

SEVERN TRENT GROUP
GENERAL TERMS AND CONDITIONS OF CONTRACT
(ISSUE 2.3 - 22 05 06)

1 DEFINITION OF TERMS

“**Advice Note**” shall mean a document provided by the Supplier accompanying any deliveries and specifying the place and date of dispatch, place of delivery, details of items delivered including such information as the number of packages/items, their weight and volume;

“**Affiliate**” means any Holding Company or subsidiary company of a party or any company which is a subsidiary of such Holding Company or any other entity under the same Control, direct or indirect, of a party in each case at the relevant time;

“**Agreement**” shall mean any framework agreement or contract between the Supplier and the Purchaser including but not limited to the Proposal Document, the Specification and other miscellaneous correspondence all of which is detailed in the Purchaser’s letter of acceptance.

“**Competitor**” means a person who at relevant time is, in relation to the Purchaser, not an Affiliate of a Purchaser and is engaged in the provision of water supply and sewerage services;

“**Control**” means the power of a person or persons to secure by law, contract or by corporate structure that the affairs of another person are conducted in accordance with the wishes of the first person or persons and any cognate word shall be construed accordingly;

“**Goods**” shall mean the good or goods contracted to be supplied under the terms of the Agreement or any Order;

“**Holding Company**” shall have the meaning set out in Section 736 of the Companies Act 1985

“**Order**” shall mean an order or any other contractual agreement resulting from the Agreement between the Purchaser and the Supplier under which the Supplier shall supply Goods, provide Services or execute Works as the case may be;

“**Purchaser**” shall mean Severn Trent Water Limited of Registered Office 2297 Coventry Road, Birmingham, B26 3PU or any Affiliate of Severn Trent Water Limited named on an Order;

“**Relevant Change of Control**” means the acquisition of Control of the Supplier or its Holding Company by any third party which at the date of this Agreement did not have Control of the Supplier or Holding Company irrespective of whether at the time that such third party acquires Control is either itself a Competitor of the Purchaser or is the Holding Company or an Affiliate of a Competitor of the Purchaser;

“**Services**” shall mean the various services contracted to be provided under the terms of the Agreement or any Order including any work of design assembly or erection necessarily required to be carried out in connection with the Goods to be supplied or Works to be executed;

“**Supplier**” shall mean the person, who offers to supply Goods, Services or execute Works;

“**Variation**” shall mean any alteration, addition or deduction to or from the Works, Goods or Services or any deviation from the authorised specification and drawings in the Agreement or any Order which shall be in writing

“**Works**” shall mean the various works, matters and things referred to in the Agreement or any Order which are to be executed and performed by the Supplier;

2 TIME FOR COMPLETION/DELIVERY

- 2.1 The Supplier shall comply with the time periods stated in the Agreement or any subsequent Order for the supply of Goods, provision of Services or the execution of Works, such time periods to be calculated from the date of any Order.

3 SUPPLIER'S RESPONSIBILITIES

- 3.1 The Supplier shall find and provide all resources and equipment necessary for the due and proper manufacture of any Goods and the provision of any Services or the execution of any Works according to the true intent and meaning of the Agreement or any related Order.
- 3.2 The Supplier shall be deemed to have made himself aware of site conditions (including point of delivery for Goods or materials) before the performance of any Order.

4 PURCHASER'S ESTIMATION OF REQUIREMENTS AND EXCEPTIONS

- 4.1 Any estimates of requirements under the Agreement given to the Supplier by the Purchaser shall be taken to be a reasonable estimate of the Purchaser's requirements. However the Purchaser does not warrant
- (i) the number (if any) of Orders which would result from this Agreement
 - (ii) the total value of Orders (if any).
 - (iii) Exclusivity in relation to the arrangements that are the subject of the Agreement

5 PRICE OF GOODS SERVICES AND WORKS

- 5.1 All prices agreed for the Goods Services or Works shall include the cost of all necessary works and processes required to ensure compliance with the terms of any Order.
- 5.2 The prices agreed by the Supplier shall be considered firm for the duration of the Agreement unless expressly agreed otherwise (including any authorised Variation unless the Order stipulates that the prices are subject to adjustment).
- 5.3 Any adjustment of prices shall be made in accordance with the provisions for price adjustment contained in the Agreement (if any);
- 5.4 Where any price increases are agreed pursuant to clause 5.3, the prices within any existing Orders shall not be changed.
- 5.5 All prices shall be inclusive of supply and delivery to such locations as shall be notified to the Supplier by the Purchaser unless otherwise stated in the Agreement.

