

## **STANDARD SUB-CONTRACT CONDITIONS FOR THE SUPPLY OF LABOUR ONLY OR LABOUR AND MATERIALS WORKS**

### **1.0 DEFINITIONS**

The Sub-Contractor - the party providing labour or labour and materials to SE Controls under this Agreement.  
The Principal Sub-Contractor – the client of SE Controls where that client is a sub-contractor to a Main Contractor.

### **2.0 MAIN AND SUB-CONTRACT AGREEMENTS**

2.1 This Agreement is supplemental to agreements made between:-

- (a) SE Controls and the Principal Subcontractor, if applicable, or the Main Contractor;
- (b) The Principal Subcontractor, if applicable, and the Main Contractor;
- (c) The Main Contractor and the Employer;
- (d) The Approved Contractor Agreement between the Sub-Contractor and SE Controls.

2.2 The Sub-Contractor shall be deemed to have notice of and be bound by all the provisions of the agreements referred to in 2.1 above insofar as they relate to the Sub-Contract works.

2.3 The Sub-Contractor acknowledges that any breach by the Sub-Contractor of this Agreement may result in SE Controls committing breaches of and becoming liable in damages under the agreements referred to in 2.1 (a), (b) and (c) above and may cause further loss and expense to SE Controls. All such damages loss and expense are agreed to be within the contemplation of the parties as being probable results of any such breach by the Sub-Contractor and shall be recoverable from the Sub-Contractor.

### **3.0 SCOPE OF WORKS**

3.1 The Sub-Contractor shall provide and carry out all that is necessary to execute and complete the Sub-Contract works to the satisfaction of SE Controls.

3.2 The Sub-Contractor shall apply to SE Controls for all drawings details or information necessary to perform the Sub-Contract works and no claim by reason of lack of knowledge shall be allowed.

3.3 Where the Sub-Contract works include any element of design by the Sub-Contractor 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.

3.4 Any design and any selection of materials or goods by the Sub-Contractor shall be such that they are safe and in accordance with this Agreement.

### **4.0 PLANT MATERIALS AND LABOUR**

4.1 The Sub-Contractor shall supply all items necessary for the complete and satisfactory performance of the Sub-Contract works except such items as SE Controls shall agree to supply for the use of the Sub-Contractor. The Sub-Contractor shall unload store and subsequently handle all such items for the complete and satisfactory performance of the Sub-Contract Works.

4.2 No tools, plant, equipment, unfixed materials or goods delivered to site shall be removed by the Sub-Contractor without the permission of SE Controls until completion of the Sub-Contractors works. The Sub-Contractor shall nevertheless remain solely responsible for any loss or damage to all such items.

4.3 The Sub-Contract works shall be at the risk of the Sub-Contractor until they are formally taken over by the Principal Subcontractor or the Main Contractor as the case may be. Sectional handover of the Sub-Contract works may be applicable depending on the contract.

4.4 The Sub-Contractor shall not sub-let the provision in whole or part of the Sub-Contract works without the prior permission of SE Controls.

### **5.0 EQUIPMENT AND STORAGE**

5.1 The Sub-Contractor agrees to provide his own tools, consumable tool parts and PPE as may be necessary to properly carry out the Sub-Contract works in accordance with SE Controls installation practices.

5.2 All plant and equipment used must comply with SE Controls company policy and must be maintained in a safe condition.

5.3 Specialist equipment such as mobile towers, mobile platforms, scaffolding etc. may be provided by SE Controls or the Principal Sub-Contractor or Main Contractor where applicable to the works being carried out. By agreement SE Controls may require the Sub-Contractor to make the necessary equipment hire arrangements as a variation to the works if not already allowed for in the quoted price for the works and in such case the Sub-Contractor shall recover the additional cost for that equipment hire from SE Controls.

