Subscription and Option to Acquire Agreement

Centurion AI Agent Limited · draft for solicitor review

Date: 4 November 2026 **Version:** v1.9 — client copy of v1.8. Editorial only: the preparer's credit is removed, because an agreement between two companies does not carry a note of who typed it. No operative clause changed between v1.8 and v1.9. **Status: DRAFT — REVIEWED BY COUNSEL.** Counsel has read this agreement, called it a good starting point, instructed that it be run with, and asked to be shown changes as they are made and told when edits are needed. It is released to prospective customers on that basis and may be accepted electronically at the point of subscription. It is not final: edits will follow, the bracketed items remain decisions for the owner, and a customer should still take their own advice.

What changed

CHANGE	WHY
v1.9 — client copy. The preparer's credit is removed from the head of the document.	An agreement is between two companies; who prepared it is our internal record, not a term, and it does not belong on the copy a customer signs. No operative clause changed.
v1.8 — counsel's release instruction recorded. The status line now states what counsel actually said: a good starting point, run with it, changes to be advised on. The document is published and accepted electronically at the point of subscription.	The document is now offered to customers and accepted inside a checkout flow, so a status line reading "not reviewed by a lawyer, not offered to any customer" would be false the moment it is used — and a contract that misstates its own status is worse than no contract. No operative clause changed between v1.7 and v1.8.
v1.7 — second legal review incorporated. Clause 6.8 no longer disapplies clause 6.4: access and attendance to accept delivery still apply in an approved market, where only the cumulative-payment condition (6.2) and the title/risk rule (6.3) fall away. Clause 2.4(b) adopts the statutory wording of the business-purpose test. Clause 2.4(d) is confined to the purpose of the Agreement rather than its incidental effects. Clause 16.2 aligns the custody carve-out with clauses 5.3 and 6.6.	Three drafting points from the second review, all accepted. The 6.4 disapplication was a genuine error: it would have removed Centurion's right of access to deliver. The 2.4 wording now tracks the Consumer Credit Act test rather than approximating it. **Reported corruption at pages 9–10 and a duplicated clause 10.3 could not be reproduced: the source and the PDF both contain clause 7 intact and one clause 10.3. See the covering note.**
v1.6 — first legal review incorporated. Clause 2.4 becomes a condition precedent, a continuing warranty and an indemnity. Clause 8.2 narrowed so the retention of title is not read as a charge, and the serial number becomes mandatory. Clause 9.3 made one-way. Clause 6.8 added: in an approved market **Centurion** is the importer and delivers duty-paid. Clause 16.2 cap corrected. Currency defined. Schedule 1 completed.	The review's priorities were the credit characterisation, the retention of title, and the inconsistency between "we are the producer in that market" and "the customer is the importer". The first two are drafting; the third was a real contradiction and is now resolved in favour of the promise made to the customer.
v1.5 — clause 2.6 added, and Schedule 1 gains an approved-market field. This Agreement is offered only in markets where Centurion has the producer registrations in place.	The offer tiering is now explicit: this contract carries the machine, so it can only be sold where the machine can lawfully be placed on the market by Centurion. Everywhere else the Hardware Agency and Setup Agreement applies and the customer supplies the appliance.
v1.4 — clause 10.3 added (downstream and consumer-facing use), **Schedule 6 added** (country annex), **clause 2.4 and Part C aligned to business-to-business supply only**, and **Q2 corrected** on unfair terms.	Three things became clear in discussion. Centurion sells only to businesses and has no consumer arrangements, so the contract and the notes should not read as if consumers were a live question. European coverage is not one answer but three, and the country annex records which items are harmonised and which are not. And the previous draft repeated a common error: the Unfair Contract Terms Directive is consumer-only and does not govern business contracts.

CHANGE	WHY
v1.3 — clause 2.4 reduced to one statement of business-to-business supply. The discussion of sole traders and individuals has come out of the contract entirely and lives only in Part C.	There is nothing to negotiate here: Centurion sells only to companies, and the contract should read that way rather than defending a position nobody is taking. The legal protection is unchanged — the representation that the Customer is a business and not a consumer is what keeps the Consumer Credit Act away, and it is still there.
v1.2 — clause 2.4 rewritten. The eligibility test is now expressly the **entity invoiced**, and a new 2.4(c) confirms that a director or other representative who signs does so for the company and incurs no personal liability.	The first version could be misread as excluding the owner-manager the business is actually sold to. Centurion sells to companies and invoices companies; the person across the table is a representative of the Customer, not the Customer.
Clause 2.4 — eligibility. Business-to-business supply is now recorded as a representation by the Customer.	The £25,000 business-purpose exemption runs the other way from how it is usually described. It exempts business credit **above** £25,000. Our contract value is €11,400, so if the debtor is an individual the exemption does not apply and the arrangement is regulated credit if it is credit at all. Excluding individuals from the offer is the cheap fix. Part C, question 1.
Clause 4.3 rewritten — VAT, place of supply and the reverse charge, plus a tax-representation clause at 4.4.	The first draft said only "exclusive of VAT", which is not enough for a supply to an EU business.
Clause 6.7 added — delivery terms, importer of record, and who bears import VAT and duty.	Shipping an appliance from GB into the EU is an import. The first draft was silent, and silence here means Centurion absorbs the bill by default.
Clause 8.4 added — the parties declare this a true retention of title and not a security interest.	A retention-of-title clause construed as a charge is void unless registered.
Clause 17.5 added — the Customer's remedy where a suspension is prolonged and not its fault.	A one-sided suspension right is the weakest term in the document under UCTA. Give the other side a proportionate exit and the term becomes reasonable.
Clause 24.3 added — arbitration as the alternative for EU customers.	Enforcement of an English judgment in the EU is not automatic post-Brexit.
Part C rewritten as eight questions, with the statute named for each.	The first draft's questions were right; they were not specific enough to be answered.

How to use this draft

This is the document the customer eventually signs, written so a solicitor can mark it up rather than start from a blank page. Three things to know before reading it.

One — it is deliberately not a lease. A lease, or hire purchase, over goods is a credit arrangement, and offering one to a business can pull the business into the regulated credit regime. What is drafted here is a **subscription for a service, with an option to acquire the hardware at the end of it**. The customer receives something real every month from the first month, so each payment is payment for services rendered rather than a deferred price. Whether that framing survives contact with the regulation is the first question in Part C, and it is the solicitor's call, not ours.

Two — the bracketed items are decisions, not oversights. `[COMPANY NAME]`, `[COMPANY NUMBER]`, the cure period, the governing-law jurisdiction, the VAT treatment. Each is either not yet known or is a commercial choice the owner has not finalised. Nothing bracketed should be guessed at by anyone other than the owner or the solicitor.

Three — there is a Part C of open questions. Nine of them. They are the questions this draft cannot answer for itself, and the answers may change the structure rather than the wording. Read Part C before marking up Part B.

What this document is not. It is not legal advice, it is not a tax opinion, and it is not a statement that the model described in it is lawful to operate in any particular jurisdiction. It is a first draft prepared for review.