6 BRIBERY & CORRUPTION

- 6.1 If the Supplier shall have offered, given or agreed to give to any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any action in relation to the obtaining or execution of any other contract with the Purchaser or for showing or forbearing to show favour or disfavour to any person in relation to any contract with the Purchaser or the like acts done by any person employed by him or acting on his behalf (whether with or without the knowledge of the Supplier) or if in relation to any contract with the Purchaser, the Supplier or any person employed by him or acting on his behalf shall have committed an offence under the Prevention of Corruption Act 1906 the Purchaser shall be entitled to cancel this Agreement and to recover from the Supplier the amount of any loss resulting from such cancellation.

7 CONFIDENTIALITY

- 7.1 The Agreement and these conditions shall be treated as confidential in every aspect and no extract therefrom shall be published or disclosed by the Supplier or the Purchaser without the express written agreement of both parties.
- 7.2 The Supplier and The Purchaser and their respective agents shall not use the name of the other party for any advertising purposes without the express written agreement of both parties

- 7.3 Where, as part of this Agreement, personal information relating to any living individual is provided to one party (the "Receiving Party") by the other party (the "Disclosing Party"), the Receiving Party shall comply with any statutory provisions for data protection and shall indemnify the Disclosing Party against any action which may arise from a breach of any aforesaid statutory provision where such breach has occurred in consequence of any act of the Receiving Party in relation to the personal information which has not been expressly authorised by the Disclosing Party. The Receiving Party shall take appropriate technical and organisational measures against the unauthorised or unlawful processing of personal data and against accidental loss or destruction of or damage to personal data.
- 7.4 In particular where for the purposes of the Agreement it is necessary for personal information (such as Customers' names and addresses) to be provided by the Disclosing Party to the Receiving Party such information shall be used only for the purposes of the Agreement and the Receiving Party shall only disclose such information to other persons or organisations if it is necessary to do so in order to carry out the provisions of the Agreement and if the Receiving Party ensures that such other persons or organisations to whom the information may be disclosed adhere to the requirements of any statutory provisions for data protection and are subject to an undertaking similar to that embodied within this clause
- 7.5 Where, as part of this Agreement, information and materials are received by the Supplier from the Purchaser relating to this Agreement whether orally, in writing, through the internet or by observation of a technical, operational, administrative, economic, marketing, planning, business or financial nature or intellectual property of any kind belonging to or supplied by the Purchaser, including the existence and content of this Agreement ("Confidential Information") shall be held in confidence by the Supplier. This provision shall not apply where the Confidential Information is already in or comes into the public domain through no fault of the Supplier.
- 7.6 This Clause 7 in its entirety shall survive termination of this Agreement

8 CONDITIONS FOR ANY CONTRACT RESULTING FROM THIS AGREEMENT

- 8.1 The Supplier shall enter into specific contracts for the provision of Goods, Works or Services as applicable with the Purchaser subject to the following:
- (i) Where the Supplier enters into a specific contract with the Purchaser (on receipt an Order from the Purchaser) the Conditions of Contract shall be as contained herein unless stated otherwise on the face of the Order.
 - (ii) Where the Agreement contains specific amendments to the general conditions otherwise referred to in this Clause then those amendments shall be applied to each Order.
 - (iii) The Supplier shall on receipt of any Order given to him by the Purchaser promptly execute such Order in accordance with the terms of that Order and the Agreement.
- 8.2 No terms or conditions of sale proposed by the Supplier or printed on any of the Supplier's documentation shall form part of this Agreement unless specifically agreed in writing by or as may be directed by the Purchaser.
- 8.3 This Agreement contains or expressly refers to the entire Agreement between the parties with respect to the subject matter hereof and expressly excludes any warranty, condition or other undertaking implied by law or custom and supersedes all previous agreements and understandings between the parties with respect thereto and each of the parties acknowledges and confirms that it is not aware of any representation, warranty or other undertaking not fully reflected in the terms of this Agreement and upon which it has relied in entering into this Agreement.