5.4 The Sub-Contractor agrees to wear any such work-wear, identity badges, etc. as required by SE Controls in pursuance of brand image or to meet a client's requirements for persons working on their premises and sites. Such equipment etc. shall remain the property of SE Controls and the possession of such items does not indicate ownership or employment with SE Controls. All such issued work-wear etc. must be maintained in good order by the Sub-Contractor.

5.5 The Sub-Contractor shall be responsible for any materials provided to them by SE Controls for the purpose of the works whether such materials are to be stored at the Sub-Contractor's premises or on site. It is important that all such materials are stored in a safe and secure manner and location. Where storage is on site, the location and duration of the storage shall be prior agreed with SE Controls' client.

### **6.0 COMMENCEMENT PROGRESS AND COMPLETION**

6.1 The Sub-Contractor shall commence the Sub-Contract works when directed to do so in accordance with the agreed programme for the Sub-Contract works and shall proceed regularly and diligently to execute and complete the Sub-Contract works in conformity with SE Controls reasonable directions together with such variations as SE Controls may direct. The Sub-Contractor shall complete his works by the date or within the period specified subject only to any extension of time in accordance with 6.2 below. Continuity of working is not guaranteed and more than one continuous visit to site may be required.

6.2 The Sub-Contractor shall notify SE Controls in writing of any delay affecting the Sub-Contract works within 48 hours thereof giving full details. No extension of the date or period for completion of the Sub-Contract works will be granted unless the Sub-Contractor has been delayed by any circumstances for which SE Controls has obtained an extension of time under the agreements referred to in 2.1 above or by any circumstance that is attributable to SE Controls. If the Sub-Contractor fails to complete his works by the date or within the period specified or any extension thereto granted by SE Controls then the Sub-Contractor shall be liable for any loss or damages incurred by SE Controls caused by such failure of the Sub-Contractor and any sum in respect of such loss or damages shall be paid by or be recoverable as a debt from the Sub-Contractor.

6.3 If it becomes reasonably apparent that the Sub-Contractor is failing to maintain progress in accordance with the agreed programme for the Sub-Contract works, SE Controls may employ other persons to carry out part or all of the remaining Sub-Contract works so affected without being in breach of this Agreement. Any costs for labour, plant or machinery incurred by SE Controls as a result will be deducted from any payments due to the Sub-Contractor or be recoverable as a debt. The manner in which the works carried out by any other party are valued will be entirely at the discretion of SE Controls.

### **7.0 SUB CONTRACT SUM AND VARIATIONS**

7.1 The Sub-Contract sum is the VAT exclusive value of the works carried out by the Sub-Contractor under this Agreement with that price fixed for the duration of the works subject to adjustment only as provided for by this Agreement.

7.2 The Sub-Contractor shall be entitled to claim from SE Controls as an addition to the Sub-Contract sum the amount of VAT properly chargeable. The Sub-Contractor shall co-operate and do all that may be reasonably requested in respect of the provision of documents and information relating to the payment of VAT in order that the VAT regulations may be properly complied with.

7.3 All variations must be instructed in writing by SE Controls and will be valued as follows. Any extra or omitted work shall be valued at the rates applicable to the computation of the Sub-Contract sum or if in the circumstances such rates are not applicable at such rates as SE Controls shall determine as being fair and reasonable in all the circumstances. Such rates shall be agreed wherever possible before any such work is carried out.

7.4 Any day-work claim must first be agreed in principle with SE Controls. If day-work is acceptable to SE Controls it must be supported by fully detailed day-work sheets which must be submitted to SE Controls in order to allow compliance with any requirements of the agreements referred to in 2.1 above but in any event all sheets shall be submitted within 5 days of the work being carried out. Signed sheets confirm the resources used only and are not a guarantee that the work will be paid on a day-work basis.

7.5 Where day-work applies, day-work sheets must be signed by both the Main Contractor's site staff and SE Controls Project Leader in order for payment to be considered. Signed day-work sheets do not automatically confirm payment will be made.

