

CTS Statutory Inspections Ltd

Terms & Conditions for the Supply of Services

Document Contents

1. Interpretation
2. Definitions
3. CTS Responsibilities
4. Client Responsibilities
5. Health and Safety
6. Payment of Fee/s
7. Your Legal Obligations
8. General Provisions
9. Force Majeure
10. Jurisdiction
11. Confidentiality
12. Limitation of our Liability
13. Indemnity
14. Deductions from our Fee/s
15. Employees
16. Not Exercising Rights
17. Illegal or Unenforceable Terms
18. Our Relationship
19. Notices
20. Rights of Third Parties
21. Sub-contracting and Assignment
22. Changing this Document
23. Complaints
24. Entire Agreement
25. Exclusions and Extra Charges
26. Work Outside Standard Working Hours
27. Examination Reports

1. Interpretation

These terms and conditions, along with the Quotation, Contract / Renewal Schedule and Plant Schedule, form the contract (the Contract) between:

- The 'Client', 'you' or 'your' is the party or insured named in the Quotation or Contract / Renewal schedule, and:
- 'CTS', 'CTS Safety', 'us' or 'we' is CTS Statutory Inspections Ltd, Low Cross Buildings, 4 Low Cross Street, Brampton, Cumbria CA8 1NP

This document sets out the terms and conditions under which CTS Statutory Inspections Ltd provide inspection and examination services to the Client.

If there is any conflict between the Contract / Renewal Schedule and any other provision of these terms and conditions, the Contract / Renewal Schedule will prevail. CTS shall only provide services to the Client on these terms and conditions. These terms and conditions will apply to any supply of services by CTS to the Client (even if you subsequently send us your terms and conditions) unless we agree otherwise in writing.

Please read these terms and conditions carefully to ensure your requirements are met.

2. Definitions

The following words and terms have the meanings shown wherever they appear in the Contract.

- a. "Contract / Renewal Schedule" means the document setting out your details, the period of the Contract, where the Inspection Service is to be carried out, the Fee, and where applicable, the insurance policy memorandum and the insurance cover
- b. "Quotation Schedule" means the document setting the details of the items to be covered by the Inspection Service
- c. "Examination" means the inspection of equipment or machinery
- d. "Existing Overdue Position" means in relation to any Plant, that such Plant is (or is due to become) overdue for statutory inspection:
 - as at the start date of the Contract;
 - as at the date which such Plant is added to the Plant Schedule; or
 - within 28 days of the dates set out in the points above
- e. "Fee" means our fee for performing the Inspection Services, which is payable and may be adjusted under Clause 6.
- f. "Inspection Service" is the service that we provide to you, which includes:
 - providing you with a competent person to perform the periodical Examination of that Plant which is safely accessible and appropriately prepared for examination;

- providing you with an Examination report which complies with applicable statutory requirements; and
 - our staff complying with your local site requirements and health and safety procedures
- g.** "Plant" means all machinery and equipment on which we have agreed to carry out Examinations for you to the extent of the Scope of Examination
- h.** "Plant Schedule" means the document listing all the Plant
- i.** "Scope of Examination" means the extent of Examination we agree to carry out. The Scope of the Examination will be in accordance with:
- the requirements of any applicable statutory regulation(s) where identified by you or alternatively;
 - the scope as instructed by you and agreed by us and as recorded / referenced in the Examination report
- j.** "Written Scheme of Examination" (major, intermediate or minor, as appropriate) has the same meaning as set out in the Pressure Systems Safety Regulations 2000
- k.** References to a "working day" shall mean any day other than a Saturday, Sunday or any bank or public holiday in England

3. CTS Responsibilities

- a.** Examination - CTS will carry out the Examination of the Plant with all due care in a safe manner. Where required by law CTS will forward a copy of the Examination report to the relevant enforcing authority
- b.** Our inspection of the Plant is limited to the Scope of Examination. CTS have no responsibility to examine items forming part of the Plant which are outside the Scope of Examination or Plant Schedule
- c.** Our inspection does not replicate or replace the work required by designers or installers of plant nor does it replace the requirement to maintain or inspect the equipment between Examinations
- d.** Working Hours - CTS will provide the Inspection Service during standard working hours (08.00 - 17.00), Monday to Friday excluding public holidays. We may charge you in addition to the Fee for any work we carry out outside these hours provided you agree to that in advance