9 TERMINATION OF AGREEMENT

- 9.1 Purchaser may give notice to cancel the Agreement with immediate effect at any time and shall be entitled to enter into alternative agreements with suppliers of the Goods Services or Works if
- (i) the Supplier's performance consistently falls below the levels of performance defined in the Agreement and fails to meet the defined levels of performance within 30 days of a written notice by the Purchaser

- (ii) the Supplier commits a material breach of any of the provisions of the Agreement and in the event of a breach capable of remedy fails to remedy the same within 30 days of a written notice giving full particulars of the breach
- (iii) the Supplier shall commit or suffer any one or more of the following:-
 - (a) the passing of a resolution or the presentation of a petition for winding up
 - (b) the presentation of a petition for the appointment of an administrator
 - (c) the appointment of a receiver and/or administrative receiver over the whole or any part of the Supplier's undertaking and assets
 - (d) the making of a proposal for voluntary arrangement within Part I Insolvency Act 1986 or a proposal for any other composition scheme or arrangement with its creditors generally; or
 - (e) the levying of execution or distress or diligence on any of its assets
- (iv) the Supplier, its officers, employees, agents or contractors by any act, omission or default does anything tending to cause damage to the goodwill, standing or reputation of the Purchaser
- (v) the Supplier undergoes a Relevant Change of Control.

9.2 In the event that a termination notice pursuant to Clause 9.1 is issued then liability by the Purchaser towards the Supplier and any rights or additional claims howsoever arising from this Agreement as against the Purchaser shall cease.

9.3 Any termination notice given under 9.1 shall not affect the rights, liabilities, benefits and obligations of the parties arising from Orders placed prior to the termination of this Agreement.

10 INTELLECTUAL PROPERTY

10.1 The copyright in and ownership of all drawings, reports, specifications, calculations and other documents provided by the Supplier in connection with Goods, Works or Services shall remain vested in the Supplier but the Purchaser, his servants or agents shall have a licence to use such drawings and other documents for all purposes and the Purchaser shall be entitled to make sufficient copies of such drawings or other documents for such use.

10.2 The copyright in and ownership of all drawings, reports, specifications, calculations and other documents developed by the Supplier and funded by the Purchaser under this Agreement in connection with Goods, Works or Services shall be vested in the Purchaser.

10.3 The Supplier shall indemnify the Purchaser against any claim arising from any infringement or alleged infringement of any third party's intellectual property rights in respect of any goods or services provided or works undertaken by the Supplier. Any payments and royalties payable in respect of any third party's intellectual property rights shall be included by the Supplier in his prices to supply Goods, provide Services or execute Works and shall be paid by him to those to whom they may be payable.

11 INFORMATION

11.1 The Supplier shall furnish the Purchaser with such information as may be necessary in relation to the use, operation or maintenance of the Goods, Services, including, without limitation instruction manuals, maintenance handbooks and drawings

12 HEALTH & SAFETY

12.1 The Supplier shall provide to the Purchaser a copy of their Company's Health and Safety Policy signed and dated by a director of the Supplier's Company together with any information required by any health and safety legislation and in particular shall notify the Purchaser of any hazard to health or safety contained in or related to the Goods Services or Works. Any such notification shall embrace the requirements of Section 6 Health & Safety at Work Act 1974. Any breach of this provision shall constitute a material breach of the Agreement

12.2 Where the Works and Services to be provided incorporate any work on site (including off-loading) the Supplier shall familiarize himself and comply with, the contents of any Health & Safety Code or policy operated by the Purchaser.

The Supplier shall also comply with all complementary directions and instructions issued by the Purchaser from time to time in connection with matters of safety

- 12.3 The Supplier shall inform the Purchaser without delay and give written details as soon as practicable of any reportable accident, as defined by the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR), that the Supplier his servants or agents are involved in on any of the Purchasers sites or whilst otherwise engaged in the delivery of Goods, the provision of Services or execution of Works under this Agreement or any Order resulting from this Agreement .

