

## General Conditions of Purchase

### 1° Formation and Content of contract

- 1.1 Commencement of design, manufacture, delivery, start of invoicing or supply of the goods or services implies acceptance of the order by the Seller under these General Conditions of Purchase.
- 1.2 The contract shall consist of all the documents mentioned below with the order of precedence: - Any special conditions written or referred to the order - These General Conditions of Purchase - The Technical Specifications mentioned in the order.

### 2° Inspection and Testing

- 2.1 The Buyer and any properly interested third party authorised by the Buyer shall be entitled to inspect or test the goods or services at any reasonable time.
- 2.2 The Seller shall give at least five working day's advance notice in writing of tests, the Buyer and any properly interested third party authorised by the Buyer shall be entitled to attend the tests. The Seller shall provide the Buyer with such test certificates as the Buyer may reasonably require.
- 2.3 Inspection and testing in accordance with this clause shall not relieve the Seller of any liability nor imply acceptance of the goods or services.

### 3° Title and Risks

- 3.1 Title to the goods shall pass to the Buyer on delivery or if earlier upon payment to the Seller of not less than 51% of the contract price of those goods.
- 3.2 Risk in compliant goods delivered in accordance with the contract shall pass to the Buyer on delivery.
- 3.3 Goods belonging to or provided by the Buyer which are in the Seller's custody for any purposes shall be clearly marked and recorded by the Seller as belonging to the Buyer and shall be at the Seller's risk.

### 4° Delivery Date

- 4.1 The delivery date, date of completion of the works or services or in the case of a service being performed at regular intervals, the period of the contract, shall be that specified in the order. The Seller shall furnish such programmes of manufacture and delivery as the Buyer may reasonably require. If the contract includes the carrying out of tests on the goods after their receipt by the Buyer, then delivery shall not be deemed complete until such tests have been passed to the unconditional satisfaction of the Buyer.
- 4.2 The Seller shall notify the Buyer if any delivery or performance is likely to be delayed beyond the specified date. Failure by the Seller so to notify any likely delay shall entitle the Buyer to terminate without liability all or part of the contract and / or to compensation for any losses resulting from the failure and delay. If any delay so notified does or is likely to exceed 30 days, the Buyer shall be entitled to terminate without liability all or part of the contract and / or (unless the delay is due to Force majeure) to compensation for any resulting losses. Where liquidated damages are specified in the contract as pre-determined compensation for losses resulting from delay, the compensation due to the Buyer under this clause shall not exceed the specified sums.

### 5° Loss or Damage in Transit

The Buyer shall advise the Seller of any loss or damage in transit within the following time limits:

- 5.1 Partial loss or damage shall be advised within 7 days of the date of delivery of a consignment or part consignment.
- 5.2 Non-delivery of the whole consignment shall be advised within 14 days of the Buyer's receipt of notice despatch.

### 6° Compliance

- 6.1 Goods and services shall conform to the requirements of the contract and shall be fit for purpose. They shall be made or performed in accordance with good engineering practice and all applicable standards and legislation. Goods shall be delivered complete with all instructions, warnings and other data necessary for safe and proper operation. Goods or services which do not comply with all of the above shall be considered to be defective.
- 6.2 If for any reason the Seller is uncertain as to whether the goods or services to be supplied by it will comply with any of the above, it must promptly and before despatch inform the Buyer in writing with full details of the possible non-compliance for consideration. Written acceptance or rejection of the Seller's application will then be provided by the Buyer in as timely a manner as possible.

### 7° Variations

- 7.1 The Seller shall accept any reasonable variation in scope, specification, quantity or delivery requested by the Buyer. The price shall be adjusted to reflect the variation having regard to the rates and prices used in the contract or, where these are not relevant, to what is fair and reasonable.
- 7.2 Neither party shall be bound by any variation to the contract unless and until it is confirmed by an official order amendment issued by the Buyer.