4. Client Responsibilities

- a.** Although we will seek to carry out Examination of the Plant listed in the Plant Schedule at intervals agreed with you, where the Examination is to be carried out in accordance with any statutory regulation(s) it is your legal obligation (and not that of CTS) to ensure that the Plant is examined within any prescribed inspection interval
- b.** Where you are a new client with Plant which is in an Existing Overdue Position or where you are an existing client with additional Plant which you wish to add to an existing Plant Schedule and such additional Plant is in an Existing Overdue Position, we will liaise with you to agree a timetable for inspection of such Plant
- c.** By agreeing the Plant Schedule or inspection timetable with us, you agree to waive any rights you may have, now or in the future, against us arising out of or in connection with Plant which is in an Existing Overdue Position or Plant being added to the Contract which is in an Existing Overdue Position and you agree to indemnify us for any liability, costs, claims or expenses however incurred, arising out of or in connection with Plant which is in an Existing Overdue Position or Plant being added to the Contract which is in an Existing Overdue Position
- d.** You are responsible for the management, correct use, care, custody and control of the Plant at all times
- e.** Before each Examination you will inform us of any matter, including any misuse or incident involving or affecting the Plant, or modification to the Plant, which is relevant for the purposes of our Examination
- f.** Plant Preparation - to enable completion of the Inspection Service you must:
- agree with us the date for the Examination of each item of Plant;
 - at your expense, clean, prepare or open out all Plant to the condition agreed with us before the Examination is due;
 - at your expense, provide safe access to all Plant (by providing work platforms, scaffolds, ladders, lighting, gas free certificates, preventative barriers, test weights etc.) and provide any staff CTS need to perform the Inspection Service; and
 - provide any help, information or documentation our Engineer Surveyor requests while performing the Inspection Service

5. Health and Safety

You have responsibilities under the Health and Safety at Work Act 1974 and the Management of Health and Safety at Work Regulations 1999 to provide a safe working environment for our Engineer Surveyor. CTS will carry out a site-specific risk assessment, as required, to ensure the safety of our staff and may refuse to carry out the Inspection Service (at no cost to us) if our risk assessment reveals unacceptable hazards. You must notify our Engineer Surveyor of any site-specific hazards together with the measures you propose to control the risks posed by those hazards prior to any Examination. If as a result of a site-specific risk assessment we refuse to carry out an Examination the Fee is payable.

6. Payment of Fee/s

- a.** You agree to pay the Fee by the start of the Contract and each year after that during the Contract period (unless we agree otherwise in writing). You agree that we shall be able to charge you for any expenses or disbursements that we incur in performing the Inspection Service (including any travel time or expenses). We add all applicable taxes, at the current rate, to the Fee at the point of invoicing
- b.** The Fee is calculated using the Plant Schedule. The Fee will be adjusted at the end of the Contract period to take account of any changes you make to the Plant Schedule. Where a significant change is made to the Plant Schedule an interim adjustment during the Contract period may be agreed. Any adjustments will take into account any Examinations we have already carried out
- c.** If you require us to produce a Written Scheme of Examination, we will charge an additional fee for this
- d.** The Fee is payable if the Plant is not available for inspection or we are unable to inspect it because you have not prepared it or made it available for inspection in accordance with Clause 4. We shall also be entitled to charge the Fee for any time spent or return visits which are required as a result of you failing to prepare the Plant or make it available in accordance with Clause 4. We also reserve the right to charge an additional fee if more than one person is required to carry out the Examination
- e.** You agree to pay the Fee (or any invoice for expenses or disbursements) in pounds' sterling within a period of 30 days from the date of the invoice (unless we agree otherwise in writing)
- f.** The Fee is based on information you have told us about as at the date of the Contract. If you do not notify us of any local site requirements (or

change these following the date of the Contract), which would result in us incurring significant additional costs or disbursements in performing the Inspection Service, we will charge you for those in addition to the Fee

- g. We will send you a new Contract / Renewal Schedule prior to the end of the term of the Contract. In the event that you do not notify us that you intend to terminate the Contract prior to the renewal date, the Contract will automatically be renewed for a further period of 12 months and the Fee payable by you shall be the Fee stated in the Contract / Renewal Schedule
- h. If you are late in paying any invoice, we shall be entitled (in addition to any other right we may have) to suspend provision of any Inspection Service to you until such time as that invoice has been paid in full. We shall have no liability to you arising out of or in connection with such suspension (including any pieces of Plant becoming overdue for statutory inspection). You acknowledge that where we have suspended provision of the Inspection Service to you under this clause that even when we recommence the provision of an Inspection Service to you, due to other commitments and / or the build-up of items requiring Examination, this may mean that we are unable to provide the Inspection Service in relation to Plant prior to its required inspection date (and again, we shall have no liability to you arising out of or in connection with such suspension)
- i. If you are late in paying any invoice, we shall be entitled (in addition to any other right we may have) to charge interest on any overdue sum at 5% per annum above the base rate of Barclays Bank plc from time to time, such interest to accrue from the date the sum became overdue until the date the sum is paid
- j. You must inform us of any issue with any invoice provided by us within 15 working days of the date of receipt of the invoice, otherwise, the invoice shall be deemed to be accepted in full by you

