

Environmental Instruments Ltd

Terms and conditions for the purchase of goods

1. INTERPRETATION

1.1 Definitions. In these Conditions, the following definitions apply:

Environmental Instruments: Environmental Instruments Limited (registered in England and Wales with company number 02741424)

Business Day: a day (other than a Saturday, Sunday or public holiday) when banks in London are open for business.

Call Off: a written instruction from Environmental Instruments for the delivery of an instalment from a Contract Order.

Call Off Delivery Document: a copy of the Call Off to be sent by the Supplier with the corresponding delivery of an instalment of Goods from a Contract Order.

Conditions: the terms and conditions set out in this document as amended from time to time in accordance with clause 14.6.

Contract: the contract between Environmental Instruments and the Supplier for the sale and purchase of the Goods in accordance with these Conditions.

Contract Order: a Purchase Order comprising Environmental Instruments' acceptance of a Quotation for Goods to be delivered in instalments subject to call-off by Environmental Instruments over a fixed period of time as set out in Environmental Instruments' purchase order form.

Contract Order Conditions: the terms and conditions set out in Supplement A (clauses 15 to 18) of these Conditions which apply to Contract Orders and are supplemental to these Conditions.

Delivery Location: Environmental Instruments Ltd, Units 5-7 The Mansley Centre, Timothy's Bridge Road, Stratford-upon-Avon, CV37 9NQ, UK

Environmental Instruments' Materials: materials, equipment, test jigs, tooling, tools, drawings, Specifications, and data supplied by Environmental Instruments to the Supplier or produced or obtained expressly for Environmental Instruments and/or at Environmental Instruments' expense.

Goods: the goods (or any part of them) set out in the Purchase Order.

Purchase Order: Environmental Instruments' acceptance of the Quotation or, where there has not been any such Quotation Environmental Instruments' purchase order for the Goods, in either case as set out in Environmental Instruments' purchase order form.

Quotation: the Supplier's written or verbal quotation to Environmental Instruments for Goods.

Specification: any specification for the Goods, including any related plans and drawings whether in hard copy or electronic form, that is agreed in writing by Environmental Instruments and the Supplier.

Supplier: the person or firm from whom Environmental Instruments purchases the Goods.

Supplier Application Form: the completed Environmental Instruments Supplier Application Form submitted to Environmental Instruments by the Supplier as part of Environmental Instruments' process for approval of the Supplier subject to any amended information submitted by the Supplier subsequently.

1.2 **Construction.** In these Conditions, unless the context requires otherwise, the following rules apply:

1.2.1 A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

1.2.2 A reference to a party includes its personal representatives, successors or permitted assigns.

1.2.3 A reference to a statute or statutory provision is a reference to such statute or provision as amended or re-enacted. A reference to a statute or statutory provision includes any subordinate legislation made under that statute or statutory provision, as amended or re-enacted.

1.2.4 Any phrase introduced by the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

1.2.5 A reference to writing or written includes faxes and emails save as expressly set out in clause 14.2.

1.3 **Priorities.** Environmental Instruments will endeavour to avoid any ambiguity or conflict between the documents forming the Contract but in the event of any such ambiguity or conflict the following order of priority shall apply:

1.3.1 the Purchase Order;

1.3.2 the Contract Order Conditions;

1.3.3 these Conditions.

2. **Basis of Contract**

2.1 These Conditions apply to the Contract to the exclusion of any other terms that the Supplier seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing.

- 2.2 Where the Purchase Order is an acceptance of a Quotation the Contract shall come into existence on delivery of the Purchase Order to the Supplier.
- 2.3 Save as set out in clause 2.2, the Purchase Order constitutes an offer by Environmental Instruments to purchase the Goods in accordance with these Conditions.
- 2.4 The Purchase Order if made under clause 2.3 shall be deemed to be accepted on the earlier of:
- 2.4.1 the Supplier issuing a written acceptance of the Purchase Order; and
 - 2.4.2 the Supplier doing any act consistent with fulfilling the Purchase Order, at which point the Contract shall come into existence.
- 2.5 The Supplier acknowledges that the Supplier Application Form is of paramount importance to Environmental Instruments in achieving its quality standards and corresponding audit warrants. Accordingly the Supplier warrants to Environmental Instruments that the Supplier Application Form remains accurate as at the date of Contract and subject to any amended information submitted to Environmental Instruments subsequently will remain so at Delivery. The Supplier undertakes to keep Environmental Instruments informed of any changes to its quality accreditation status as submitted on the Supplier Application Form as subsequently updated for a period of not less than 12 months following Delivery.