7.6 No payment will be made to the Sub-Contractor until such time as SE Controls has received the receipt of a completed Sub-Contract questionnaire, including the proper documentation requested. It is deemed that the Sub-Contractor has all relevant training necessary to complete the works and operate the necessary plant. No extension of time to the Sub-Contract programme shall be permitted as a result of insufficient labour caused by the Sub-Contractor's non-adherence to this clause 7.6.

### **8.0 HEALTH AND SAFETY**

8.1 The Sub-contractor will be responsible under the Health and Safety at Work Act 1974 for ensuring the health and safety of themselves, their workforce (where applicable), members of the public, employees of SE Controls and SE Controls' clients.

8.2 The Sub-Contractor agrees to comply with SE Controls work instructions, Health and Safety Procedures, Client Safety Instructions, Risk Assessments and Safe Systems of Work at all times.

8.3 The Sub-Contractor agrees to dispose of all waste in accordance with SE Controls operating procedures.

8.4 The Sub-Contractor shall comply with SE Controls Health and Safety Management System including Accident Reporting/ Safe Systems of Work/ PPE/ Testing and Recording of equipment/ ladders.

8.5 The Sub-Contractor shall carry out and record tool box talks and other health and safety training so as to ensure continued development and improvement of all their operatives' health and safety knowledge.