7. Your Legal Obligations

- a. Our provision of an Inspection Service under the terms and conditions of the Contract does not remove your legal obligation to have your machinery or equipment subjected to periodical examination, inspection and / or service. Should an Examination reveal defects affecting the safety of any Plant you will need to take appropriate action, which may include removing the relevant item from service and notifying your insurers.

8. General Provisions

a. Termination of Contract

- Either party may end the Contract by giving the other party 30 days written notice (unless otherwise agreed in writing)
- When the Contract ends, you must pay the Fee for the Inspection Service we have provided (plus any taxes, our expenses and disbursements or any additional costs incurred (pursuant to Clause 6))
- Either party may end the Contract immediately by giving written notice to the other party if the other party:
 - has not met any of its responsibilities under the Contract and has not put the matter right within 30 days of receiving written notice of the problem; or
 - goes into liquidation (whether voluntary or compulsory) or has a receiver, administrator or administrative receiver appointed over all or part of its asset

9. Force Majeure

We will not be liable for any delay or the consequences of delay in provision of the Inspection Service, if such delay is due to matters outside our control. CTS will be entitled to a reasonable period of time to perform the Inspection Service in such circumstances. If such delay extends beyond 20 working days the Contract may be terminated by us in accordance with Clause 8.

10. Jurisdiction

This Agreement shall be governed by and construed in accordance with English Law and the parties submit to the jurisdiction of the courts of England and Wales.

11. Confidentiality

Unless the Client and CTS have agreed otherwise in writing, CTS will both keep confidential the terms of the Inspection Service and all information gained about the other party in connection with the Contract. Neither party may use information about the other for any purpose other than to meet your or our responsibilities under the Contract unless otherwise required by law.

12. Limitation of our Liability

- a. This clause sets out our financial liability (including any liability for the actions or failings of our officers, employees, agents and sub-contractors) if:
 - we break any term of the Contract;
 - we are negligent in any statement or action we make in connection with the Contract; or
 - we are found to be liable in any other way in connection with the Contract (and each of the limitations of liability contained in this clause shall apply to any loss suffered as a result of any such act or omission by us)
- b. Nothing in these terms limits or removes our liability for death or personal injury caused by our negligence or fraudulent statements or any other liability which cannot be limited or excluded by law.
- c. If we are liable to you for any reason in connection with the Contract, that liability will be limited in the aggregate to £2,000,000 (two million pounds).
- d. We will not be liable to you for any loss of profit.
- e. We will not be liable to you for any loss of revenue, loss of goodwill, loss of opportunity or loss of business suffered in connection with the Contract.
- f. We will not be liable to you for any indirect or consequential loss or damage (however incurred).
- g. We will have no liability to you for any failure or delay in providing the Inspection Service to you which is caused by your acts or omissions.
- h. This clause shall survive termination of the Contract.

13. Indemnity

You shall indemnify and keep us indemnified in respect of any proceeding, action or claim of any nature whatsoever made or brought against us and all

CTS Ref	CTS T&C	Version	01	Last Review Date	05/01/2017	Page 3 of 5
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loss, penalties, damages, costs and expenses suffered or incurred by us as a result of any third party claim including but not limited to, a claim by our employee(s) or your employee(s) arising out of your negligence or that of your employees, agents or sub-contractors, your failure to comply with your obligations under the Contract or your failure to ensure that items of Plant are examined within any prescribed inspection interval.

14. Deductions from our Fee/s

You must make payments you owe us under the Contract without taking off or holding back any amount to reflect a refund we owe you or a responsibility that you believe we have not met.

15. Employees

- a. We shall not be obliged to employ any of your employees (or any employees of a third party contractor appointed by you) as a result of or in connection with the Contract or us providing the Inspection Service, and you agree to indemnify us against any costs, liabilities and expenses incurred by us as a result of any claim (including for dismissal) or demand of any nature by any such employee against us.
- b. Without the prior consent in writing of CTS, the Client will not for the duration of this Agreement nor for 12 months thereafter solicit, procure or seek the employment of, or offer employment to any person employed by CTS in the delivery of our services.
- c. Notwithstanding any degree of supervision exercised by either party over employees of the other, in no circumstances shall the relationship of employer and employee be deemed to arise between either party and any employee of the other.