### 8° Price and Payment

- 8.1 Where the buyer has issued no variation in scope, specification, quantity or delivery, the prices stated on the order are fixed and firm for the duration of the contract.
- 8.2 Unless otherwise stated in the order, the contract price shall be inclusive of all costs of delivery CIP (as defined in Incoterm 2000) to the delivery address stated on the face of the order.
- 8.3 With reservations to professional agreements which may occur, the invoice payment is executed to the purchaser's appropriateness within bounds expected by the commercial law to 45 days end of the month or 60 days date of issue of the invoice (LME L 442-6-7), cheque or bank transfer on deduction of the cash discount, featured in the particular conditions. Invoices in duplicate should reach the purchaser the last but one working day at the latest, in order to respect the payment deadline mentioned above.

### 9° Rejection and Remedy of Defects

- 9.1 The Buyer may reject the goods or service within sixty days of delivery if they are defective. Rejected goods shall be collected by the Seller promptly at its own cost. Upon rejection of any goods or services, the Buyer shall have the right to require the Seller to replace them within such time as may be stipulated by the Buyer or terminate the contract without prejudice to its other rights and remedies.
- 9.2 Upon request by the Buyer, the Seller shall at its own expense promptly repair or replace any goods which are discovered to be defective within 24 months of delivery or 18 months of putting into commercial use, whichever shall occur first. Repairs and replacements shall themselves be subject to the foregoing obligations from the date of delivery, re-installation or passing of tests (if any) whichever is appropriate after repair or replacement.
- 9.3 If the Seller fails to remedy any defect as above provided, the Seller shall return any money paid by the Buyer in respect of the defective items and the Buyer shall be entitled to terminate the contract without prejudice to its other rights and remedies.

### 10° Free-issue Materials and Tooling

- 10.1 Where tooling (including patterns, dies, moulds, jigs and fixtures and equivalent material) is manufactured or acquired by the Seller specially for the purpose of the contract, title to it shall pass to the Buyer upon its creation or acquisition. The Seller shall deliver up such tooling to the Buyer on demand.

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**10.2** Where the Buyer for the purpose of the contract issues materials (including equipment, components, tooling, patterns, dies, moulds, jig, fixtures and the like) free of charge to the Seller, such materials shall be and remain the property of the Buyer. Seller shall maintain all such materials on good order and condition subject, in the case of tooling, patterns and the like, to fair wear and tear. The Seller shall use materials solely in connection with the contract. Any surplus materials shall be disposed of at the Buyer's discretion. Damage to or waste of such materials arising from bad workmanship or negligence of the Seller shall be made good at the Seller's expense. Without prejudice to any other rights of the Buyer, the Seller shall deliver up such materials, whether further processed by the Seller or not, to the Buyer on demand.

### **11° Intellectual Property Rights**

- 11.1** All information and know-how including drawings specifications and other data provided by the Buyer in connection with the contract shall remain at all times the Buyer's property and may be used by the Seller only for the purpose of performing the contract. The Seller shall keep the information and know-how confidential and shall return them to the Buyer upon request.
- 11.2** The Seller shall indemnify the Buyer (except in respect of designs provided by the Buyer) against all claims arising from infringement of intellectual property rights in relation to the goods or services which are the subject of the contract.
- 11.3** The Seller shall neither quote nor supply parts made with the Buyer's tools or materials, or to the Buyer's pattern, drawings, specifications or designs, to any third party without the Buyer's prior written consent.
- 11.4** Any inventions, patents, copyrights, design rights and other intellectual property rights arising from the execution of the order shall become the property of the Buyer and the Seller shall not disclose the same to any third party. The Seller shall do all things and execute such documents as may be necessary to assign such property to the Buyer.

### **12° Force Majeure**

- 12.1** If performance of the contract is delayed by any act of God, act or omission of government, war or similar event beyond either party's reasonable control ("Force Majeure"), then the time for performance shall be amended accordingly subject to the delayed party promptly informing the other of the event and taking all reasonable steps to reduce the delay.