Part A — Commercial summary

The deal in one page, so the solicitor does not have to reconstruct it from the clauses.

TERM	POSITION
Parties	Centurion (`[COMPANY NAME]`, a company incorporated in England and Wales, number `[COMPANY NUMBER]`) and the Customer, a business.
Customer type	**Business to business only.** Companies, LLPs and charitable incorporated organisations, invoiced to the company account. Clause 2.4.
Territory	The United Kingdom, plus the markets recorded in Schedule 1 where Centurion holds the producer registrations. Clause 2.6. Customers elsewhere are served under the Hardware Agency and Setup Agreement.
What Centurion supplies	The Centurion Brain: software, the loaded knowledge and rule sets, configuration, support, and the hardware appliance described in Schedule 2.
Hosted phase	From the Effective Date, the Brain runs on Centurion's infrastructure on the Customer's behalf. The Customer is working from day one.
Hardware delivery	The appliance is supplied once the Customer's cumulative payments reach €2,850 (month 6 of 24). The delivery month is stated in Schedule 1 and is fixed at signature.
Monthly fee	**€475** per month for **24 months**. Total **€11,400**.
Option to acquire	On payment of all 24 instalments, the Customer may acquire the appliance for **€1.00**. Title passes on a recorded date against a signed certificate (Schedule 5).
Licence	Separate from this Agreement. Twelve months included; renews at €600 per year from month 25. Suspension of the licence does not cancel this Agreement, and this Agreement does not renew the licence.
Default remedy	Suspension, a cure period, then termination. **No acceleration of the remaining instalments.** Centurion's remedy is the return of unpaid hardware and the end of the service, not a debt claim for money the Customer has not had the service for. Part C, question 2 explains why this is deliberate.
Title until the Option is exercised	The appliance remains Centurion's property. Retention of title, plus an obligation to return on termination.
Data	The Customer's data belongs to the Customer. Centurion is a processor during the hosted phase and not a controller at any point. Schedule 4.
Law	England and Wales. `[Confirm jurisdiction — see Part C, question 6.]`

TERM	POSITION
Tax	Fees exclusive of VAT. UK customers: UK VAT at the standard rate. EU business customers: outside the scope of UK VAT, reverse charge, valid VAT number required on the invoice. Imports of hardware bear import VAT and duty in the destination country. Clauses 4.3, 4.4 and 6.7.
Cross-border delivery	Delivery terms, importer of record, customs duty and import VAT are stated in clause 6.7 and fixed per order. Where the Customer is outside Great Britain, the Customer is importer of record unless the order states otherwise.
Europe	One template and English law for the whole of the UK and the EU. The contract terms travel; the registrations do not. Schedule 6 records which obligations are harmonised across the Union and which are national.

Why the schedule is fixed and never varies

The 24 instalments are not a price with a discount attached; they are the price. No discount, rebate, waiver or early-settlement figure should be offered mid-term without the solicitor's view, because a mid-term discount is what turns a service subscription into a finance agreement in the eyes of a regulator. If the owner wants to help a Customer who is in difficulty, the tools are the cure period and a payment holiday, both documented — not a change to the schedule.

Part B — The agreement

> **SUBSCRIPTION AND OPTION TO ACQUIRE AGREEMENT**
>
> **between `[COMPANY NAME]` and `[CUSTOMER NAME]`**

Parties

(1) **`[COMPANY NAME]`**, a company incorporated in England and Wales with company number `[COMPANY NUMBER]`, whose registered office is at `[REGISTERED OFFICE ADDRESS]` (**Centurion**); and

(2) **`[CUSTOMER NAME]`**, a company incorporated in `[JURISDICTION]` with company number `[NUMBER]`, whose registered office is at `[ADDRESS]` (**the Customer**).

each a **party** and together **the parties**.

Background

(A) Centurion supplies the Centurion Brain, a private artificial-intelligence system that runs on hardware located at the Customer's premises, together with the knowledge, rule sets and configuration loaded into it.

(B) The Customer wishes to subscribe to the Brain, to have it delivered hosted while its own appliance is funded by its subscription payments, and to have the option to acquire that appliance at the end of the Subscription Term.

(C) The parties intend that this Agreement is a contract for the supply of services, that each Monthly Fee is consideration for services rendered in the month to which it relates, and that the acquisition of the Appliance under clause 7 is a separate transaction at a nominal price. **`[Solicitor: this recital does the structural work. If the structure is wrong, this is the sentence to change, and clauses 4, 7 and 19 must change with it.]`**

1. Definitions

1.1 In this Agreement:

Appliance means the hardware described in Schedule 2, being one unit per subscription unless Schedule 1 states otherwise;

Brain means the Centurion software system subscribed to under this Agreement, including the knowledge bases, rule sets, skills and configuration supplied with it;

Business Day means a day other than a Saturday, Sunday or public holiday in England and Wales;

Cure Period has the meaning given in clause 17.3;

Customer Data means all data, documents, correspondence, records and outputs belonging to the Customer that are processed by or stored on the Brain, the Hosted Environment or the Appliance in the course of the Services;

Delivery Date means the date on which the Appliance is delivered to the Customer's premises, being the month stated in Schedule 1 subject to clause 6.2;

Effective Date means the date of the last signature of this Agreement;

Hosted Environment means the infrastructure operated by or for Centurion on which the Brain runs before Delivery;

Licence means the separate licence under which the Customer is permitted to operate the Brain, including its term, activation and renewal terms, as described in clause 9;

Monthly Fee means €475, subject to clause 4;

Currency means euro. Every amount in this Agreement is stated in euro unless expressly stated otherwise, and where a sum must be converted for a tax purpose the rate is the European Central Bank reference rate published for the invoice date;

Option means the Customer's option to acquire the Appliance under clause 7;

Option Price means €1.00;

Services means the subscription services described in clause 2;

Subscription Term means the period of 24 months beginning on the Effective Date;

Title Transfer Date means the date recorded on the certificate at Schedule 5.

1.2 A reference to a month is to the period beginning on the Effective Date and ending on the day before the same date in the following calendar month, and month 1 is the first such period.

1.3 Clause headings are for convenience and do not affect interpretation. "Including" means including without limitation.

2. The Services

2.1 From the Effective Date, Centurion shall provide:

(a) access to the Brain in the Hosted Environment, configured for the Customer's business;

(b) the knowledge bases, jurisdictional rule sets and configuration specified in Schedule 1;

(c) onboarding: configuration of the Brain to the Customer's own documents, terminology and working practices, in the manner described in Schedule 1;

(d) support at the level described in clause 14; and

(e) on the Delivery Date, the Appliance, pre-configured with the Customer's Customer Data, and migration of the Brain from the Hosted Environment to the Appliance.

2.2 The Services are supplied **to the Customer's business**, for its own internal use, and not for resale or for personal use.

