



# STANDARD CONDITIONS OF PURCHASE

## 1. DEFINITIONS

Conditions : The general terms and conditions set out in this document and (unless the context otherwise requires) includes any special terms and conditions stated on the purchaser's Order.

Order : The purchase order placed by the Purchaser for Supplies, to which these Conditions are referred to.

Purchaser : Euro-Tech (Export) Limited

Supplier : The Supplier defined in the Order.

Supplies : Any goods, components, sub-assemblies, equipment; the specified manufacturer, date codes, shelf life (including any instalment or processing of the goods or any part of them) and services described in the Order.

## 2. PRECEDENCE

Unless as detailed in the Order, these Conditions shall apply to the contract for the Supplies to the exclusion of any other terms and conditions on which any quotation has been given to the Purchaser or subject to which the Order is accepted or purported to be accepted by the Supplier. No variation to the Order or these Conditions shall be binding unless agreed in writing by the Purchaser's authorised representative.

## 3. ACCEPTANCE OF ORDER

3.1. The Supplier must accept the Order within fourteen (14) days of receipt or reject it and state the reasons for such rejection. Failure to do so will give the Purchaser the right to cancel the Order without liability to the Supplier.

3.2. Completion of the formal Order acknowledgement form or other agreed form of written receipt shall be deemed final acceptance of the Order by the Supplier.

3.3. Commencement of work under the Order will also be construed as acceptance by the Supplier of these Conditions.



## 4. ORDER REVIEW

4.1. The supplier undertakes to review the Order prior to acceptance to ensure that:

4.1.1. The Purchaser's requirements are adequately defined and documented and that they are clearly understood by the Supplier;

4.1.2. Any requirements differing from those in any related tender or quotation are resolved with the Purchaser before commencement of work;

4.1.3. The Supplier is fully capable of meeting the requirements of the Order.

4.1.4. The Supplier will use all reasonable endeavours to identify any limitation on the

Purchaser's ability to export the Supplies and will notify the Purchaser of any such limitation of which the Supplier becomes aware.

## 5. ACCESS

Representatives of the Purchaser or any representative of the Purchaser's Customer are permitted to visit the Supplier's premises and those of any third party employed by the Supplier in order to provide the Supplies at any reasonable time to check the progress of the work on the Supplies.

## 6. FREE ISSUE MATERIAL

6.1. When material is issued to the Supplier on a "Free Issue Basis" any such material scrapped in excess of the scrap allowances given shall be replaced at cost to the Purchaser. Any additional material required as a result of exceeding the scrap allowance must be obtained from the Purchaser or a source approved by it. All "Free Issue" material shall remain the property of the Purchaser and all work done thereon shall immediately vest in the Purchaser.

6.2. The Purchaser's property shall, while in the Supplier's possession or control be at the Supplier's risk and shall be maintained by the Supplier in good order and condition and fully insured against all normal risks.

6.3. On completion of the Order or otherwise as directed by the Purchaser the Purchaser's Property shall be returned to the Purchaser in good order and condition at the Supplier's risk and expense. If it is not so returned to the Purchaser may withhold or require the reimbursement of such part of payment as is necessary to replace or repair the Purchaser's Property.



## 7. QUANTITY

No quantity delivered over and above that called for on the Order will be paid for without the prior agreement in writing of the Purchaser.

## 8. PACKING

The price shall include all packing and boxing. All cases will be non-returnable and non-chargeable unless the contrary is stated on the Supplier's advice note in which event such cases will be returned at the Supplier's expense.

ESD goods must be clearly labelled in antistatic packaging and Vacuum sealed goods must comply to moisture sensitive handling.

## 9. DELIVERY, RISK, AND PROPERTY

9.1. Time of delivery of any goods or performance of any services comprised in Supplies shall be of the essence of the contract.

9.2. If no time for delivery or performance is specified in the Order such time must be specified by the Supplier when accepting the Order.

9.3. If delivery of any goods/services comprised in Supplies is not effected by the Supplier on the due date (except as a result of suspension by the Purchaser pursuant to Clause 9.4 below) the Purchaser may (without prejudice to any other remedy it may have) terminate the Order in whole or in part in accordance with Clause 14.1 below.

9.4. The Purchaser may by giving seven (7) days written notice to the Supplier wholly or partially suspend delivery of the Supplies at no additional cost to the Purchaser.