3. The Goods

- 3.1 The Supplier shall ensure that the Goods shall:
- 3.1.1 correspond with their description and any applicable Specification;
 - 3.1.2 be of satisfactory quality (within the meaning of the Sale of Goods Act 1979, as amended) and fit for any purpose held out by the Supplier or made known to the Supplier by Environmental Instruments expressly or by implication, and in this respect Environmental Instruments relies on the Supplier's skill and judgement;
 - 3.1.3 where applicable, be free from defects in design, material and workmanship and remain so for 12 months after Delivery or for any appropriate period as mutually agreed; and
 - 3.1.4 comply with all applicable statutory and regulatory requirements relating to the manufacture, labelling, packaging, storage, handling and delivery of the Goods.
- 3.2 The Supplier shall ensure that at all times it has and maintains all the licences, permissions, authorisations, consents and permits that it needs to carry out its obligations under the Contract.
- 3.3 Environmental Instruments shall have the right to inspect and test the Goods at any time before Delivery.

- 3.4 If following such inspection or testing Environmental Instruments considers that the Goods do not conform or are unlikely to comply with the Supplier's undertakings at clause 3.1, Environmental Instruments shall inform the Supplier and the Supplier shall immediately take such remedial action as is necessary to ensure compliance.
- 3.5 Notwithstanding any such inspection or testing, the Supplier shall remain fully responsible for the Goods and any such inspection or testing shall not reduce or otherwise affect the Supplier's obligations under the Contract, and Environmental Instruments shall have the right to conduct further inspections and tests after the Supplier has carried out its remedial actions.

4. Delivery

- 4.1 The Supplier shall ensure that:
- 4.1.1 the Goods are properly packed and secured in such manner as to enable them to reach their destination in good condition;
 - 4.1.2 each delivery of the Goods is accompanied by a delivery note in a format agreed with Environmental Instruments which shows the date of the Purchase Order, the Purchase Order number, the type and quantity of the Goods (including the code number of the Goods, where applicable), special storage instructions (if any) and, if the Goods are being delivered by instalments, the outstanding balance of Goods remaining to be delivered or in the case of Contract Orders the Call Off Delivery Document; and
 - 4.1.3 if the Supplier requires Environmental Instruments to return any packaging material to the Supplier, that fact is clearly stated on the delivery note. Any such packaging material shall be returned to the Supplier at the cost of the Supplier.
- 4.2 The Supplier shall deliver the Goods:
- 4.2.1 on the date specified in the Purchase Order, or, if no such date is specified, the Supplier shall agree such date with Environmental Instruments as soon as reasonably practicable and in any event no later than five (5) Business Days following receipt of the Purchase Order;
 - 4.2.2 to the Delivery Location; and
 - 4.2.3 8.30am to 5pm Monday to Thursday, 8.30am to noon Friday, or as otherwise instructed by Environmental Instruments.
- 4.3 Delivery of the Goods shall be considered complete on the completion of unloading the Goods at the Delivery Location
- 4.4 The Supplier shall not deliver the Goods in instalments without Environmental Instruments' prior written consent. Where it is agreed that the Goods are to be delivered by instalments, they may be invoiced and paid for separately. However, failure by the Supplier to deliver any one instalment on time or at all or any defect

in an instalment shall entitle Environmental Instruments to the remedies set out in clause 5.

5. Quality and remedies

On time delivery and reliable quality are key requisites for all Environmental Instruments suppliers. Environmental Instruments aims for defect-free products and expects its suppliers to be striving towards this goal. Environmental Instruments puts great effort into its supplier recruitment process and its ongoing relations with its suppliers. In the event that any issues with the Supplier may arise Environmental Instruments has the intention of working to resolve such issues in a constructive way. The provisions set out in clause 5.1 below will be applied in the first instance whenever it is feasible or acceptable to Environmental Instruments to do so. In certain cases, for example if such approach fails or in the event of a case which for Environmental Instruments presents serious and/or usually persistent issues Environmental Instruments reserves the right to apply the remedies set out in the remainder of this clause 5.