2.3 Centurion shall provide the Services with reasonable skill and care. The Customer acknowledges that the Brain is a tool that produces drafts and suggestions for a qualified human being to review, and that the Services do not include, and Centurion does not provide, professional advice of any kind.

2.4 Business to business — condition precedent. Centurion supplies on business-to-business terms only. **This clause is a condition precedent to the Agreement taking effect.** If the Customer is not a body corporate, a limited liability partnership or a charitable

incorporated organisation acting in the course of business, the Agreement is void from the outset and any Monthly Fee paid is refundable, without prejudice to Centurion's other rights. The Customer gives the following as a **continuing warranty, repeated on each Monthly Fee payment**: (a) that it is a body corporate, a limited liability partnership or a charitable incorporated organisation;

(b) that the Agreement is entered into by it wholly or predominantly for the purposes of a business carried on, or intended to be carried on, by it;

(c) that it is not a consumer for the purposes of the Consumer Credit Act 1974, the Consumer Rights Act 2015 or any equivalent provision in the jurisdiction in which it is established; and

(d) that the Agreement is not entered into for the personal benefit of any director, member or officer. This is a test of the purpose of the Agreement, not of its incidental effects: a director or officer who benefits from the Customer's use of the Brain in the ordinary course does not breach this warranty.

The Customer indemnifies Centurion against any loss, penalty, interest, fine or regulatory consequence arising from a breach of this warranty, including the cost of any permission, authorisation or restructuring required as a result. Centurion may decline an order, or terminate this Agreement, where any part of this warranty is or becomes untrue.

2.5 Authority. The person signing for the Customer confirms that they are authorised to bind it. A director, trustee or other officer who signs does so for the Customer and incurs no personal liability under this Agreement.

2.6 Territory. Centurion offers this Agreement only in the markets recorded in Schedule 1, being markets where it has complied with the obligations that attach to placing electrical and electronic equipment on the market. Where the delivery address is in a market not so recorded, Centurion may decline the order; the alternative is the Hardware Agency and Setup Agreement, under which the Customer supplies its own appliance and remains the importer.

3. Term

3.1 This Agreement begins on the Effective Date and continues for the Subscription Term, unless terminated earlier under clause 18.

3.2 The Agreement does not renew automatically. From month 25 the Customer holds the Appliance (subject to exercise of the Option) and the Licence, and the continuing relationship is governed by the Licence alone.

4. Fees

4.1 The Customer shall pay the Monthly Fee for each of the 24 months of the Subscription Term, in accordance with Schedule 1.

4.2 Each Monthly Fee is payable in advance on the first Business Day of the month to which it relates, by the payment method recorded in Schedule 1.

4.3 VAT and place of supply.

(a) All amounts stated in this Agreement are exclusive of value added tax and any equivalent sales tax.

(b) Where the Customer is established in the United Kingdom, Centurion shall charge VAT at the prevailing standard rate and the Customer shall pay it in addition to the Monthly Fee. VAT is calculated on the sterling equivalent of the euro amount, converted at the European Central Bank reference rate published for the invoice date, and the invoice shall show both the euro amount and the conversion applied.

(c) Where the Customer is a business established in a member state of the European Union and has supplied a valid VAT identification number, the supply of the Services is outside the scope of United Kingdom VAT. The Customer shall account for VAT under the reverse-charge mechanism in its own member state. Centurion's invoice shall show the Customer's VAT identification number and shall state that the reverse charge applies and that no VAT has been charged.

(d) Where the Customer is established outside both the United Kingdom and the European Union, the supply is outside the scope of United Kingdom VAT and the Customer is responsible for any tax due in its own jurisdiction.

(e) If a VAT identification number supplied by the Customer is invalid, or if the Customer fails to supply one where required, Centurion may charge VAT, and the Customer shall pay it.

4.4 Tax representations. The Customer shall provide accurate VAT identification details before the first Monthly Fee is invoiced, shall notify Centurion of any change within 30 days, and shall indemnify Centurion against any VAT, penalty or interest arising from a VAT number that the Customer supplied and that proves invalid or misuse.

4.5 The Option Price and the transfer of the Appliance may be a separate supply for VAT purposes. `[Solicitor: confirm the VAT treatment of a €1.00 option price and of the transfer itself, and whether the Option Price should be nominal, a stated residual, or nil consideration with title passing automatically on the final instalment.]`

4.6 Where the Customer fails to pay an amount due, Centurion may charge interest on the overdue amount at 8% above the Bank of England base rate from time to time, accruing daily from the due date until payment, together with any fixed sum and reasonable recovery costs recoverable under the Late Payment of Commercial Debts (Interest) Act 1998.

4.7 The Monthly Fee is fixed for the Subscription Term and shall not be varied.

4.8 No discount, rebate, waiver, set-off or early-settlement figure shall be applied to the Monthly Fee unless agreed in writing by both parties. `[Deliberate: see Part A. A mid-term discount is the fastest way to recharacterise this Agreement as credit.]`

5. Provisioning and the hosted phase

5.1 Centurion shall provision the Brain in the Hosted Environment within ten Business Days of the Effective Date.

5.2 During the hosted phase, Centurion shall use reasonable endeavours to make the Brain available during business hours, excluding planned maintenance notified to the Customer at least two Business Days in advance.

5.3 Centurion shall take daily backups of Customer Data in the Hosted Environment and shall retain them for `[30]` days.

5.4 The Customer acknowledges that the hosted phase is a delivery mechanism for the subscription and does not enlarge Centurion's obligations beyond those in this Agreement and clause 15.

5.5 If Centurion fails to provision the Brain within the period in clause 5.1, the Customer may terminate this Agreement under clause 18.2 and receive a full refund of any Monthly Fee paid.

6. Supply and delivery of the Appliance

6.1 Subject to clause 6.2, Centurion shall deliver the Appliance to the Customer's premises on or about the Delivery Date stated in Schedule 1.

6.2 Centurion is not obliged to deliver the Appliance unless, at the proposed Delivery Date:

(a) the Customer's cumulative payments under this Agreement are at least **€2,850**; and

(b) the Customer is not in arrears.

If either condition is not met, the Delivery Date moves to the first month in which both are met, and no other term of this Agreement changes.

6.3 Delivery is complete when the Appliance is made available at the delivery address in Schedule 1. Risk in the Appliance passes to the Customer on delivery. **Title does not pass until the Title Transfer Date.**

6.4 The Customer shall provide safe and reasonable access to its premises for delivery and installation, and shall ensure that a person able to accept delivery is present on the Delivery Date.

6.5 Centurion shall migrate the Brain from the Hosted Environment to the Appliance and shall use reasonable endeavours to complete that migration within five Business Days of the Delivery Date. The Customer acknowledges that the Brain must not be operated during migration and shall co-operate with any reasonable request to that end.

6.6 If the Appliance is defective on delivery, the Customer shall notify Centurion within `[14]` days and Centurion shall repair or replace it at its own cost. This is in addition to the Customer's statutory rights, which are not excluded.

