic delivery times based on workshop loadings and material availability and will always aim to achieve such delivery promises.

b. Due to changing circumstances, a full and accurate schedule can only be produced after approval of drawings.

c. PREMIUM FABRICATIONS LTD will always attempt to keep the BUYER informed of any delays. However, PREMIUM FABRICATIONS LTD cannot be held responsible for any delays or extra costs incurred by late delivery (unless specifically agreed and accepted in advance).

d. PREMIUM FABRICATIONS LTD does not accept "time is of the essence" clauses or penalties for late delivery unless milestones and remedies have been specifically agreed in advance of order placement. There is normally an additional up-front charge for agreement and inclusion of such clauses.

**6. DRAWING REVISIONS**

a. As standard, quotations include 1-off revisions to engineering drawings and calculations per design prior to acceptance by the BUYER. The revisions will follow the below format:

   i. **Rev.B** – Submitted to BUYER for review and comments

   ii. **Rev.01** – Submitted to BUYER for final approval based on comments received (1-off revision)

b. Should further drawing revision(s) be requested by the BUYER, i.e. **Rev.02** and beyond, this will be considered outside the scope of the original quoted terms and necessary additional design hours shall be chargeable to the BUYER at the PREMIUM FABRICATIONS LTD standard rate for design and project management services of £60.00 per hour, rounded up to the nearest 30 minutes.

c. In the event of 6b being actioned by the BUYER, a Contract Variation Notice (CVN) shall be completed and endorsed by the BUYER prior to additional design work being completed.

**7. CERTIFICATION & DOCUMENTATION**

a. PREMIUM FABRICATIONS LTD will supply documentation in accordance with the document list submitted with the quotation. Reasonable revision requests will be included to a maximum of 2-off per document, within the scope of the quoted specification. Revision requests after this point will be charged at PREMIUM FABRICATIONS LTD'S standard hourly rate for design and project management services, in effect at the time of revision modifications, rounded up to the nearest 30 minutes.

b. Revision requests will be attended to at the earliest available opportunity on a first-come-first-served basis but can take up to 2 weeks for major changes, depending on current design office loadings. Any requirement for revision turnaround quicker than this shall be agreed and accepted in writing by a PREMIUM FABRICATIONS LTD senior manager.

c. Revision requests outside the scope of the original quotation, or technically agreed contract, will be treated as a change request and price/delivery will be renegotiated by PREMIUM FABRICATIONS LTD, and agreed by the client, before such deviation requests are acted upon by PREMIUM FABRICATIONS LTD.

d. Final documentation will usually be issued within 1 month of delivery; however, it is possible that some documents may take a little longer. All documents will be issues electronically in PDF format, and any information contained on such documents shall remain the intellectual property of PREMIUM FABRICATIONS LTD. Drawings and design information shall only be used for the purpose of the contract, and shall not be issued to third parties without the prior consent of PREMIUM FABRICATIONS LTD. It is not permissible to issue our drawings, or any other documents containing our intellectual property for the purpose of obtaining quotations from other companies.

e. Delays in submission of documentation shall not be deemed a reason for client to withhold payment, unless agreed as a payment milestone in advance. The invoice date and tax point shall be the date on which the goods, excluding documentation, are made available to the client.

**8. PACKING & CARRIAGE – As per quotation**

a. PREMIUM FABRICATIONS LTD'S standard packing is to supply goods ex works, palletised or boxed where applicable. Larger products, which are too large for standard Euro Pallets are supplied unpacked unless specified in advance.

b. Additional packing and carriage is at extra cost where requested.

**9. CANCELLATION**

a. In the event that the order is cancelled, PREMIUM FABRICATIONS LTD will apply a fair and reasonable charge proportional to the amount of work carried out, or costs incurred. Such costs may include reasonable losses incurred from administration, technical input, and allocation of production time and loss of production. This includes any time preparing quotations, quotation drawings or any other time associated with the order.

b. The minimum cancellation charges that will be applied will be:

i. At any time after order placement: minimum 10% of total order value

ii. On issue of drawings or completion of design activities: 30% of total order value

iii. On purchasing material: minimum 50% of total order value, or sale price of materials purchased

iv. On commencement of production: 75% - 100% of total order value

**10. FORCE MAJEURE**

a. Neither the BUYER nor PREMIUM FABRICATIONS LTD shall be responsible for any failure to fulfil any term or condition of this CONTRACT if and to the extent that fulfilment has been delayed or temporarily prevented by a force majeure occurrence which is beyond the control and without the fault or negligence of the party affected and which, by the exercise of reasonable diligence, either party is unable to provide against.