- 5.1 In the event of faulty Goods being received such Goods will be returned to the Supplier and the Supplier shall deal with such Goods in accordance with Environmental Instruments' return of faulty Goods and faulty Goods debit note procedure described in Supplement B clauses 19 and 20 of these Conditions.
- 5.2 If Goods are not delivered on the date they are due as referred to in clause 4.2.1, or do not comply with the undertakings set out in clause 3.1, then, without limiting any of its other rights or remedies, Environmental Instruments shall have the right to any one or more of the following remedies, whether or not it has accepted the Goods:
 - 5.2.1 to terminate the Contract;
 - 5.2.2 to reject the Goods (in whole or in part) and return them to the Supplier at the Supplier's own risk and expense;
 - 5.2.3 to require the Supplier to repair or replace the rejected Goods, or to provide a full refund of the price of the rejected Goods (if paid);
 - 5.2.4 to refuse to accept any subsequent delivery of the Goods which the Supplier attempts to make;
 - 5.2.5 to recover from the Supplier any costs incurred by Environmental Instruments in obtaining substitute goods from a third party; and
 - 5.2.6 to claim damages for any other costs, loss or expenses incurred by Environmental Instruments which are in any way attributable to the Supplier's failure to carry out its obligations under the Contract.
- 5.3 Defaults will be monitored and will have a negative effect on the Supplier's rating with Environmental Instruments.
- 5.4 These Conditions shall apply to any repaired or replacement Goods supplied by the Supplier.

- 5.5 The Supplier shall keep Environmental Instruments indemnified in full against all costs, expenses, damages and losses (whether direct or indirect), including any interest, penalties, and legal and other professional fees and expenses awarded against or incurred or paid by Environmental Instruments as a result of or in connection with:
- 5.5.1 any claim made against Environmental Instruments for actual or alleged infringement of a third party's intellectual property rights arising out of, or in connection with, the supply or use of the Goods, to the extent that the claim is attributable to the acts or omissions of the Supplier, its employees, agents or subcontractors;
 - 5.5.2 any claim made against Environmental Instruments by a third party arising out of, or in connection with, the supply of the Goods, to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of the Contract by the Supplier, its employees, agents or subcontractors; and
 - 5.5.3 any claim made against Environmental Instruments by a third party for death, personal injury or damage to property arising out of, or in connection with, defects in Goods, to the extent that the defect in the Goods is attributable to the acts or omissions of the Supplier, its employees, agents or subcontractors.

This clause 5.5 shall survive termination of the Contract.

- 5.6 Environmental Instruments' rights and remedies under these Conditions are in addition to its rights and remedies implied by statute and common law.

6. Title and risk

Title and risk in the Goods shall pass to Environmental Instruments on completion of Delivery.

7. Price and payment

- 7.1 The price of the Goods shall be the price set out in the Purchase Order, or, if no price is stated, the price set out in the Supplier's published price list in force as at the date the Contract came into existence.
- 7.2 The price of the Goods is exclusive of amounts in respect of value added tax (**VAT**), but includes the costs of packaging, insurance and carriage of the Goods. No extra charges shall be effective unless agreed in writing and signed by Environmental Instruments. Any carriage costs expressly agreed by Environmental Instruments in writing will only be accepted on condition that the Supplier shall use the carrier specified by Environmental Instruments unless otherwise agreed in writing.
- 7.3 Environmental Instruments shall, on receipt of a valid VAT invoice from the Supplier, pay to the Supplier such additional amounts in respect of VAT as are chargeable on the supply of the Goods.