6.7 Cross-border delivery, imports and importer of record.

(a) Where the Customer's delivery address is outside Great Britain, the Appliance is an import into the destination country. Unless Schedule 1 states otherwise, the Customer is the importer of record and is responsible for import formalities, customs duty, import VAT and any other charge levied at the border.

(b) The Monthly Fee and the Option Price do not include customs duty, import VAT, or any charge levied on import. Where Centurion has agreed in writing to act as importer of record or to deliver duty-paid, those amounts shall be added to the Customer's invoice and paid before delivery.

(c) The Customer shall provide any information reasonably required for export or import formalities, and shall not require Centurion to make a declaration it knows or ought to know to be inaccurate.

(d) Delivery dates in Schedule 1 are stated on the assumption that border clearance is not delayed. Centurion is not liable for delay caused by customs authorities.

(e) Where the Customer refuses an import or fails to complete clearance, the Appliance may be returned or destroyed at the Customer's cost and clause 19 applies. `[Solicitor: confirm the appropriate Incoterm for each market, the correct importer-of-record position, and whether selling into the EU triggers product-compliance obligations — see Part C, question 7.]`

6.8 Approved markets — Centurion as importer. Where the delivery address is in an approved market recorded in Schedule 1, **Centurion is the importer of record and delivers the Appliance with customs duty and import VAT paid**. Clauses 6.2 and 6.3 do not apply to those deliveries and the cost of import is included in the Monthly Fee. Clause 6.4 (access and attendance to accept delivery) continues to apply. `[This is a consequence of clause 2.6: in an approved market Centurion is the seller and the producer, so the import must be Centurion's. The promise to the customer — nothing to arrange, nothing to pay at the door — has to be true at the border as well as at the front door.]`

7. Option to acquire the Appliance

7.1 On condition that the Customer has paid all 24 Monthly Fees in full and is not in arrears under this Agreement or under the Licence, the Customer may exercise the Option at any time within 90 days after the final Monthly Fee falls due.

7.2 The Option is exercised by written notice to Centurion and payment of the Option Price.

7.3 On exercise of the Option, Centurion shall record the Title Transfer Date and issue a signed certificate in the form at Schedule 5. **Title to the Appliance passes to the Customer on the Title Transfer Date and not before.**

7.4 If the Customer does not exercise the Option within the period in clause 7.1, the Appliance remains Centurion's property and the Customer shall, at Centurion's election, return it in accordance with clause 19.3 or purchase it at the price Centurion reasonably determines to be its then market value.

7.5 The Option is personal to the Customer and may not be assigned or transferred without Centurion's written consent.

8. Title, risk and retention of title

8.1 Property in and title to the Appliance remain with Centurion until the Title Transfer Date.

8.2 Until the Title Transfer Date the Customer:

(a) holds the Appliance as bailee for Centurion;

(b) shall not sell, charge, encumber or otherwise transfer ownership of the Appliance, nor create or permit any lien, charge or other security interest to arise over it;

(c) shall not remove the Appliance from the delivery address recorded in Schedule 1 without Centurion's prior written consent, save for temporary removal for repair or servicing by an authorised person;

(d) shall record the Appliance's serial number in Schedule 1 on delivery, and shall keep the Appliance properly maintained and insured against loss or damage for its replacement value, noting Centurion's interest where the insurer permits;

(e) shall permit Centurion, on reasonable notice, to inspect the Appliance; and

(f) shall notify Centurion immediately if any insolvency event or enforcement action occurs in respect of the Customer or its premises.

8.2A The obligations in 8.2 exist to protect Centurion's title to the Appliance and to keep it identifiable. They are not, and are not to be construed as, the terms of a security arrangement, and the Customer grants Centurion no interest in any asset other than the Appliance itself.

8.3 Centurion may recover the Appliance where it is entitled to under this Agreement, and the Customer shall give reasonable access for that purpose.

8.4 True retention of title. The parties intend that this clause 8 creates a retention of title, namely the continued ownership of the Appliance by Centurion until the Title Transfer Date, and **not** a charge, mortgage, security interest or other registrable encumbrance over the Appliance or over any asset of the Customer. If any provision of this clause 8 would otherwise be construed as creating a security interest, the parties shall co-operate to amend it so that it does not, and the Customer shall at Centurion's request execute any document needed to register Centurion's title where registration is available or advisable.

`[Solicitor: confirm that clause 8.2(b) (no dealing with the Appliance) and clause 8.3 (recovery and access) do not convert this into a registrable security interest, and confirm whether the Appliance should be identified by serial number in Schedule 1 so that it remains identifiable if the Customer becomes insolvent.]`

9. The Licence

9.1 The Customer's right to operate the Brain is granted under the Licence, which is a separate agreement between the parties and is not part of, and is not varied by, this Agreement.

9.2 Twelve months of Licence are included with the subscription. From month 25 the Licence renews at €600 per year unless either party gives notice.

9.3 Non-payment of the Monthly Fee is a ground for suspension of the Licence under the Licence. **The reverse does not apply:** non-payment of a Licence fee is not a ground for termination or suspension of this Agreement, does not make any further Monthly Fee fall due early, and does not entitle Centurion to treat this Agreement as repudiated. Suspension of the Licence does not suspend, cancel or reduce the Customer's obligation to pay the Monthly Fee.

9.4 Payment in full of the Monthly Fees does not renew, extend or alter the Licence, and the Customer acquiring the Appliance does not entitle the Customer to operate the Brain without a current Licence.

9.5 The parties acknowledge that the Brain is of no practical use without a current Licence, and that the Customer has taken that into account in entering into this Agreement. `[This clause is honest rather than comfortable. See Part C, question 2.]`

10. Customer obligations

10.1 The Customer shall:

(a) use the Brain only for its own internal business purposes, and not to provide a service to third parties without Centurion's written consent;

(b) not copy, reverse-engineer, decompile or attempt to derive the source code of the Brain, except as permitted by law;

(c) not remove, obscure or alter any notice of proprietary rights;

(d) comply with the acceptable use policy at Schedule 3;

(e) ensure that only authorised personnel operate the Brain, and that they are trained to review its output before it is relied on or published;

(f) keep its own backups of Customer Data notwithstanding clause 5.3;

(g) provide the connectivity, power and physical environment required by the Appliance, as described in Schedule 2.

10.2 The Customer is responsible for the acts and omissions of its personnel as if they were its own.

10.3 Consumer-facing use. The Customer is responsible for its own use of the Brain's output in its dealings with its own customers, members or clients, including compliance with any consumer-protection, transparency, disclosure or professional-advertising requirement that applies to the Customer in its own sector and jurisdiction. The Brain is supplied to the Customer for business use; nothing in this Agreement is supplied for use by, or intended to be relied upon by, a consumer.

11. Data protection

11.1 The Customer is and remains the controller of Customer Data. Centurion is a processor during the hosted phase and shall process Customer Data only on the Customer's documented instructions and for the purposes of this Agreement.