**11. BOOKED PRODUCTION/DELAYS BY CLIENT**

a. In the event that work is delayed or cancelled by BUYER, BUYER will be liable to pay for such reserved or scheduled production. BUYER will be notified of such charges within 7 days of hold notification or cancellation. Such production will be charged at PREMIUM FABRICATIONS LTD'S standard charge-out rate.

**12. PAYMENT TERMS**

a. Payment terms are 30 days from the date of invoice, unless stated otherwise on the quotation.

b. PREMIUM FABRICATIONS LTD reserve the right to charge interest at 2.5% above Bank of England base rate for late payment.

c. PREMIUM FABRICATIONS LTD reserve the right to reclaim any goods not paid for and reserves the right to full access to any such items.

13. **VARIATIONS**

a. PREMIUM FABRICATIONS LTD shall perform any changes to GOODS required by the BUYER which many include variations, additions or omissions in the GOODS. When the BUYER is contemplating change it shall give notice to the PREMIUM FABRICATIONS LTD who shall promptly advise the BUYER of its reasonable effect on PRICE and DELIVERY DATE. Changes will be priced at the PURCHASE ORDER rates or if such rates are agreed not to be applicable then at such rates as are fair and reasonable. No change shall be accepted by the BUYER and the BUYER shall not liable to make any amended payment to the PREMIUM FABRICATIONS LTD unless such change has been authorised by written instruction subsequently confirmed by an AMENDMENT issued by the BUYER's purchasing department.

**14. DISPUTE RESOLUTION**

a. Any dispute between the BUYER and the PREMIUM FABRICATIONS LTD arising out of or in connection with this CONTRACT shall be resolved by means of the following procedure; (a) the dispute shall initially be referred to the BUYER representative and PREMIUM FABRICATIONS LTD representative who shall discuss the matter in dispute and make all reasonable attempts to resolve such dispute; (b) if no agreement is reached under (a), the disputed shall be referred to the senior management of the parties;

(c) if no agreement is reached under (b), the dispute shall be referred to the Operations Director of PREMIUM FABRICATIONS LTD and the equivalent authority on behalf of the BUYER or the designated nominees of either. In the absence of any agreement being reached, either party may take appropriate action in the Courts to resolve the dispute at any time; provided however, that the party intending to commence proceedings has first exhausted all reasonable efforts to resolve the dispute in accordance with this Clause 22.

b. Any disputes will be subject to resolution under English Law.

**15. INSURANCE**

a. PREMIUM FABRICATIONS LTD will maintain the following insurance policies throughout the term of the CONTRACT:

i. Public and Product liability with an indemnity limit of £15,000,000 any one occurrence

ii. Professional Indemnity with an indemnity limit of £2,000,000 in the Aggregate costs inclusive

**16. CHARGES FOR ACCELERATED DELIVERY**

a. PREMIUM FABRICATIONS LTD reserve the right to reclaim any goods not paid for and reserves the right to full access to any such items.

**17. TITLE OF GOODS**

a. All goods supplied remain the property of PREMIUM FABRICATIONS LTD until all monies owed are paid in full, regardless of inclusion of free issue parts.

**18. SHORTAGES & DAMAGES**

a. Shortages or damage must be notified in writing within 5 working days of receipt.

**19. DEFECTIVE WORK & WARRANTY**

a. PREMIUM FABRICATIONS LTD warrants that the GOODS shall be delivered in accordance with the requirements of this CONTRACT and shall be free from defects. In the event that the BUYER notifies PREMIUM FABRICATIONS LTD of any defects

in the GOODS, including but not limited to any defective design, drawings, material, equipment or workmanship, within twelve (12) months of the DELIVERY DATE, PREMIUM FABRICATIONS LTD shall repair or replace the GOODS as is

necessary to correct the defects in the GOODS at the PREMIUM FABRICATIONS LTD's own cost including, but not limited to

collecting the defective GOODS and transporting the same for such repair or replacement. In the event that the GOODS are repaired or replaced the provisions of this Clause 17 shall apply to the portion of the GOODS so repaired or replaced, and PREMIUM FABRICATIONS LTD shall guarantee for a further period of twelve (12) months all remedial

work carried out under this warranty commencing from the date that such repaired or replaced GOODS are accepted by the BUYER in writing. The rights afforded to the BUYER under this CONTRACT are in addition to and not exclusive of, the BUYER's rights at law.