16. Not Exercising Rights

Failure or delay by a party to exercise any of its rights under the Contract will not preclude that party from exercising that right in the future.

17. Illegal or Unenforceable Terms

If any court or other authority finds that any term (including a sub-clause or part thereof) of the Contract is illegal or cannot be enforced, that will not affect the other terms of the Contract. The other terms will remain in force. If a term is found to be illegal or cannot be enforced, you and we must agree a substitute term that achieves (as far as possible) the aim of the term that is illegal or cannot be enforced.

18. Our Relationship

Nothing in the Contract creates a partnership or joint venture between you and us.

19. Notices

Any notice that has to be given in connection with the Contract must be in writing and either be delivered by hand or sent by post to the relevant party's address set out in the Contract / Renewal Schedule, or any other subsequent address reported to the other party.

20. Rights of Third Parties

A person who has not entered into the Contract and is not named in the Contract / Renewal Schedule has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of the Contract. This does not affect any right a third party has other than under that act.

21. Sub-contracting and Assignment

We may under some circumstances appoint an appropriately qualified and accredited sub-contractor to perform the Inspection Service. We will remain responsible for the acts and omissions of any sub-contractor retained to complete the Inspection Service. If you require this provision to be altered or deleted you may agree this with us and the remaining provisions will remain in force.

This provision will only be deemed altered or deleted if we have agreed this in writing before entering into the Contract.

You will not transfer or assign your rights in this Contract. We shall be entitled to transfer or assign our interest in this Contract to any subsidiary of CTS Statutory Inspections Ltd.

22. Changing this Document

The Contract can only be changed if both parties agree to the changes in writing.

23. Complaints

CTS aim to provide a high standard of service to its Clients. If CTS do not deliver the service that you expect, or you are concerned with any element of our service we would like the opportunity to put things right. We will fully investigate any complaints, keep the Client informed and do everything that is reasonable to resolve the complaint and use the experience to continually improve our service. Any complaints should be addressed in the first instance to a Director of CTS Statutory Inspections Ltd.

24. Entire Agreement

The Contract forms your and our entire understanding of the Inspection Service and the arrangement between us. It replaces all previous agreements, understandings and representations about the Inspection Service.

Each party acknowledges and agrees that in entering into this Contract it does not rely on, and will have no remedy in respect of, any statement, representation, warranty or understanding (whether negligently or innocently made) of any person that is not expressly set out in this Contract.

25. Exclusions and Extra Charges

The following Services / activities are not included

- a. witnessing or carrying out of any pre-commissioning examinations or any proof load, stability, anchorage, hydraulic or other similar testing;
- b. design approval or verification of design to relevant standards;
- c. arranging or carrying out any ultrasonic, radiographic or other non-destructive examinations;
- d. examination of property, equipment or machinery prior to purchase;
- e. maintenance or repair of the Plant or return visits following the repair of Plant found to be defective or in need of further investigation;
- f. return visits as a result of you failing to make any Plant available, having agreed with us in advance the date for the Examination;
- g. carrying out the Inspection Service on weekends, public holidays, or outside the standard working hours of 08:00 - 17:00;
- h. carrying out the Inspection Service at locations not listed in the Contract / Renewal Schedule;
- i. return visits required to examine internal parts of various equipment and machinery;
- j. examining Plant after it has been moved to a new fixed location, after a change in guarding systems or after exceptional circumstances;

- k. producing, altering or amending any Written Schemes of Examination or Written Schemes of Examination for machinery or equipment containing hazardous chemicals;
- l. performing Examinations on any machinery or equipment which is not included in the Plant Schedule; or
- m. site surveys to establish any Plant owned by you which may require Examination

We may agree to perform any of the activities that are excluded from the Inspection Service for you for an additional fee which we will agree with you in advance (or in the case of return visits where you have failed to prepare Plant or make it available as required by clause 6, a further sum equal to the Fee agreed for the relevant item of Plant).

26. Work Outside Standard Working Hours

If inspection services are required outside of our standard working hours, at weekends or public holidays we may charge an additional fee, which would be agreed in advance.

27. Examination Reports

CTS will provide electronic copies of all examination reports free of charge, printed copies may be charged. It is the responsibility of the Client to download and store reports to allow access to the information at all times. These reports must be available, when requested by the relevant Enforcing Authority, as required under relevant statutory legislation.

Where a contract has terminated we reserve the right to charge an administration charge for the supply of previous reports.