11.2 The terms at Schedule 4 apply to that processing and form part of this Agreement.

11.3 After migration to the Appliance, Customer Data is processed on the Appliance at the Customer's premises. Centurion does not have routine access to Customer Data on the Appliance, and where access is required for support the Customer shall authorise it and supervise it.

11.4 On termination, Centurion shall make Customer Data available for export for 30 days and shall then delete it from the Hosted Environment, save where retention is required by law.

12. Confidentiality

12.1 Each party shall keep confidential the other's confidential information and use it only for the purposes of this Agreement, except where disclosure is required by law or by a competent authority, or the information is public through no fault of the recipient.

12.2 This clause survives termination for `[five]` years.

13. Intellectual property

13.1 All intellectual property rights in the Brain, its knowledge bases, rule sets, configuration and documentation remain with Centurion or its licensors. Nothing in this Agreement assigns them.

13.2 All intellectual property rights in Customer Data and in documents generated by the Brain from Customer Data belong to the Customer. Centurion claims no right over them.

13.3 The Customer grants Centurion a licence to use Customer Data only to the extent necessary to provide the Services.

14. Support

14.1 Centurion shall provide support during business hours by `[email / telephone / both]`, and shall use reasonable endeavours to respond to a support request within `[one]` Business Day.

14.2 Support does not include training beyond the onboarding described in Schedule 1, custom development, or work arising from the Customer's misuse of the Brain, which may be charged separately at `[rate]`.

15. Warranties

15.1 Centurion warrants that the Services will be provided with reasonable skill and care by suitably qualified personnel, and that the Appliance will be of satisfactory quality and fit for its described purpose at delivery.

15.2 The Customer warrants that it has the right to supply Customer Data to Centurion and to have it processed as contemplated by this Agreement.

15.3 The Customer acknowledges that the Brain may produce inaccurate or incomplete output, that its output is a draft for human review, and that the Customer is responsible for every document it publishes or relies on.

15.4 Except as expressly stated, all other warranties, conditions and terms implied by statute or common law are excluded to the fullest extent permitted by law.

16. Limitation of liability

16.1 Nothing in this Agreement limits liability for death or personal injury caused by negligence, for fraud, or for any other liability that cannot lawfully be limited.

16.2 Subject to clause 16.1, Centurion's total liability arising under or in connection with this Agreement, whether in contract, tort or otherwise, shall not exceed **the total Monthly Fees payable under this Agreement, being €11,400**, together with the replacement value of the Appliance where the claim relates to the Appliance while in Centurion's custody or to a defect in the Appliance at delivery. **Custody under this clause means the period from the purchase of the Appliance by Centurion under clause 6.2 until delivery is complete under clause 6.3, and nothing more.** The cap is the same in month 1 as in month 24; it does not increase with the passage of time.

16.3 Subject to clause 16.1, neither party shall be liable for loss of profit, loss of revenue, loss of anticipated savings, loss of business or goodwill, or any indirect or consequential loss, whether or not either party was advised of the possibility.

16.4 The Appliance is not a system of record. The Customer is responsible for maintaining independent backups.

17. Suspension

17.1 Centurion may suspend access to the Brain and support where a Monthly Fee or Licence fee is overdue by more than `[10]` days, or where the Customer's use presents a security risk to Centurion or to third parties.

17.2 Centurion shall give the Customer notice of suspension as soon as practicable, and shall restore access promptly once the cause is remedied.

17.3 The Customer has **30 days** from the date of suspension (the **Cure Period**) in which to remedy the cause. Centurion shall not terminate for that cause during the Cure Period.

17.4 Suspension does not relieve the Customer of the obligation to pay the Monthly Fee, and does not extend the Subscription Term unless the parties agree otherwise in writing.

17.5 Customer's remedy where a suspension is prolonged. Where access has been suspended for more than 30 days and the suspension was not caused by the Customer's act, omission or failure to pay, the Customer may terminate this Agreement on written notice and shall receive a credit against the Monthly Fees paid for the suspended period, calculated on a daily basis. The parties intend this clause to give the Customer a proportionate remedy for any interruption, and to ensure that clause 17 operates as a reasonable and reciprocal provision.

`[Solicitor: clause 17.5 exists to answer the reasonableness test under the Unfair Contract Terms Act 1977. Confirm it is sufficient, and confirm that a payment holiday offered under clause 17.4 does not turn this Agreement into a credit facility.]`

18. Termination

18.1 Either party may terminate immediately on written notice if the other commits a material breach which is incapable of remedy, or which is not remedied within the Cure Period.

18.2 The Customer may terminate under clause 5.5 (failure to provision) and under any statutory right that cannot be excluded.

18.3 Either party may terminate immediately if the other becomes insolvent, enters administration or liquidation, has a receiver appointed, or ceases to trade.

18.4 Centurion may terminate immediately if the Customer breaches clause 8.2(b) (dealing with the Appliance) or clause 10.1(b) (reverse engineering).

19. Consequences of termination

19.1 On termination, the Customer shall pay all Monthly Fees due up to the date of termination. **No further Monthly Fees become due by reason of termination.** `[Deliberate: there is no acceleration, no early-termination charge and no liquidated sum. See Part C, question 2.]`

19.2 Where termination occurs before the Title Transfer Date, the Option lapses and the Customer has no right to acquire the Appliance.

19.3 Where the Appliance has been delivered and title has not passed, the Customer shall return it, at the Customer's cost, within 30 days of a written request, in the condition in which it was delivered, ordinary wear excepted. If the Customer fails to return it, Centurion may recover it and may charge its reasonable costs of recovery.

19.4 Where the Appliance has not been delivered, no Appliance is owed and no sum is refundable other than as provided in clause 5.5.

19.5 Centurion shall make Customer Data available for export in accordance with clause 11.4.

19.6 Clauses 8, 11, 12, 13, 16, 19 and 24 survive termination.

20. Force majeure

20.1 Neither party is liable for failure to perform caused by an event outside its reasonable control, provided it notifies the other promptly and uses reasonable endeavours to mitigate. This does not excuse the Customer from paying amounts already due.

21. Assignment and subcontracting

21.1 Neither party may assign this Agreement without the other's written consent, save that Centurion may assign it to a successor of its business on notice.

21.2 Centurion may subcontract the hosting of the Hosted Environment, and remains responsible for the acts of its subcontractors as if they were its own.

22. Notices

22.1 Notices shall be in writing and sent by email to the addresses in Schedule 1, with a copy by post where the notice concerns termination, a breach or the exercise of the Option. Notice by email is effective on the next Business Day after sending.

23. No partnership

23.1 Nothing in this Agreement creates a partnership, joint venture, agency or employment relationship. The Customer is not Centurion's agent and has no authority to bind it.

24. Governing law and jurisdiction

24.1 This Agreement and any dispute arising out of or in connection with it are governed by the law of England and Wales.