### **13° Termination**

- 13.1** The Buyer may terminate the contract without prejudice to any other of its rights and without liability to the Seller if: - an event of Force Majeure does or is likely to delay performance more than 30 days, or - the Seller is in breach of its obligations and does not remedy the breach as soon as reasonably possible, or - the Seller fails to deliver by the date that the maximum of any liquidated damages specified in the contract have been incurred, or - the Seller becomes bankrupt or insolvent or (being a company) makes an arrangement with its creditors or has a receiver or administrator appointed or commence to be wound up.
- 13.2** The Buyer may terminate the contract if any corresponding contract between the Buyer and a third party is terminated. In such event, and provided that the Seller is in compliance with its obligations under the contract, the Buyer shall compensate the Seller for costs reasonably and properly incurred until then in performing the contract which would otherwise represent an irrecoverable loss to the Seller, subject to the Seller taking all reasonable steps to minimise its losses and subject to reasonable proof being provided. Compensation shall not in any event exceed the contract price.

### **14° Liability for Accidents and Damages**

- The Seller shall at all times during and after performance of the contract indemnify the Buyer against:
- 14.1** all loss or damage to property and all claims and expenses in connection therewith caused by the acts or omissions of the Seller, its sub-contractors, employees and agents up to a maximum of five million pounds sterling per act or event giving rise to claim; and liability for death and personal injury and all claims and expenses in connection therewith caused by the Seller, its subcontractors, employees and agents.
- 14.2** Except for the payment of liquidated damages specified in the contract, neither party shall have any liability whatsoever to the other (whether by way of indemnity or otherwise) for the other's loss of profit, production, business or revenues arising from any breach of contract, negligence, breach of statutory duty or otherwise.
- 14.3** The Seller shall take out and keep in force suitable public and products liability insurance against its liabilities under this clause and shall demonstrate the same to the Buyer at all reasonable time.

### **15° Hazardous Goods**

- 15.1** If any of the goods to be supplied under the contract contain any hazardous substances or require any special precautions to be taken to ensure safety in handling, transport, storage or use, the Seller shall prior to their delivery furnish to the Buyer written details of the nature of those substances and the precautions to be taken and shall ensure that before despatch appropriate instructions and warnings are clearly and prominently marked on the goods or securely attached to them and on any containers into which they are packed.
- 15.2** In particular (but without limitation) the Seller shall provide to the Buyer in writing all such data, instructions and warnings as are required to comply with applicable legislation relating to health and safety and shall indemnify the Buyer against any and all liabilities, claims and expenses which may arise as a result of the Seller's failure to do so.

### **16° Assignment**

- 16.1** The contract shall not be assigned or sub-contracted by the Seller as a whole. The Seller shall not assign or subcontract any part of the work without the Buyer's prior written approval, which shall not be unreasonably withheld, but the restriction contained in this clause shall not apply to sub-contracts for materials, minor details, or any part for which the sub-contractor is named in the contract. The Seller shall be responsible for all work done and goods supplied by all sub-contractors.

### **17° Disputes with Third Parties**

- 17.1** If any third party makes any claim against the Buyer arising from the performance of the contract by the Seller, or in respect of goods or services supplied under it, the Seller shall at its own expense on request by the Buyer join the Buyer in defending the claim. The decision of any court or arbitration tribunal deciding upon the claim shall, so far as it is relevant, be admitted as conclusive in any consequent claim made by the Buyer against the Seller under the contract.

### **18° Taxes**

- 18.1** The Buyer shall be entitled to deduct from payments to be made to the Seller under the contract any taxes, national insurance contributions and similar charges if the Seller fails to provide the Buyer with proper certification of exemption from such deductions.

### **19° Law**

- 19.1** This contract shall be construed as an English contract governed by laws of England (except its conflicts of law rules) and disputes under it shall be subject to the non-exclusive jurisdiction of the English courts.
- 19.2** The United Nations Convention on Contracts for the International Sale of Goods signed in Vienna in 1980 shall not apply to this contract.