- 7.4 The Supplier may invoice Environmental Instruments for the Goods on or at any time after the completion of Delivery. The invoice should be submitted as soon as possible after this time by email if possible to the email address set out in the Purchase Order or as otherwise specified by Environmental Instruments and no later than five (5) Business Days after Delivery.
- 7.5 Environmental Instruments shall pay correctly rendered invoices on the last Business Day of the month following the month in which the invoice is received. Payment shall be made to the bank account nominated in writing by the Supplier. Environmental Instruments shall be entitled to reject an incorrect invoice including one which does not correspond to the Purchase Order and these Conditions which may delay payment.
- 7.6 If a party fails to make any payment due to the other under the Contract by the due date for payment (due date), then the defaulting party shall pay interest on the overdue amount at the rate of 4% per annum above HSBC Bank plc's base rate from time to time. Such interest shall accrue on a daily basis from the due date until the date of actual payment of the overdue amount, whether before or after judgment. The defaulting party shall pay the interest together with the overdue amount. This clause shall not apply to payments disputed in good faith nor to genuine errors such as missing invoices which are not caused by the party charged, on the understanding that such errors will be promptly addressed as soon as both parties are made aware of them.
- 7.7 Environmental Instruments may, without limiting any other rights or remedies it may have, set off any amount owed to it by the Supplier against any amounts payable by it to the Supplier under the Contract.

8. ENVIRONMENTAL INSTRUMENTS Materials

The Supplier acknowledges that all **Environmental Instruments Materials** and all rights in **Environmental Instruments Materials** are and shall remain the exclusive property of Environmental Instruments. The Supplier shall keep Environmental Instruments Materials in safe custody at its own risk, maintain them in good condition until returned to Environmental Instruments, and not dispose or use the same other than in accordance with Environmental Instruments' written instructions or authorisation. **Environmental Instruments Materials shall be used exclusively for purposes specified by Environmental Instruments and shall not be used for any other purpose and must be delivered or returned to Environmental Instruments promptly on request.**

9. Insurance

During the term of the Contract and for a period of three (3) years thereafter, the Supplier shall maintain in force, with a reputable insurance company, professional indemnity insurance, product liability insurance to include product recall and public liability insurance to cover such heads of liability as may arise under or in connection with the Contract, and shall, on Environmental Instruments' request,

produce both the insurance certificate giving details of cover and the receipt for the current year's premium in respect of each insurance.

10. Confidential information

A party (**receiving party**) shall keep in strict confidence all technical or commercial know-how, Specifications, inventions, processes or initiatives which are disclosed to the receiving party by the other party (**disclosing party**), its employees, agents or subcontractors, and any other confidential information concerning the disclosing party's business, its products or its services which the receiving party may obtain. The receiving party shall only disclose such confidential information to those of its employees, agents or subcontractors who need to know the same for the purpose of discharging the receiving party's obligations under the Contract, and shall ensure that such employees, agents or subcontractors shall keep such information confidential.

11. Termination

11.1 Environmental Instruments may terminate the Contract in whole or in part at any time before Delivery with immediate effect by giving the Supplier written notice, whereupon the Supplier shall discontinue all work on the Contract. Environmental Instruments shall pay the Supplier fair and reasonable compensation for work-in-progress and components and materials purchased in respect of the Purchase Order as agreed by Environmental Instruments at the time of termination, but such compensation shall not include loss of anticipated profits or any consequential loss. For the avoidance of doubt this clause 11.1 does not apply to Contract Orders.

11.2 Environmental Instruments may terminate the Contract with immediate effect by giving written notice to the Supplier if the Supplier becomes subject to any of the following events:

11.2.1 the Supplier suspends, or threatens to suspend, payment of its debts, or is unable to pay its debts as they fall due or admits inability to pay its debts, or (being a company) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986, or (being an individual) is the subject of a bankruptcy petition or order or is deemed either unable to pay its debts or as having no reasonable prospect of so doing, in either case, within the meaning of section 268 of the Insolvency Act 1986, or (being a partnership) has any partner to whom any of the foregoing apply;

11.2.2 the Supplier commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with its creditors or (being a company) a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of the Supplier;

- 11.2.3 a creditor or encumbrancer of the Supplier attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of its assets and such attachment or process is not discharged within 14 days or a person becomes entitled to appoint a receiver over the Supplier's assets or a receiver is appointed over the Supplier's assets;
 - 11.2.4 (being a company) an application is made to court, or an order is made, for the appointment of an administrator or if a notice of intention to appoint an administrator is given or if an administrator is appointed over the Supplier or a floating charge holder over the Supplier's assets has become entitled to appoint or has appointed an administrative receiver;
 - 11.2.5 the Supplier suspends, or threatens to suspend, or ceases or threatens to cease to carry on, all or substantially the whole of its business or the Supplier's financial position deteriorates to such an extent that in the Environmental Instruments' opinion the Supplier's capability to adequately fulfil its obligations under the Contract has been placed in jeopardy;
 - 11.2.6 (being an individual) the Supplier dies or, by reason of illness or incapacity (whether mental or physical), is incapable of managing his or her own affairs or becomes a patient under any mental health legislation;
 - 11.2.7 there is a change of control of the Supplier; or
 - 11.2.8 any event occurs, or proceeding is taken, with respect to the Supplier in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in clause 11.2.1 to clause 11.2.4 inclusive.
- 11.3 Termination of the Contract, however arising, shall not affect any of the parties' rights and remedies that have accrued as at termination. Clauses which expressly or by implication survive termination of the Contract shall continue in full force and effect.