24.2 The parties submit to the exclusive jurisdiction of the courts of England and Wales.

24.3 Alternative for Customers outside the United Kingdom. Where the Customer is established in the European Union, either party may instead require that a dispute be finally resolved by arbitration under the `[LCIA / other institutional]` Rules, seated in `[London]`, before `[one]` arbitrator, in English. A choice of court agreement under clause 24.2 is enforceable in the courts of the member states that are party to the Hague Convention of 30 June 2005 on Choice of Court Agreements, and an arbitral award is enforceable under the New York Convention; the parties shall record which route applies to each Agreement in Schedule 1.

`[Solicitor: confirm the current position on enforcement of exclusive English jurisdiction clauses in the EU (the UK has been a party to the 2005 Hague Convention in its own right since 1 January 2021; Denmark is not a party), and advise whether arbitration should be the default for EU customers instead of litigation.]`

25. General

25.1 Entire agreement. This Agreement, the Licence and the Schedules constitute the entire agreement between the parties and supersede prior discussions, save that nothing excludes liability for fraudulent misrepresentation.

25.2 Variation. No variation is effective unless in writing and signed by both parties.

25.3 Severability. If a provision is found invalid, the remainder stands.

25.4 Third party rights. No person other than the parties may enforce any term of this Agreement.

25.5 Counterparts and e-signature. This Agreement may be signed in counterparts and by electronic signature.

Signatures

FOR AND ON BEHALF OF `[COMPANY NAME]`	FOR AND ON BEHALF OF `[CUSTOMER NAME]`
Signature:	Signature: .....
Name:	Name: .....
Position:	Position: .....
Date:	Date: .....

Schedule 1 — Particulars

ITEM	DETAIL
Customer legal name	`[ ]`
Customer number / jurisdiction	`[ ]`
Delivery address	`[ ]`
Notice email — Customer	`[ ]`
Notice email — Centurion	`[ ]`
Appliance quantity	1
Monthly Fee	€475
Subscription Term	24 months
Total of Monthly Fees	€11,400
Delivery Date	Month 6 `[fixed at signature]`
Delivery condition	Cumulative payments ≥ €2,850 and no arrears
Option Price	€1.00
Option exercise window	90 days after the final Monthly Fee falls due
Licence included	12 months, renewing at €600 per year

ITEM	DETAIL
Jurisdictional rule sets loaded	`[list]`
Onboarding included	`[hours / sessions / scope]`
Payment method	`[Stripe subscription / bank transfer]`
Approved market	`[United Kingdom / Ireland / Netherlands / Germany / Belgium — must be a market in which Centurion is registered]`
Currency	Euro (EUR)
Importer of record	Centurion, in any market recorded above (clause 6.8)
Appliance serial number	`[recorded on delivery — mandatory under clause 8.2(d)]`
Customer VAT identification number	`[ ]`
Centurion VAT identification number	`[ ]`
Dispute route	`[English courts / LCIA arbitration — clause 24.2 or 24.3]`
Customer notice address	`[ ]`
Centurion notice address	`[ ]`

Payment schedule — 24 months

MONTH	AMOUNT	CUMULATIVE	EVENT
1	€475	€475	Brain live, hosted
2	€475	€950	—
3	€475	€1,425	—
4	€475	€1,900	—
5	€475	€2,375	—
6	€475	**€2,850**	**Appliance delivered — delivery condition met**
7–19	€475 each	—	—
20	€475	€9,500	Cumulative payments equal the cash price
21–23	€475 each	—	—
24	€475	**€11,400**	**Option exercisable for €1.00**

Schedule 2 — Appliance specification

ITEM	DETAIL
Type	`[e.g. MSI Cubi 5 / mini-PC, fanless where available]`
Processor	`[ ]`
Memory	`[ ]`
Storage	`[ ]`
Operating system	`[Fedora Linux, clean install, Centurion appliance image]`
Included software	Centurion Brain, licensed under the Licence
Power	Mains, `[voltage and connector]`
Network	Wired Ethernet recommended; `[Wi-Fi capability]`
Environment	Indoor, ventilated, ambient temperature 5–35 °C
Warranty	`[12]` months from delivery, excluding misuse and power events
Replacement value for insurance	`[€ ]`

Schedule 3 — Acceptable use

The Customer shall not use the Brain to:

- break any law, or infringe the rights of any person;
- process data it has no lawful basis to process;
- make automated decisions about individuals that produce legal or similarly significant effects without human review;
- monitor or evaluate staff, or infer the emotions of any person in a workplace context;
- generate or disseminate material that is unlawful, defamatory or designed to deceive;
- attempt to circumvent the Licence, its activation or its suspension;
- provide the Brain's capability to third parties as a service.

The Customer shall not deploy the Brain for employment decisions without Centurion's written agreement, and shall ensure a human being reviews every output before it is relied on.

Schedule 4 — Data processing terms (summary)

Roles. The Customer is the controller. Centurion is the processor during the hosted phase only.

Scope. Processing is limited to hosting, backing up, supporting and migrating the Brain on the Customer's instructions.

Sub-processors. `[Hosting provider]`. Centurion shall give notice of any change and give the Customer the opportunity to object.

Location. `[EU / UK]`. No transfer outside that area without the Customer's written agreement and an appropriate transfer mechanism.

Security. Encryption at rest and in transit, access control, logging, and a defined incident procedure with notification within 72 hours of becoming aware of a personal data breach.

Personnel. Access limited to those who need it, under confidentiality obligations.

Retention and deletion. Customer Data is retained for the subscription and for 30 days after termination, then deleted, save where law requires retention.

Audit. The Customer may request information reasonably necessary to demonstrate compliance, not more than once a year, on reasonable notice.

Onward transfer after delivery. Once the Brain runs on the Appliance, processing takes place at the Customer's premises and Centurion ceases to be a processor, save where it accesses the Appliance for support under the Customer's supervision.

`[Solicitor: this is a summary, deliberately short. If the Customer is in the EU, it needs to satisfy GDPR Article 28 in full, and a standalone DPA with the Customer's own template may be the faster route.]`

Schedule 5 — Certificate of title transfer

> **CERTIFICATE OF TRANSFER OF TITLE**
>
> Agreement dated `[DATE]` between `[COMPANY NAME]` and `[CUSTOMER NAME]`.
>
> Centurion confirms that all 24 Monthly Fees under the above Agreement have been paid in full, that the Option has been validly exercised, and that the Option Price of €1.00 has been received.
>
> **Title to the Appliance described in Schedule 2, serial number `[ ]`, passed to the Customer on `[TITLE TRANSFER DATE]`.**
>
> Signed for and on behalf of `[COMPANY NAME]`: .....
>
> Date: .....

Schedule 6 — Country annex

Not every obligation in this Agreement is a contract term. Some are registrations, some are tax mechanics, and some are national-law rules that a choice of English law does not switch off. The division matters commercially: the first table below is answered once, and the second is answered per order and per country.

