

GENERAL CONDITIONS (Version 1 - August 2005)

1. Contract

This Contract comprises these General Conditions, and the order expressed to be subject to these General Conditions.

2. Assignment and Subcontracting

The Supplier shall not assign or subcontract any part of this Contract without first obtaining BT's written consent.

3. Delivery

The Supplier shall deliver Supplies to such delivery address(es) and at such times as are specified by the Delivery Contact and, if requested to do so, provide details of the weight and material composition of packaging forming part of or accompanying Supplies.

4. Quality Of Supplies

Supplies shall be to BT's reasonable satisfaction and comply with:

- the latest applicable issues of all UK and International standards; and
- this Contract and all documents referred to in it.

The Supplier shall give BT or its representatives reasonable access to all its relevant premises and co-operate in any quality assessment.

5. Price

The price of Supplies excludes VAT, but includes all royalties, licence fees or similar expenses arising from the use of any intellectual property and the delivery and, where applicable, off-loading of Supplies.

6. Payment and Invoicing

- The Supplier shall, following supply of all or (where agreed by BT in writing) each instalment of Supplies, send a valid VAT invoice to BT [insert relevant name of BT Line of Business] Accounts Payable, PO Box 371, Parkway Business Centre, Manchester M14 0WE, United Kingdom (or such address as BT may specify from time to time) for the price of Supplies delivered in accordance with this Contract.
- Each invoice shall specify: its date; this Contract number; the order reference; line reference; the relevant BT item code(s) if appropriate; the correct price; the full description of the Supplies to which the invoice relates (as defined in this Contract); the portion of the Supplies for which payment is due and, if appropriate, the cumulative amount invoiced to date. The agreed payment currency and the Incoterm must be specified in relation to any non-UK transaction. Any discounts should be separately shown with a clear indication of what the discount is for plus Information sufficient to comply with Inland Revenue and Customs & Excise requirements.
- BT shall pay due and correct invoices on the first Monday (or, if that Monday is a public holiday, on the next day that is not a public holiday) after the expiration of 42 days from the date BT receives the invoice. Payment of 100% of the Contract Price shall become due upon complete performance of the Contract.

7. Guarantee

The Supplier shall promptly at its own expense:

- remedy (by repair or replacement at BT's option) defects in Supplies appearing within one year which arise from faulty design, workmanship, materials or the Supplier's negligence and shall pay for their return carriage; and
- repair or replace (at BT's option) Supplies lost or damaged in transit.

8. Title and Risk

Without prejudice to BT's other rights:

- title in Supplies passes to BT on the earlier of delivery or payment (including part payment); and
- risk in Supplies is borne by the Supplier until delivery.

9. Confidentiality

The Supplier shall keep confidential all information obtained from BT ("Confidential Information") and shall not without BT's prior written consent disclose the existence of this Contract or disclose or use any of Confidential Information for any purpose except as necessary for properly performing this Contract. The above provisions of this Condition shall not apply to information: which is in the public domain otherwise than through a breach of this Condition; or already known to the Supplier and not the subject of any obligation of confidentiality; or obtained from a third party who is free to disclose it; or replicated by development independently carried out without access to or knowledge of Confidential Information. The Supplier shall ensure that any subcontractor used in relation to this Contract is bound by a provision in similar terms to this Condition in relation to Confidential Information.

10. Indemnity

The Supplier indemnifies BT against all claims, liability, demands, proceedings, costs and expenses arising:

- (a) in respect of loss or damage to any property, or death or personal injury of, any person arising as a result of any act or omission of the Supplier, its employees, agents or subcontractors (or their employees or agents) in relation to this Contract except to the extent such loss, damage, death or personal injury is caused by the negligence of BT; or
- (b) under Part 1 of the Consumer Protection Act 1987 in relation to Supplies; or
- (c) in respect of any claim that Supplies infringe or allegedly infringe any intellectual property rights (including without limitation, patents, copyright, registered designs and design rights).

11. Limitation of Liability

- (a) Subject to paragraph (c) of this Condition, neither party shall be liable to the other under this Contract for any indirect or consequential loss or damage
- (b) Subject to paragraph (c) of this Condition the liability of either party to the other under this Contract shall not exceed £1,000,000 in aggregate.
- (c) Paragraphs (a) and (b) of this Condition shall not apply to loss or damage arising out of or in connection with:
 - death or personal injury; or
 - the wilful failure of either party to perform its contractual obligations; or
 - paragraphs (b) or (c) of the Condition headed "Indemnity".

12. Insurance

- The Supplier shall at its own expense effect and maintain for the duration of this Contract such insurances as required by any applicable law and as appropriate in respect of its obligations under this Contract. Such insurances shall include third party liability insurance with an indemnity limit of not less than £1 million for each and every claim.
- If the Supplier cannot provide evidence of such insurance to BT on request, BT may arrange such insurance and recover the cost from the Supplier.
- The Supplier shall notify BT as soon as it is aware of any event occurring in relation to this Contract which may give rise to an obligation to indemnify BT under this Contract, or to a claim under any insurance required by this Contract.
- This Condition shall not be deemed to limit in any way the Supplier's liability under this Contract.

13. Termination

Without prejudice to BT's other remedies, BT shall have the right to terminate this Contract forthwith, and to claim the additional cost of obtaining replacement supplies if:

- the Supplier commits a material breach or persistent breaches of this Contract and fails to remedy the breach within ten days of receiving written notice to do so; or
- the Supplier becomes insolvent, ceases to trade, compounds with its creditors, commits an act of bankruptcy, or a bankruptcy petition or bankruptcy order is presented or made in relation to the Supplier; or has a receiver appointed, or a petition for an administration order presented or made: or a resolution or petition

to wind up the Supplier is passed or presented (otherwise than for reconstruction or amalgamation).

14. Compliance with Legislation

The Supplier and Supplies shall comply with all applicable legislation, regulations or by-laws of any relevant local or other authority as well as any BT site regulations that may be notified.

15. General

- These Conditions are in addition to and shall not prejudice or affect any terms or rights implied under statute or common law. Otherwise this Contract is the entire contract between BT and the Supplier.
- No variation to this Contract shall have effect unless agreed by both parties in writing.
- No waiver by either party shall be effective unless made in writing.
- A person who is not a party to this Contract may not enforce any of its terms under this Contracts (Rights of Third Parties) Act 1999.
- The Conditions headed "Guarantee", "Confidentiality", "Indemnity", "Limitation of Liability" and "General" shall survive this Contract.
- This Contract shall be governed by English law and subject to the exclusive jurisdiction of the English Courts.