12. Obligations on termination

On termination the Supplier shall promptly:

- 12.1 return to Environmental Instruments all Environmental Instruments Materials and all other equipment, materials and property belonging to Environmental Instruments;
- 12.2 return to Environmental Instruments all documents and materials (and any copies) containing Environmental Instruments' confidential information;
- 12.3 erase all Environmental Instruments' confidential information from its computer systems (to the extent possible); and
- 12.4 on request, certify in writing to Environmental Instruments that it has complied with the requirements of this clause 12.

13. Force majeure

Neither party shall be liable to the other for any delay or failure in performing its obligations under the Contract to the extent that such delay or failure is caused by an event or circumstance that is beyond the reasonable control of that party, and which by its nature could not have been foreseen by such party or, if it could have been foreseen, was unavoidable, provided that the Supplier shall use all reasonable endeavours to cure any such events or circumstances and resume performance under the Contract. If any events or circumstances prevent the Supplier from carrying out its obligations under the Contract for a continuous period of more than ten (10) Business Days, Environmental Instruments may terminate this Contract immediately by giving written notice to the Supplier. Each party shall keep the other promptly informed and updated concerning any matter to which this clause applies.

14. General

14.1 Assignment and subcontracting.

- 14.1.1 Environmental Instruments may at any time assign, transfer, charge, subcontract or deal in any other manner with any or all of its rights or obligations under the Contract.
- 14.1.2 The Supplier may not assign, transfer, charge, subcontract or deal in any other manner with any or all of its rights or obligations under the Contract without Environmental Instruments' prior written consent.

14.2 Notices.

- 14.2.1 Any notice or other communication given to a party under or in connection with the Contract shall be in writing, addressed to that party at its registered office (if it is a company) or its principal place of business (in any other case) or such other address as that party may have specified to the other party in writing in accordance with this clause, and shall be delivered personally, or sent by pre-paid first class post, recorded delivery or commercial courier.
- 14.2.2 A notice or other communication shall be deemed to have been received: if delivered personally, when left at the address referred to in clause 14.2.1; if sent by pre-paid first class post or recorded delivery, at 9.00 am on the second Business Day after posting; if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed.
- 14.2.3 A notice required to be given for the purposes of clauses 11.1, 11.2, 12.4 and 13 of these Conditions shall be given as set out in clause 14.1 and will not be validly given if sent by fax or email.

14.2.4 The provisions of this clause shall not apply to the service of any proceedings or other documents in any legal action.

14.3 Severance.

14.3.1 If any court or competent authority finds that any provision of the Contract (or part of any provision) is invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed to be deleted, and the validity and enforceability of the other provisions of the Contract shall not be affected.

14.3.2 If any invalid, unenforceable or illegal provision of the Contract would be valid, enforceable and legal if some part of it were deleted, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable.

14.4 Waiver.

A waiver of any right or remedy under the Contract is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default. No failure or delay by a party to exercise any right or remedy provided under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

14.5 Third party rights.

A person who is not a party to the Contract shall not have any rights under or in connection with it.

14.6 Variation.

Except as set out in these Conditions, any variation to the Contract, including the introduction of any additional terms and conditions, shall only be binding when agreed in writing and signed by Environmental Instruments.

14.7 Supplier audit and reviews.

14.7.1 If so requested by Environmental Instruments the Supplier shall participate and cooperate in the audit and review process set out in this clause 14.7 and to make available appropriate personnel and access to its operations and facilities for such purpose.

14.7.2 The Supplier shall permit Environmental Instruments to carry out audits of its operations. This will not normally be more frequently than annually.