A. Harmonised — one answer for the whole Union

ITEM	COMES FROM	POSITION
Governing law of the contract	Party autonomy (Rome I)	English law, for every customer
Court jurisdiction and enforcement	Hague Convention 2005; New York Convention for arbitration	Clauses 24.2 and 24.3, no variation by country
Data protection	GDPR	Schedule 4

ITEM	COMES FROM	POSITION
CE marking — low voltage, EMC, RoHS	EU harmonising directives	A compliant appliance is compliant throughout the Union
UKCA marking	GB law	Great Britain only, not the EU
EU economic operator	Regulation (EU) 2019/1020	One EU-established operator may be nominated for the Union
VAT number validation	VIES	One check per customer, not per country
Reverse charge on business services	Place-of-supply rules	Clause 4.3

B. Per order and per member state — these do not travel

ITEM	COMES FROM	WHAT HAS TO BE DONE
WEEE producer registration	WEEE Directive through **national** registers	Separate registration, separate identifier, in each member state where equipment is placed on the market
Packaging extended producer responsibility	National schemes	Register and report in each member state
Batteries, if the appliance contains one	Batteries Regulation, national registers	Per member state
E-invoicing mandate	National law — Italy, France and others, and changing	Confirm before invoicing in that country
Importer of record and Incoterm	Customs law and the commercial term chosen	Stated per order, clause 6.7
Unfair terms in a business contract	National law, not EU law	Part C, question 2 — live in Germany and Austria
Language requirements for enforceability	National law	Take local advice for Germany, France and the Netherlands before marketing there
Retention of title formalities	National insolvency and property law	Well established in Germany and the Netherlands; confirm elsewhere

Neither table covers consumer law, because none applies. Centurion supplies business to business only, and nothing in this Agreement is supplied to, or intended to be relied on by, a consumer. That removes consumer contract law from the picture entirely. It does not remove product compliance — WEEE, packaging and market surveillance attach to whoever first places the equipment on a member state's market, whatever the customer's status.

How to use this. Fill column B per order rather than per country: the importer of record and the delivery address can differ inside one market. Where a per-country item cannot be satisfied, the order does not proceed in that country. The answer is never a workaround in the contract.

Part C — Questions for the solicitor

Nine questions. Each names the statute or instrument that governs the answer, states the position this draft takes, and says what changes if the answer goes the other way. Where a figure is given, check it — two of them decide whether a whole customer segment can be served at all.

1. Regulated credit — and the £25,000 exemption, which runs the other way

The test. Under the Consumer Credit Act 1974 a regulated agreement requires a *debtor who is an individual*. By section 189 that includes a partnership of individuals; it does **not** include a company or a limited liability partnership. On top of that, the business-purpose exemption — formerly section 16B of the Act, now article 60C of the Regulated Activities Order 2014 — exempts business credit **only where the credit exceeds £25,000**.

Why the direction matters. The exemption is frequently described as "business lending under £25,000 is exempt". It is the opposite: the exemption is for business credit *above* £25,000. Our contract value is **€11,400**. So for a customer who is an individual, the exemption cannot apply — the figure is far below the threshold. If a court characterised this arrangement as hire purchase or a conditional sale, a sole trader customer would be inside regulation and Centurion would need permission to operate it.

What this draft does. Clause 2.4 states that Centurion supplies business to business only, and is now **a condition precedent, a continuing warranty repeated on every payment, and an indemnity** rather than a single representation. It records that the Customer is a company, LLP or CIO, acting in the course of business, not a consumer, and that the arrangement is not for the personal benefit of a director or officer. That representation is the whole of the protection: a regulated agreement under the Act requires a debtor who is an individual, so an incorporated Customer is outside it — and the representation gives Centurion something to point at on the day an order is taken outside the model. It is one sentence in the contract rather than a negotiation, because there is no live question here: every customer is a business, invoiced to the company account.

The question. Confirm that excluding individuals is sufficient, and confirm that the subscription-plus-option structure is not credit at all for an incorporated customer. If it *is* credit for some category of incorporated body, the model needs a regulated partner or an appointed representative before that category is sold to at all.

The consequence if we are wrong. Offering a regulated credit agreement without permission is a criminal offence, not a civil dispute, and the agreement is unenforceable without a court order. This is the one question where being approximately right is not good enough.

2. The remedy structure — UCTA reasonableness

The test. Between businesses, the Unfair Contract Terms Act 1977 applies: section 3 catches a term in one party's written standard terms, and section 11 requires it to be reasonable.

A correction to the previous draft. The Unfair Contract Terms Directive (93/13/EEC) does **not** apply to this Agreement. It governs contracts between a seller or supplier and a *consumer*, and it has no application to a business-to-business contract. There is no EU-wide unfair-terms control for B2B.

What exists instead is national law, and one country matters more than the rest. **Germany:** §307 of the BGB polices standard terms between businesses as well as with consumers, and a one-sided suspension or termination right would be measured against it. **Austria** is similar. **France, Belgium and the Netherlands** police B2B terms in narrower areas. The **Nordic countries** rely on general contract-law reasonableness rather than a specific statute. A choice of English law does not disapply those rules where they are mandatory in the customer's own country, which is why the remedy structure is written to be reciprocal rather than aggressive.

What this draft does. No acceleration, no early-termination charge, no liquidated sum (clause 19.1). Suspension only for arrears beyond ten days or a security risk (17.1), a 30-day cure period (17.3), a customer credit where a suspension is prolonged and not the customer's fault (17.5), and a separate licence suspension (9.3).

Why the one-sided version was a weakness. A right to suspend a service the customer is still paying for, with no corresponding remedy, is the most attackable term in the document. Clause 17.5 is there to make the clause reciprocal, and reciprocity is what makes a term reasonable.

The question. Confirm 17.1, 17.3, 17.5 and 9.3 are reasonable under UCTA and are not penalties. **Following the first review, 9.3 now runs one way only:** subscription arrears may suspend the Licence, but Licence arrears do not terminate or suspend the subscription and do not accelerate any payment. Confirm that this removes the circularity objection, and that the remaining linkage is a contractual right rather than a penalty.

3. Retention of title — true RoT or a registrable charge

The test. A genuine retention of title keeps ownership with the supplier until payment, and can let the supplier recover identifiable goods ahead of a floating-charge holder on insolvency. A clause that goes further — restricting what the customer may do with the goods, or granting rights over other assets — risks being construed as a charge, and a charge that is not registered is void against a liquidator or administrator.

What this draft does. Clause 8 keeps title with Centurion until the recorded Title Transfer Date. Following the first review: **8.2(b) is narrowed** to a prohibition on sale, charge, encumbrance and transfer of ownership, rather than on parting with possession, which was too broad to survive as a bare retention of title; **8.2(c)** now restricts only removal from the delivery address without consent, with an exception for servicing; **8.2(d)** makes the serial number mandatory at delivery so the goods remain identifiable in an insolvency; **8.2A** states that the obligations protect title and are not the terms of a security arrangement; 8.4 declares the parties' intention and requires co-operation on any registration.

The question. Confirm the narrowed 8.2(b) and 8.3 do not convert this into a registrable security interest; confirm RoT survives the customer's insolvency including against a floating-charge holder; and confirm that the recovery right at 8.3 is understood as a contractual right which may require a court order in practice — this draft does not assume self-help is available where the Customer refuses access.