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- 8.6 The Sub-Contractor shall ensure that site inductions are attended as required on the first day of commencement of the works on site and on subsequent days visits upon arriving on site that they sign in according to site procedures.
- 9.0 PAYMENT**
- 9.1 Payment will be made in accordance with the purchase order.
- 9.2 Where the Sub-Contractors payment terms are via application for payment, the Sub-Contractor should submit a detailed and substantiated VAT exclusive cumulative statement valued up to the end of the month and submitted in accordance with the payment schedule laid out in the agreements referred to in 2.1.
- 9.3 SE Controls does not operate an Authenticated Receipt System and all payments will be made against approved VAT invoices only.
- 9.4 In the event that the Employer, Main Contractor or Principal Subcontractor becomes insolvent the obligation of SE Controls to make payment as aforesaid to the Sub-Contractor will become conditional upon SE Controls actually having received a payment that includes a sum in respect of the Sub-Contractors works. The Sub-Contractor shall not have any entitlement to any amount greater than the sum received by SE Controls in respect of the Sub-Contractors works.
- 9.5 Where in accordance with the agreements referred to in 2.1 above the cost of any of the Sub-Contractors materials and goods delivered to site but not yet fixed shall have been included in any interim certificate under which the amount properly due to the Main Contractor shall have been discharged by the Employer then such materials and goods shall be and become the property of the Employer and the Sub-Contractor shall not deny that such materials and goods are and have become the property of the Employer.
- 9.6 SE Controls may make a set-off against the Sub-Contractors payment, whether arising under this Agreement or otherwise, of the amount or bona fide estimate thereof of any damages cost loss and/or expense incurred by SE Controls, or which SE Controls believes is likely to be incurred, by reason of any breach or any failure of the Sub-Contractor to observe the provisions of this or any other Agreement between them.
- 9.7 The Sub-Contractor shall submit a fully detailed and substantiated statement of final account as soon as practicable and in any case within two months of the completion of the Sub-Contract works on site. As failure to comply may prejudice SE Controls in the submission and settlement of their final account with the Principal Subcontractor or Main Contractor as the case may be it is agreed that failure by the Sub-Contractor to submit the statement of final account as aforesaid may restrict the Sub-Contractor's final account to those items and values previously notified.
- 10.0 DEFECTS AND OTHER FAULTS**
- 10.1 The Sub-Contractor shall make good all defects and other faults in the Sub-Contract works which SE Controls are liable to make good under the agreements referred to in 2.1 above.
- 10.2 The Sub-Contractor shall be liable for the cost of executing any work to the main contract works made necessary by reason of any defects or other faults in the Sub-Contract works which he is liable to make good under Clause 10.1 above.
- 11.0 REMOVAL OF DEBRIS AND WASTE MATERIAL**
- 11.1 During the performance of the Sub-Contract works and upon completion thereof the Sub-Contractor shall clean up and remove from the site all debris and waste material for which he is responsible and shall keep and leave the site in a clean and tidy condition satisfactory to SE Controls.
- 12.0 INSURANCE**
- 12.1 The Sub-Contractor shall effect and keep in force insurances as will cover his liabilities hereunder or at common law or under any statute or regulation in respect of injury or death of any person or loss of or damage to any property arising out of or in connection with the execution completion or maintenance of the Sub-Contract works.
- 12.2 The Indemnity granted under the Insurance effected in respect of claims for injury or death of any person employed by the Sub-Contractor and arising out of or in the course of the employment shall be not less than £10,000,000.00 and for insurance covering liability of the Sub-Contractor for injury to other persons or loss or damage to property the limit of indemnity shall be not less than the sum agreed with SE Controls.
- 12.3 Where the Sub-Contract works include any element of design by the Sub-Contractor professional indemnity insurance shall be maintained by the Sub-Contractor at a limit of cover of no less than £5 million.
- 12.4 Such insurances shall indemnify SE Controls, the Principal Subcontractor if applicable, the Main Contractor and the Employer.
- 12.5 The Sub-Contractor shall produce evidence that such insurances are in force within 7 days of being requested to do so.
- 12.6 Where SE Controls are requested to provide a collateral warranty for the project, the Sub-Contractor grants that any design documents prepared by themselves for the project works are the Sub-Contractor's original work and that in any event their use in connection with the project works by SE Controls or any party to the agreements detailed in clause 2.1 or as may further become connected to the works in the form of a collateral warranty provided by SE Controls, will not infringe the rights of any third party. The Sub-Contractor further warrants that they and any of their Sub or Sub-Sub Contractors will use their own original works and grant a non-exclusive royalty free licence to all parties detailed in 2.1 and as further detailed in any collateral warranty entered into by SE Controls, to copy and use the design documents and to re-produce the designs for any purposes relating to the works as detailed in the Sub-Contract or Main Contract detailed in 2.1 and this includes and is not limited to the construction, completion, maintenance, letting, sale, promotion, advertisement, extension, reinstatement, refurbishment and repair of the works. Such license will carry the right to grant sub-licenses and will be transferable to third parties. The Sub-Contractor hereby waives and agrees not to assert (and to procure that any Sub-Sub Contractors and Sub-Consultants do likewise) all moral rights in the Documents under Part 1 Chapter IV of the Copyright, Designs and Patents Act 1988 or any re-enactment or modification of it.