13 VARIATIONS

- 13.1 During the continuance of the Agreement or any Order the Supplier shall on receipt of any Variation given to him by the Purchaser promptly execute such Variation in accordance with the terms of the Agreement or any Order and the Variation PROVIDED THAT such Variation shall first have been discussed and agreed with the Supplier
- 13.2 The prices contained in the Agreement or any Order shall be varied in accordance with this Variation as follows:
- (i) Where the Agreement contains a mechanism by which the Variation can be valued then the prices shall be amended in accordance with this mechanism.
 - (ii) Where the Agreement does not contain a mechanism for valuing Variations then the Variation shall be valued in accordance with any rates or prices contained in the Agreement or elsewhere in the Order and the value of such Variation shall be agreed with the Purchaser

14 EXTENSION OF TIME

- 14.1 Should the supply of any Goods, the provision of any Services or the execution of any Works be delayed for any reason beyond the reasonable control of the Supplier then at the request in writing of the Supplier, the time for delivery of the Goods, the provision of Services or the execution of Works may be extended by the Purchaser for a reasonable period having regard to the effect of the delay.

15 DELAY

- 15.1 In the event of the Supplier failing to supply the Goods, provide the Services or execute the Works in accordance with the time or times stated in the Agreement or any Order or any extended period as may be allowed by the Purchaser, the Supplier will be liable for any reasonable loss or expense which the Purchaser shall incur by reason of such failure and the Purchaser shall be entitled to deduct such damages, loss or expense from any monies which may become payable to the Supplier.

16 ORDER CANCELLATION

- 16.1 Time shall be of the essence in respect of any Order and notwithstanding the provisions of any Order for extension of time or delay, the Purchaser may cancel, in whole or in part, any Order or any deliveries therein and shall be entitled to order with any other suppliers for the supply of the Goods Services or Works if:-
- (i) their delivery is late or is likely to be delayed and such delay is likely to continue for a period which, in the reasonable opinion of the Purchaser, will require the acquisition of substitute Goods from a source other than the Supplier; or
 - (ii) after completion of the manufacture the Goods have been lost, destroyed, damaged or are unable to be delivered for any reason and delay is likely to continue for such period that the Purchaser will need to acquire substitute Goods from a source other than the Supplier; or
 - (iii) the Supplier fails to provide satisfactory Goods, Services or Works to the Purchaser.
- 16.2 In the event of a cancellation the Purchaser shall have the right to recover from the Supplier any reasonable costs arising from the default of the Supplier.

17 PURCHASER TO HAVE RIGHT OF INSPECTION

- 17.1 The Purchaser shall at all times have full power to inspect or assess the Goods, Services or Works and shall be at liberty at all such times to reject any Goods, Services or Works which are not in conformity with the Agreement or any Order or with samples submitted by the Supplier to the Purchaser for approval at the time of the offer to supply the Goods, Services or Works.
- 17.2 The Supplier shall carry out at its expense such tests as the Purchaser considers are reasonably necessary for ascertaining the quality of the Goods, Services or Works and to certify that the Goods, Services or Works have been tested and comply with the Agreement or any Order.

18 QUALITY OF MATERIALS GOODS SERVICES OR WORKS

- 18.1 The supply of Goods, the provision of any Services or the execution of any Works shall conform in all respects with the Agreement or any Order and any relevant statutory provision and the Purchaser shall have power to reject any non conformity.
- 18.2 In the event that the Supplier propose to make any changes to the Goods, Services or Works as they are detailed in the Agreement the Supplier shall prior to implementation of any such changes agree them with the Purchaser PROVIDED THAT the Purchaser shall be under no obligation to agree to any changes so proposed

19 IDENTIFICATION AND DELIVERY OF GOODS

- 19.1 All Goods ordered by the Purchaser from the Supplier for subsequent supply to the Purchaser shall be clearly marked as such
- 19.2 Each delivery of Goods shall be accompanied by an Advice Note which shall be handed to a representative of the Purchaser at the time of delivery.
- 19.3 All packaging materials are non-returnable unless the Advice note states that such materials are to be returned to the Supplier in which case the Supplier shall bear the cost of return

20 RESPONSIBILITY FOR GOODS

- 20.1 From the date of any Order until delivery, the ownership and liability for all Goods or materials shall rest entirely with the Supplier and he shall be responsible for anything that may be lost, stolen or damaged by accident, fire, carelessness, defective Works or in any other way.
- 20.2 Following delivery the ownership and liability for the Goods or materials shall rest with the Purchaser, including anything that may be lost, stolen or damaged by accident, fire, flood, carelessness, defective works or any other way except in any case where this is a direct result of the actions by the Supplier his employees or agents.