4. Cancellation and distance selling

What this draft does. Nothing yet, beyond the statutory rights that cannot be excluded and the termination right at 5.5 if provisioning fails.

The question. What cancellation window applies to a business subscription entered into online; what happens if the customer cancels after provisioning but before the first payment clears; and whether a model cancellation form is required.

Our commercial preference, for the solicitor to test: cancellation within 14 days, refund of fees paid less the cost of work actually done, and Customer Data exported and then deleted on request. A clean cancellation right also helps the UCTA position, because a customer who can leave is a customer who was not trapped.

5. Data protection at handover

What this draft does. Schedule 4, short form: the Customer is controller at all times, Centurion is processor only during the hosted phase, defined retention, deletion 30 days after termination, one named sub-processor, breach notification within 72 hours.

The question. Whether Schedule 4 satisfies Article 28 GDPR for an EU customer, whether a standalone DPA on the customer's own template is the faster route in practice, and what the migration procedure must do to satisfy both the transfer and the deletion obligations when data moves from Centurion's infrastructure to the customer's own appliance.

One point worth stating plainly: after migration, the data is on a machine in the customer's building and Centurion is not a processor of it. Whatever Schedule 4 says, the architecture is the answer — and it is a better answer than most processors can give.

6. VAT, place of supply and the reverse charge

The test. The place of supply of business-to-business services is where the customer belongs. For a UK customer, UK VAT at the standard rate. For an EU business customer with a valid VAT number, the supply is outside the scope of UK VAT and the customer accounts for VAT under the reverse charge, quoting its number on our invoice.

What this draft does. Clause 4.3 sets out all three cases and the invoice requirements; 4.4 requires accurate VAT details and an indemnity for an invalid number; 4.5 flags the Option Price as possibly a separate supply; 6.7 deals with import VAT and duty on the hardware.

The question. Confirm the VAT analysis of the monthly fee, of the Option Price, and of the transfer of the Appliance, and confirm whether the Option Price should be nominal, a stated residual, or nil consideration with title passing automatically on the final instalment. Also confirm what our invoicing system must capture — VAT number validation at minimum — before the first EU invoice is issued.

7. Cross-border hardware — the obligation nobody usually asks about

Not in the first draft, and it should have been. Sending an appliance from Great Britain into the EU is an import, and selling electrical equipment into the EU carries obligations that sit on the supplier regardless of what the contract says:

- **Import VAT and customs duty**, payable at the border; clause 6.7 makes the customer importer of record by default.
- **CE marking** under the Low Voltage, EMC and RoHS directives, and **UKCA** for Great Britain.
- **WEEE registration** in each member state where the equipment is placed on the market.
- **An EU-based economic operator** under the Market Surveillance Regulation (EU) 2019/1020, which must be nominated on the product or its packaging.

The question. Confirm which of those obligations attach to Centurion as the supplier placing the appliance on the EU market, what the minimum viable compliance position is, and whether it is cheaper to sell into the EU through a distributor who already carries the registrations than to carry them ourselves. If the answer is the latter, distribution terms need drafting and the direct EU offer waits.

This is the item with the longest lead time in the document. Nothing else here takes six weeks; WEEE registration in several member states does.

8. Entity, jurisdiction and structure

What this draft does. Assumes one UK limited company, English law, exclusive English jurisdiction (24.2), euro fees, and an arbitration alternative for EU customers (24.3).

The test and the facts. The UK has been a party to the Hague Convention of 30 June 2005 on Choice of Court Agreements in its own right since 1 January 2021, so an exclusive English jurisdiction clause should be respected in the courts of the contracting member states; Denmark is not a party. Enforcement of an English *judgment* in the EU is otherwise not automatic post-Brexit, which is why 24.3 offers arbitration, enforceable under the New York Convention.

The question. Confirm the enforcement analysis; advise whether arbitration should be the default for EU customers; confirm one UK company can carry all brands; and confirm the currency of the contract (euro fees from a UK company, with the VAT consequences that follow).

9. Europe-wide use — what travels, and what does not

The premise worth correcting before it costs money: **EU membership does not produce one European contract law.** A contract compliant with EU law is not thereby compliant in every member state, because most of what governs a commercial contract is national. There are three layers, and only the first behaves the way people expect.

Layer 1 — harmonised. One answer covers the whole Union. CE marking under the Low Voltage, EMC and RoHS directives; GDPR; the market surveillance rules and the single EU economic operator; place-of-supply and the reverse charge for business services; the Hague Convention on exclusive jurisdiction. Get these right once and they are right everywhere in the Union.

Layer 2 — choice of law works, but national rules bite anyway. English law can govern the contract and the courts will generally apply it. The mandatory rules of the customer's own country cannot be contracted out of, and in a business contract the live ones are unfair-term control (Germany and Austria, where it applies between businesses), late-payment rules, retention-of-title formalities and language requirements. This is the practical reason the remedy structure is reciprocal rather than aggressive: a term that survives §307 BGB survives most of Europe.

Layer 3 — registrations and mechanics no contract can absorb. WEEE producer registration is done separately in every member state, in a national register with its own format and its own identifier. Packaging extended producer responsibility likewise. Batteries

likewise. E-invoicing mandates are national and moving. UK and EU WEEE registrations are entirely separate and neither covers the other.

And a correction worth having on the record: business-to-business status does not avoid layer 3. WEEE, packaging and market-surveillance duties attach to whoever first places the equipment on a member state's market, whatever the customer's status may be. Selling only to businesses removes consumer contract law from the picture. It does not remove product compliance.

The practical position this draft takes. One template. English law. English jurisdiction, with arbitration where an EU customer prefers it. Schedule 6 completed per order. Local legal advice bought in three markets only — Germany, France, the Netherlands — because those three are where a business-to-business term is most likely to be struck down or a registration most likely to be enforced. Everywhere else, either the item is harmonised or the customer, or a distributor, carries it.

The question. Confirm that analysis. Confirm whether an English-law template with a completed country annex is a defensible position for direct sales into Germany and the Netherlands, or whether a locally-drafted and local-language version is genuinely required in either. And confirm whether the market surveillance and WEEE obligations fall on Centurion or on the customer when the customer is the importer of record under clause 6.7 — because that answer decides whether direct EU sales are viable at all before a distributor is appointed.

One commercial matter the solicitor should not decide

Whether the hardware ships at month 6 or later is a commercial judgement already made: at month 6 the customer's cumulative payments are €2,850 against a landed hardware cost of €1,195, which is the first month at which a default still leaves the business whole with cover on top. If the solicitor advises that shipping earlier weakens the characterisation as a service, that is worth knowing — but month 6 is the default position and the schedule in Schedule 1 is built on it.

What is not in this document, deliberately

An anti-bribery clause, a sanctions clause, a modern-slavery statement and a full business-continuity schedule are all standard in contracts of this size and none of them is here. They should be added before a first signature, and they are cheap to add: they are clauses nobody negotiates.