- 13.0 LAWS AND REGULATIONS**
- 13.1 The Sub-Contractor shall comply with all Acts of Parliament and other statutory regulations, by-laws, rules and approved codes of practice so far as they are applicable to the Sub-Contract works.
- 13.2 The Sub-Contractor shall comply with the provisions of any statutory obligations including but not limited to the Factory Acts, the Health & Safety at Work Acts, the Construction Regulations and The Construction Design and Management Regulations. The Sub-Contractor shall comply with SE Controls safety policy and safe systems of working and the safety policies of the Principal Subcontractor if applicable, Main Contractor and Employer.
- 14.0 TERMINATION**
- 14.1 If in the opinion of SE Controls the Sub-Contractor has committed any substantial breach of this Agreement or of the Approved Contractor Agreement between the Sub-Contractor and SE Controls and fails to commence to remedy the same immediately after notice in writing from SE Controls then SE Controls may by further written notice to the Sub-Contractor terminate forthwith the Sub-Contractors employment under this Agreement and expel the Sub-Contractor from the site and take over all materials provided by or on behalf of the Sub-Contractor which are upon the site of the Sub-Contract works and may use the same to complete the Sub-Contract works.
- 14.2 If the Sub-Contractor has a bankruptcy order made against him or makes any arrangement with his creditors or has an interim order against him SE Controls shall have the right to terminate this Agreement.
- 14.3 The Sub-Contractor shall allow or pay the amount of any damages loss and expense incurred by SE Controls by reason of such termination. Until after completion of the main contract works SE Controls shall not be bound to make any further payment to the Sub-Contractor but within a reasonable time thereafter SE Controls shall ascertain the amount of damages loss and expense incurred in completing the Sub-Contract works and incurred by reason of the termination. Such damages loss and expense shall be deducted from any monies otherwise due to the Sub-Contractor or otherwise recoverable as a debt.
- 14.4 If for any reason SE Controls employment under the agreements referred to in 2.1 above is terminated then the employment of the Sub-Contractor under this Agreement shall also be terminated automatically.
- 14.5 In the event of such termination as referred to in this clause 14 the Sub-Contractor shall deliver up to SE Controls any materials that have been provided by SE Controls that are not incorporated in the Sub-Contract works at the date of termination.
- 15.0 EXCLUSION OF TERMS**
- 15.1 Any terms or conditions which may be endorsed on or annexed to or contained in the quotation of the Sub-Contractor (except such as constitute warranties or guarantees) shall not form part of this Agreement unless specifically agreed to in writing by SE Controls.
- 16.0 CONFIDENTIALITY**
- 16.1 The Sub-Contractor hereby agrees that they will not at any time during or after the termination date of this Agreement contract use, or procure, the use of the name of SE Controls the Principal Sub-Contractor if applicable the Main Contractor or the Employer, in connection with their own or any other name in any way designed to suggest that they continue to be associated with the business of SE Controls the Principal Sub-Contractor if applicable the Main Contractor or the Employer or in any way hold themselves out as having such a connection.
- 16.2 The Sub-Contractor will not at any time during or after the completion of this Agreement (save as required by law) disclose or divulge to any person other than to Officers or employees of SE Controls the Principal Sub-Contractor if applicable the Main Contractor or the Employer whose privilege it is to know the same, any confidential information and they shall use their best endeavors to prevent the publication or disclosure of any confidential information by any other person.
- 16.3 The Sub-Contractor covenants and agrees that all documents and equipment relating to the business of SE Controls the Principal Sub-Contractor if applicable the Main Contractor or the Employer that they shall use or prepare or come into contact with, including but not limited to specialist equipment, identity cards, uniform, memoranda, notes, records, files, plans, reports, manuals, drawings, blueprints, computer programmes and programme documentation and other documents (and all copies thereof) and such documents and equipment shall remain the sole and exclusive property of SE Controls the Principal Sub-Contractor if applicable the Main Contractor or the Employer as applicable.
- 16.4 The restrictions set out in Clause 16.1 shall cease to apply to information or knowledge which comes into the public domain otherwise than by reason of the default of the Sub-Contractor.
- 17.0 GOVERNING LAW**
- 17.1 This Agreement shall in all respects be governed by English law and any dispute or difference arising hereunder shall be subject to the jurisdiction of the English courts.