21 PAYMENT

- 21.1 The presentation of invoices or applications for payment shall be made when monies are due to be paid to the Supplier in accordance with the Agreement or any Order and (subject to the application of any retention stated in any Order) payment of the amount properly due to the Supplier pursuant to the invoice or application for payment shall then become due, and shall be paid by the Purchaser no later than 60 days following the end of the month of the presentation of invoice or application for payment.
- 21.2 Any retention monies held shall become due upon the times and dates as stated in any Order with the final date for payment being twenty eight days later.
- 21.3 Unless the Supplier is able to show to the reasonable satisfaction of the Purchaser that his operations are excluded from the Construction Industry Scheme (IR14/15 (CIS)), then in the event that the Supplier shall fail either:
- (i) to provide for inspection a valid original copy of his tax certificate or registration card issued to him by the Inland Revenue pursuant to the Income Tax (Sub-Contractors in the Construction Industry)

- (ii) if the Supplier is a holder of a valid CIS6 tax certificate to promptly issue to the Purchaser a CIS24 voucher for all payments made by the Purchaser to the Supplier

then the Purchaser shall withhold all payments otherwise due to the Supplier under any Order until the Supplier's failure has been remedied.

- 21.4 If the Supplier is a holder of a valid CIS4 registration card the Purchaser shall deduct the statutory tax deduction for the time being in force from any amount otherwise due to the Supplier under any Order.

22 VALUE ADDED TAX

- 22.1 The prices agreed shall not include value added tax.

- 22.2 To the extent that the value added tax is properly chargeable on the supply of any Goods, Services or Works provided by the Supplier under any Order, the Purchaser shall be due to pay such tax as an addition to payments otherwise due to the Supplier under any Order.

- 22.3 The Supplier shall furnish a VAT invoice or authenticated receipt in accordance with the Purchaser's requirements.

- 22.4 If the Supplier fails to furnish to the Purchaser such VAT invoice or authenticated receipt in respect of a VAT payment made by the Purchaser to the Supplier, the Purchaser shall be entitled :-

- (i) to deduct from other monies due to the Supplier the amount of such VAT payment; and
- (ii) to withhold all further VAT payments to the Supplier until such VAT invoice or authenticated receipt is so furnished.

23 LIABILITIES AND INDEMNITIES

- 23.1 The Supplier shall indemnify and keep indemnified the Purchaser against all direct losses and claims in respect of: -

- (i) death of or injury to any person
- (ii) loss of or damage to any property
- (iii) any losses incurred by the Purchaser
- (iv) any claims actions costs damages expenses or demands by a third party

which may arise out of the supply of Goods the provision of Services or the execution of Works and the remedying of any defects therein and against all claims demands proceedings damages costs charges and expenses whatsoever in respect thereof or in relation thereto

- 23.2 Provided that the indemnities referred to in this Clause shall not extend to any case where injury or damage arises through the negligence or default of the Purchaser his employees servants or agents.

- 23.3 The Supplier will enter into and maintain adequate policy or policies of insurance covering the following liabilities (as are appropriate to the Agreement and as specified therein) -

- (i) Public Liability
- (ii) Employers Liability
- (iii) Product Liability
- (iv) Professional Indemnity

- (v) Contractors All Risks
- (vi) Any other as stated in the Agreement

Such policies where required shall be unlimited in terms of the number of claims during the period of the Agreement or any Order

- 23.4 The insurance policy or policies and receipt for premiums shall be produced to the Purchaser upon request and in case of failure to do so, the Purchaser shall be entitled to so insure and to deduct the amounts of the premiums from any sums due to the Supplier.

24 ASSIGNMENT / SUB-CONTRACTING

- 24.1 The Supplier shall not assign the Agreement or any Order or any part thereof or any benefit or interest thereunder without the written consent of the Purchaser provided that this shall not affect any right of the Supplier to assign either absolutely or by way of charge any monies due or to become due to him or which may become payable to him under the Agreement or any Order.
- 24.2 Except where otherwise provided by the Agreement any Order the Supplier shall not sub- contract the whole or any part of any Order without the written consent of the Purchaser and such consent if given shall not relieve the Supplier from any liability or obligation under any Order and he shall be responsible for the acts, defaults and neglects of any sub-contractor his agents, servants or workmen as fully as if they were the acts, defaults or neglects of the Supplier his agents, servants or workmen.

