



WOOD CHIP FUEL SUPPLY CONTRACT

This agreement is made on 1st July 2018 between:

BIRTLEY HOUSE GROUP LTD, BIRTLEY HOUSE, BRAMLEY, SURREY, GU5 0LB ("The Customer")

AND

LC ENERGY LTD, NETLEY HOUSE, SHERE ROAD, GOMSHALL, SURREY, GU5 9QA ("The Supplier")

This contract describes the terms of agreement under which the Supplier undertakes to provide wood chip to the Customer.

1. FUEL SPECIFICATION

- 1.1 The fuel shall be wood-chips processed to achieve G50 specification as described below and under LC Energy Ltd's Producer-Trader registration number on the Biomass Supplier List: BSL0001629-0001

ÖNORM M7 133		G50
Maximum dimensions of largest particles	Cross sectional area (cm ²)	5
	Max length (cm)	12
	Screen size (mm)	32
Bulk of material 60-100%	Screen size (mm)	6-32mm
Fine and very fine material <20%	Screen size (mm)	1-6mm

- 1.2 The wood chip shall achieve between 25-35% moisture content (i.e. ÖNORM M7 133 W35/CEN/TS 14961 (BS EN ISO 17225-2). The average moisture content of the woodchip is to be measured by the Supplier using SINAR IR35 laboratory equipment.
- 1.3 Fraction testing for wood chip size can also be undertaken upon request.

2. DELIVERY

- 2.1.1 Delivery address: Birtley House, Bramley, Surrey, GU5 0LB. The point of contact at Birtley House shall be Tim Whalley.
- 2.2 Responsibility for checking the wood chip level in the fuel store and informing the Supplier of the need for a fuel delivery lies with the Customer.

Wood Chip Supply Agreement – 2018

Netley House, Shere Road, Gomshall, Surrey GU5 9QA

www.LCEnergy.co.uk Tel: 0844 875 1320

Registered Address: Weston Yard, Albury, Surrey GU5 9AF Registered in the UK: 6296861 VAT No. 909 2547 12

- 2.3 The fuel shall be delivered using Supplier's own hook bins of 20m³ or 32m³. The Supplier is to provide all associated equipment for the safe delivery of the fuel to the site.
- 2.4 The Supplier must make reasonable efforts to leave the site tidy after delivery.
- 2.5 The Supplier must use all appropriate PPE during delivery and ensure risk assessments and method statements are up to date at all times.
- 2.6 The Supplier is responsible for ensuring the fuel is delivered within the specification defined.
- 2.7 Any accidents that occur during the delivery are to be reported to the Customer's site staff immediately. The primary site contact is to be Tim Whalley (07713 026369) the secondary site contact is to be the office(01483 892055)
- 2.8 Unless otherwise agreed the Customer undertakes to have an authorised contact available to receive and sign off each delivery.
- 2.9 The Customer will ensure that there are no unnecessary delays or disruptions to delivery at the site or fuel store (e.g. access blockage). Unnecessary delays may be subject to an additional delivery levy to the Supplier.

3. COMMERCIAL TERMS

- 3.1 Fuel will be sold on a £/m³ or load basis within the specification required.
- 3.2 The standard price for the delivered wood fuel in this contract will be £32.26/m³ + VAT for the first 12 month period from 1st July 2018 and based upon the load size in clause 2.3.
- 3.3 Thereafter the price for each following 12 month period is subject to the annual CPI change+ 2%.
- 3.4 The Contract is let for three years from 1st July 2018 with an option to extend subject to an agreement of terms.
- 3.5 It is anticipated that fuel demand will be in the region of 740m³ per year.

4. GUARANTEE OF SUPPLY

- 4.1 The Supplier guarantees to provide the wood chip required by the Customer within 2-3 working days of an authorised order being placed although it should be possible to achieve delivery in less time.
- 4.2 In the peak periods a schedule of deliveries may be agreed to avoid unnecessary administrative work.
- 4.3 In the event of a temporary disruption of supply from the Supplier's own sources, the Supplier guarantees that wood chip of equal quality, and conforming to the chip specification outlined in Section 1 of this contract, will be obtained from elsewhere at no extra cost to the Customer until such time as the original supply can be resumed or the contract expires.

5. OTHER TERMS AND CONDITIONS

- 5.1 In the event of either party failing to meet their contractual obligations under this agreement the other party would maintain the right to terminate the contract in writing at 3 months' notice and deem the agreement to be null and void.
- 5.2 The Customer may freely cancel an order for a wood chip delivery up to 24 hours prior to the scheduled time of delivery. After this time, the Supplier may charge to the Customer any reasonable, unavoidable and non-refundable costs incurred through the arrangement of the delivery up to £150 in transport costs.
- 5.3 Maintenance of the fuel transfer equipment and boiler are the responsibility of the Customer. The Customer is obliged to carry out a planned service and maintenance strategy as recommended by the manufacturer to ensure equipment and infrastructure is operating at the optimum efficiency.
- 5.4 The Customer will indemnify the Supplier against any damage to the fuel handling systems and combustion equipment caused by impact, contaminants or water following delivery.
- 5.5 In the event of any damage to fuel handling systems and combustion equipment and in the absence of clear responsibility for the issue, all parties will use best endeavours to resolve any issues. Where there is failure in the boiler system caused by the out-of-specification fuel provided by the Supplier, then the Supplier will issue a Non Conforming Report (NCR) and agree with the client what steps are taken to remedy the problem.
- 5.6 The contract to supply all wood fuel to the Customer is the exclusive right of the Supplier, subject to the terms of this contract.
- 5.7 The Customer or the Supplier may terminate the Contract without reason by not less than 3 months' notice in writing to that effect.
- 5.8 Both parties shall keep confidential and shall use its best endeavours to ensure that its staff keep confidential any and all commercial information (written electronic or oral) which is learnt or obtained in the provision of the service and shall restrict disclosure of the same only to those staff who need to know said information in order to provide the service. This provision shall continue in perpetuity but shall not apply to disclosures which either party or their staff is required to make by law.

6. PAYMENT TERMS

- 6.1 Payment for wood fuel is to be made to The Supplier within net 30 days from date of monthly invoice.
- 6.2 Delivered price excludes VAT which must be paid.

7. OWNERSHIP

- 7.1 Each wood fuel delivery will need to be signed off by the Customer or Customer's representative to ensure quality and quantity meet the required standards.

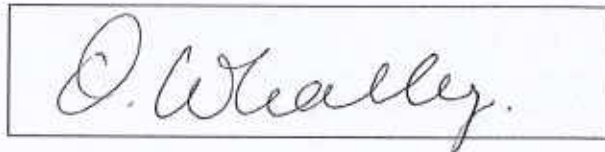
- 7.2 The transfer of ownership will occur once the Customer has signed off the delivered wood fuel. After this time the wood fuel will become the sole responsibility of the Customer.

8. **PARTIES TO THE CONTRACT**

This Contract is agreed by the undersigned:

The Customer

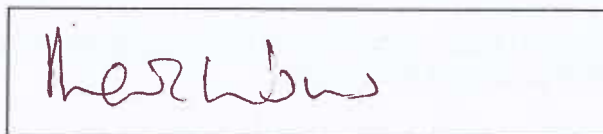
Signature



Print Name *TIM WHALLEY*
Date *24/7/2018*
For and on behalf of *BIRTLEY HOUSE GROUP LTD.*

The Supplier

Signature



Print Name Mr. Mark Lebus
Date 1st July 2018
For and on behalf of LC Energy Ltd