## **STANDARD CONDITIONS OF PURCHASE FOR THE SUPPLY OF GOODS**

1. Definitions:  
"Purchaser" means Loanguard Limited trading as SE Controls  
"Supplier" means the person, firm or company to whom this order is addressed.  
"Goods" means the goods and/or services specified in this order.  
"Order" means the official instructions in writing of the Purchaser to supply Goods.  
"Contract" means the contract arising out of the order.
2. Notwithstanding anything to the contrary agreed orally or contained in any document this Order is subject to the following conditions save only that any of the said conditions may be excluded by an exclusion in writing signed by a Director of the Purchaser and referring specifically to the conditions to be excluded.
3. No contract or Order will be recognised unless on our official order form and signed by an officer of the company.
4. Delivery of all goods must be made by the Supplier to the Purchasers premises at the Supplier's risk and expense in all respects.
5. Rejected goods will be returned at suppliers risk and expense for whatever reason they are rejected, and in such event the Purchaser may treat the Contract as having been wholly or partly repudiated by the Supplier.
6. Patents. The Suppliers guarantee the goods to comply with any relevant patent, trade mark, registered design, copyright or similar law, and to be usable by us, or our associated companies, without restriction in any part of the world. The Suppliers will indemnify the Purchaser or their associated companies from and against all liability, claims, demands, infringement or any alleged infringement of such patent or other right as aforesaid.
7. The Purchasers may cancel the whole or any part of the order; whether or not delivery is fixed to be by instalments:-
  - (a) If, where a time for delivery is specified in the order, any of the goods ordered are not delivered within the specified time, or
  - (b) If their ability to accept delivery of the goods ordered, or to make use of the goods ordered is adversely affected, directly or indirectly, by matters beyond their control; and in particular, but without prejudice to the generality of the foregoing, if any embargo, strike or labour trouble adversely affects their ability as aforesaid; or
  - (c) If the factory is damaged by fire, however caused, or by any other casualty, however caused; or
  - (d) If after the date of the order, by reason of any Statute, Statutory Instrument, Order, Regulation or any other exercise whatsoever by any competent authority of delegated legislative power any variation shall be made in the conditions subject to which or the price at which any goods comprised in the order shall or may be bought, sold, acquired or used; or
  - (e) In the event of any breach of any of these conditions or of any statutory provisions by the Supplier.
8. The property in any goods comprised in the Order shall pass from the Supplier to the Purchaser when actual physical delivery has been made by the Supplier and accepted by the Purchasers at the purchaser's warehouse to which the goods are to be consigned.
9. The Supplier shall clearly mark all packages in which goods are delivered under the Order with his name and with the description and quantity of the contents. But the Purchasers' signature given in respect of such goods is evidence only of the number of packages received. In particular it is no evidence that the correct quantity or number of goods have been delivered, or that the goods delivered are in good condition or of the correct quality.
10. The Purchasers may retained unopened any package in which goods are delivered under the Order for so long as is convenient to them and shall have a reasonable time after opening any such package, in which to examine and test the goods contained therein, and may at any time before the expiry of such reasonable time reject such goods, if they do not conform in every respect with the terms of the Order. If by the nature of the goods any defect therein or any failure to comply in every respect with the terms of the Order would not become apparent until the goods are used, the Purchasers may reject such goods even after use. The Purchasers may exercise the aforesaid rights of rejection notwithstanding any provision contained in Section 11 or Section 35 of the Sales of Goods Act, 1893 or in any statutory re-enactment or modification thereof.
11. The conditions implied by Section 14(1) of the Sales of Goods Act, 1893, shall apply to any goods ordered under their patent or other trade name notwithstanding the provision to the said sub section.
12. The goods comprised in the Order shall comply with requirements as to dealing in or with such goods imposed by any statute, Statutory Instruments, Order Regulation or other exercise whatsoever by any competent authority of delegated legislative power.
13. The goods comprised in the Order shall not be manufactured, sold or disposed of by the Supplier in violation of any right whatsoever of third parties, and in particular but without prejudice to the generality of the foregoing of any patent right, trade mark, charge or lien.
14. The Supplier warrants that the goods are: of sound design and fit for the purpose for which they are procured by the Purchaser; capable of the required performance; in accordance with the quality, quantity, description, specification, drawings and instructions; equal in all respect to any samples.
15. The Supplier will indemnify the purchasers against any damage, loss or expense, caused directly or indirectly, to the Purchasers by reason of any breach by the Supplier of any of these conditions, or of any terms or obligations on his part implied by the Sales of Goods Act, 1893, or any other Statute or Statutory provision, but without prejudice to all and any other rights and remedies available to the Purchaser.
16. The price specified in the Order shall remain fixed and binding. Payment will be made in accordance with the purchase order.
17. Every contract between the Purchaser and the Supplier which is subject to these conditions is to be construed and take effect as a contract made in England and in accordance with English law and any disputes arising there from shall be determined in the Courts of England or shall be referred to single arbitrator, if mutually agreed, in accordance with the provision to the Arbitration Act 1950 or any statutory modification or re-enactment thereof.