b. As standard, PREMIUM FABRICATIONS LTD offer a return to base warranty. PREMIUM FABRICATIONS LTD goods are warranted for 12 months from the date of sale (invoice date).
c. Any defective items should be returned to PREMIUM FABRICATIONS LTD for correction. PREMIUM FABRICATIONS LTD will usually contribute towards the cost of carriage for returning of faulty goods from original delivery address, but PREMIUM FABRICATIONS LTD will not accept cost of transport from subsequent delivery address.
d. PREMIUM FABRICATIONS LTD do not accept liability for any consequential loss, including costs of removing products from service, damage to surface finish (except as applied by PREMIUM FABRICATIONS LTD), carriage charges, etc. PREMIUM FABRICATIONS LTD'S maximum liability for any single item will be the sale value of that item.
e. PREMIUM FABRICATIONS LTD reserves the right to repair or rectify faulty goods. PREMIUM FABRICATIONS LTD shall not automatically replace goods at BUYER'S discretion.
f. PREMIUM FABRICATIONS LTD will not accept any liability for any re-work undertaken by BUYER unless agreed in advance.
g. PREMIUM FABRICATIONS LTD is able to offer on-site support at an extra cost. Where onsite support is required, an extra charge will be applicable. Terms must be agreed prior to order placement, and specifically ordered as an addition to the contract.
h. PREMIUM FABRICATIONS LTD do not accept any indemnity clauses such as "Shall indemnify client against", "shall hold client harmless",

etc. Such clauses would need prior approval by PREMIUM FABRICATIONS LTDS' insurance company.

**20. FREE ISSUE MATERIAL**

a. PREMIUM FABRICATIONS LTD do not accept responsibility for inspection or verification of free issue materials or other BUYER supplied goods.
b. Title and ownership of free issue material pass to PREMIUM FABRICATIONS LTD on receipt. PREMIUM FABRICATIONS LTD will insure free issue material up to the value of £20,000.00, beyond which PREMIUM FABRICATIONS LTD do not accept liability for loss or damage. If the total free issue material exceeds this value then any liability must be expressly agreed in writing in advance.
c. PREMIUM FABRICATIONS LTD do not accept any liability for delays or consequential losses caused by damage or loss of free issue materials.

**21. BUYER SPECIFICATION**

a. PREMIUM FABRICATIONS LTD does not accept liability for any failures or technical issues arising from goods wrongly specified by BUYER (for example, material specifications, and painting specifications). PREMIUM FABRICATIONS LTD's goods are manufactured to client specifications only. It is the express responsibility of the client to ensure specifications are complete and accurate, goods are fit for purpose and that all relevant information relating to usage has been properly communicated to PREMIUM FABRICATIONS LTD.

**22. OFF-SITE MEETINGS**

a. Off-site meetings are excluded unless otherwise specified. Each off-site meeting requiring PREMIUM FABRICATIONS LTD employees will be charged at a cost of £800 per employee, plus travel expenses.

23. **SURFACE FINISH AND CLEANING OF STAINLESS-STEEL VESSELS**

a. PREMIUM FABRICATIONS LTD stainless-steel vessels will normally be supplied in "as manufactured" condition, free of loose debris. However, there may be some corrosion, discolouration and contamination to both internal and external surfaces.

b. Where required, additional cleaning, blasting, pickling, etc., may be carried out at extra cost, but must be specified in advance. PREMIUM FABRICATIONS LTD cannot accept liability for cleaning costs unless surface requirements are specified in advance.

**24. CONFIDENTIALITY**

a. The BUYER and PREMIUM FABRICATIONS LTD shall keep any information which either learns about the other in connection with this CONTRACT in strict confidence and shall not disclose the same to any third party without the prior written consent of the other party save to the extent that the provisions of this Clause 23 shall not apply to information which (i) is part of the public domain; or (ii) was in the possession of either party prior to the award of this CONTRACT and which was not subject to any obligation of confidentiality owed to the other party; or (iii) was received from a third party whose possession is lawful and who is not subject to confidentiality obligations; or (iv) is required to be disclosed in order to comply with the requirements of any law, rule or regulation of any governmental or regulatory body having jurisdiction over the CONTRACT, or of any relevant stock exchange.

**25. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

a. The parties agree that no provision of the CONTRACT confers any benefit on, nor is enforceable by any party is not party to the CONTRACT.

**26. INVALIDITY AND SEVERABILITY**

a. If any provision of this CONTRACT shall be found by any court of competent jurisdiction to be invalid or unenforceable, the invalidity or unenforceability shall not affect the other provisions of this CONTRACT and all other provisions not affected by such invalidity or unenforceability shall remain in full force and effect.

**27. ENTIRE AGREEMENT**

a. This CONTRACT constitutes the entire agreement between the parties with respect to the GOODS and supersedes all prior negotiations, representations or agreements related to this CONTRACT whether oral or in writing.