25 PROPERTY

- 25.1 Unless otherwise agreed in writing all tools, patterns, drawings, artwork and other documents or equipment supplied by the Purchaser or made specifically at the Purchaser's expense shall remain or become the property of the Purchaser and on completion or cancellation of any Order shall be delivered by the Supplier to the Purchaser.

26 CLEARANCE OF WASTE/SURPLUS MATERIAL

- 26.1 The Supplier shall remove from any site where Goods have been supplied, Services provided or Works executed all waste/surplus created by the supply of Goods, the provision of Services or the execution of Works.

27 RIGHTS NOT PREJUDICED

- 27.1 The rights of the parties shall not be prejudiced by any forbearance extended by either party to the other and no waiver by either party in respect of any breach shall operate as a waiver in respect of any subsequent breach.

28 ENGLISH LAW

- 28.1 This Agreement shall in all respects be construed and operate as an English contract and in conformity with English Law including but not limited to all relevant legislation, regulations and other requirements of any relevant government or governmental agency from time to time. To the extent that such regulations are advisory, compliance with which is advisable but not mandatory, the minimum compliance to be achieved by the Supplier shall be the best practice of the relevant industry. The parties irrevocably agree to submit to the exclusive jurisdiction of the courts of England over any claim or matter arising under or in connection with this Order

29 THIRD PARTIES

- 29.1 The Contracts (Rights of Third Parties) Act 1999 shall not apply to the Agreement or any Order and nothing in this Agreement confers or purports to confer on any third party other than the Purchaser as defined herein, any benefit or any right to enforce any term of the Order.

30 ARBITRATION

- 30.1 All questions, disputes, or differences which may arise at any time between the parties in relation to the Agreement or any Order shall be referred in the first instance to a senior manager of each party who will attempt in good faith to

resolve any issue arising out of the Agreement or any Order but failing resolution within 14 days may be referred with the agreement of both parties to mediation in accordance with the Centre for Dispute Resolution (CEDR) Model Mediation Procedure. If the parties do not agree upon mediation within 7 days thereafter or have not settled a dispute by mediation within 42 days from the initiation of the mediation, the dispute shall be referred to the decision of a single arbitrator mutually agreed upon or, failing such agreement within 14 days, to be appointed by the President for the time being of the Chartered Institute of Arbitrators on the application of either of the parties, and such arbitration shall be carried out in accordance with and subject to the applicable provisions of the Arbitration Act 1996.

31 FORCE MAJEURE

- 31.1 Force majeure shall mean any cause preventing either party from performing any or all of its obligations which arises from or is attributable to acts, events, omissions or accidents beyond the reasonable control of the party so prevented including without limitation, act of God, war, terrorism, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, fire, flood, epidemic or storm.
- 31.2 If either party is prevented or delayed in the performance of any of its obligations under the Agreement or any Order by force majeure, that party shall forthwith serve notice in writing on the other party specifying the nature and extent of the circumstances giving rise to force majeure, and shall subject to service of such notice and to this Clause and acceptance in writing by the receiving party that the event giving rise to the notice is a force majeure event have no liability in respect of the performance of such of its obligations as are prevented by the force majeure events during the continuation of such events, and for such time after they cease as is necessary for that party, using all reasonable endeavours, to recommence its affected operations in order for it to perform its obligations.
- 31.3 If either party is prevented from performance of its obligations for a continuous period in excess of one month, the other party may terminate the Agreement or any Order forthwith on service of written notice upon the party so prevented, in which case neither party shall have any liability to the other except that rights and liabilities which accrued prior to such termination shall continue to subsist.
- 31.4 The party claiming to be prevented or delayed in the performance of any of its obligations under the Agreement or any Order by reason of force majeure shall take all steps as are necessary to bring the force majeure event to a close or to find a solution by which the Agreement or any Order may be performed despite the continuance of the force majeure event.

32 AGREEMENTS SUBJECT TO EUROPEAN PROCUREMENT LEGISLATION

- 32.1 The Purchaser reserves the right to extend the term of this Agreement for a period not exceeding twelve months in the event that it is the subject of legal proceedings concerning its decision to award a future contract for the purchase of the Goods, Services or Works the subject of this Agreement. If the Purchaser exercises its right to extend the term of this Agreement, the Supplier shall (unless otherwise agreed by the Purchaser in writing) provide the Goods, Services or Works on the terms and conditions herein contained, save that the Price shall be adjusted as agreed between the parties.