14.7.3 The Supplier shall attend periodic review meetings with Environmental Instruments to discuss the Supplier's performance and future plans. These reviews are intended to be mutually beneficial and allow effective communication.

14.8 Governing law and jurisdiction.

The Contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with, English law, and the parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales.

Supplement A - Terms and conditions applicable to Contract Orders

15. Basis of a Contract Order

- 15.1 A Contract Order will be specified as such on Environmental Instruments' purchase order form and will invariably be acceptance of a Quotation. Environmental Instruments will whenever possible issue a Contract Order by email.
- 15.2 A Contract Order will specify an overall quantity of Goods required by Environmental Instruments in a fixed period and where possible the number and/or timing of the Call Offs for individual batches of the Goods during that period.
- 15.3 The terms of a Contract Order including without limitation the price of the Goods shall remain fixed for the period of the Contract Order unless varied under clause 14.6 of the Conditions.

16. Receipt of a Contract Order

On receipt of a Contract Order the Supplier will issue a confirmation to Environmental Instruments as soon as reasonably practicable and in any event no later than five (5) Business Days from receipt to the email address specified in the Contract Order.

17. Call Offs

- 17.1 On receipt of a Call Off the Supplier will issue a confirmation of delivery to Environmental Instruments as soon as reasonably practicable and in any event no later than two (2) Business Days from receipt which will include confirmation of the delivery date for that batch of Goods from the Contract Order. If there is no delivery date stated in such Call Off the Supplier will liaise with Environmental Instruments as soon as reasonably practicable and in any event no later than two (2) Business Days from receipt to agree the delivery date.
- 17.2 Each delivery of Goods under a Call Off must be accompanied by the Call Off Delivery Document in place of the delivery note specified in clause 4.1.2 of these Conditions.

18. Stock

- 18.1 The Supplier will ensure that by the commencement date of the Contract under the Contract Order and thereafter during the course of the Contract it has sufficient stock of the Goods to supply Call Offs within five (5) Business Days of receipt of a Call Off.
- 18.2 If Environmental Instruments should not have issued Call Offs in respect of the entire quantity of Goods stated in the Contract Order within three (3) months of the specified fixed period (if any) the Supplier may invoice Environmental Instruments for the outstanding Goods specified in the Contract Order, unless otherwise agreed with the Supplier.

Supplement B – Return of faulty Goods and faulty Goods debit note procedure

19. Return of faulty Goods procedure

In the event of faulty Goods being supplied to Environmental Instruments the following procedure shall apply:

- 19.1 Environmental Instruments will notify the Supplier of the problem by telephone or email.
- 19.2 Environmental Instruments will return the faulty Goods to the Supplier by courier.
- 19.3 Environmental Instruments will ask the Supplier to investigate the cause of the problem and to advise Environmental Instruments as soon as possible what action has been taken to identify the root cause of the problem and to prevent a recurrence.
- 19.4 Within 14 days of the return of the Goods to the Supplier, the Supplier shall supply a report to Environmental Instruments explaining the cause of the fault and any corrective and preventative action taken by the Supplier.

20. Debit note procedure

- 20.1 Environmental Instruments will not normally require the faulty Goods(s) to be returned to Environmental Instruments unless Environmental Instruments advises the Supplier in writing to the contrary.
- 20.2 Environmental Instruments will raise a debit note in respect of the invoiced price of the faulty Goods plus a shipping and administration fee. Unless otherwise notified by Environmental Instruments the administration fee shall be £10 [plus VAT].
- 20.3 Environmental Instruments will post the debit note to the Supplier's account after 14 days.
- 20.4 The Supplier shall issue a corresponding credit note to Environmental Instruments to cover this within ten (10) days Business Days of receipt of Environmental Instruments' debit note.
- 20.5 If the Goods are, with Environmental Instruments' prior written agreement, reworked, identified as being reworked and re-delivered to Environmental Instruments in accordance with clause 4 of these Conditions then such Goods shall be re-invoiced by the Supplier in accordance with clause 7 of these Conditions.
- 20.6 If the Supplier can demonstrate to Environmental Instruments' reasonable satisfaction that the Goods supplied were not faulty or any fault was not the responsibility of the Supplier under the Contract, Environmental Instruments will waive the shipping and administration fee charged by Environmental Instruments in respect of faulty Goods.