9.5. The Supplier shall comply with any shipping instructions issued by the Purchaser whether prior to subsequent to the acceptance of the Order by the Supplier and shall immediately inform the Purchaser if a change in shipping instructions results in any change to the price of the Order. The Supplier shall be responsible for any additional carriage and associated costs incurred as a result of the Supplier's non-compliance with such instructions.

9.6. Risk of damage to or loss of the Supplies shall pass to the Purchaser upon delivery to the Purchaser's principle place of business unless otherwise stated.



9.7. The property in the Supplies shall pass to the Purchaser upon delivery unless payment for them is made prior to delivery, when it shall pass to the Purchaser once payment has been made.

9.8. Title to any intellectual property developed under an Order, including but not limited to designs, data and software, shall vest absolutely in the Purchaser.

## 10. INSPECTION

10.1. In the event of difference or non-conformities to the specified requirements of the Order becoming apparent to the Supplier prior to delivery, such differences shall be communicated to the Purchaser immediately.

10.2. Supplies shall be inspected and accepted in accordance with the Conditions of Release as stated upon the Order.

10.3. All release notes, advice notes and other certified documents relating to the Order shall be forwarded by the Supplier to the Purchaser on or before the day on which the Supplies (to the extent that they are goods) are despatched and shall be marked with the number of the Order.

10.4. Items received by the Purchaser that do not meet the requirements of the Order shall be the subject of a Failure Report raised by the Purchaser's Goods Inspection staff. Upon receipt from the Purchaser of a Corrective Action Request (CAR) form detailing any such discrepancies, the Supplier shall carry out an investigation into the cause of the error and shall complete the CAR form detailing actions taken to contain, correct and prevent a re-occurrence of the problem. The completed CAR shall be provided to the Purchaser's QA department within 14 days of receipt, unless otherwise agreed by the Purchaser's QA department in advance.

## 11. WARRANTY

11.1. The Supplier warrants to the Purchaser that the Supplies:

11.1.1. Will comply with the Order requirements;

11.1.2. Will be of satisfactory quality, reasonably fit for the intended purpose held out by

the Supplier or made known to the Supplier in writing at or before the time the

Order is placed;



11.1.3. Will be free from defects in design, material and workmanship;

11.1.4. Will correspond with any relevant specification or sample; and

11.1.5. Will comply with all statutory requirements and regulations relating to their sale.

11.1.6. Will be new and unused, and genuine manufacturer parts as specified on the order

11.2. The Supplier warrants to the Purchaser that the Supplies (to the extent that they are services) will be performed by appropriately qualified and trained personnel, with due care and diligence and to such high standards of quality as it is reasonable for the Purchaser to expect in all the circumstances.

11.3. The Purchaser shall have the right by notice in writing to the Supplier to reject any goods comprised in Supplies which are found within a reasonable time of delivery not to be in accordance with the Order or that do not meet the reasonable satisfaction of the Purchaser. The Purchaser shall therefore not be deemed to have accepted any goods until a reasonable period of time has passed in which to inspect them following delivery or, if later, within a reasonable time after any latent defect has become apparent. When giving such notice of rejection, the Purchaser shall specify the reason thereof and shall thereafter return the rejected goods to the Supplier at the Supplier's risk and expense. The Supplier shall be responsible for the cost of inward carriage and associated charges.

11.4. In the event that the Supplies do not conform to 11.1, 11.2 or 11.3 above or where, subsequent to delivery, the Supplier identifies the possible need to conduct a product recall, the Supplier shall advise the Purchaser's Quality Manager immediately of discovery and both parties will nominate a person to liaise between the Supplier and the Purchaser to agree the necessary actions to be taken which will be to immediately repair, replace, re-perform and/or re-design (at the Purchaser's option) to correct the non-conformance.

11.5. Where the Supplies are not repaired, replaced, re-performed and/or re-designed by the Supplier within a reasonable period of time but are necessary to maintain the Purchaser's programme, any additional expenditure over and above the price of such Supplies reasonably incurred by the Purchaser in obtaining equivalent supplies from any other source in replacement shall be reimbursed by the Supplier.



11.6. The provisions of this Clause are without prejudice to any other rights which the Purchaser may have against the Supplier.

11.7. If any breach of warranty is discovered by the Purchaser within twenty-four months from the date of delivery the Purchaser may give notice in writing to the Supplier and return the defective Supplies to the Supplier at the Supplier's risk and expense. The Supplier must credit the purchase price and all delivery costs to the Purchaser, and remit payment to the Purchaser within one month after the notice.

11.8. If the Purchaser becomes aware of or reasonably suspects a defect in the Supplies or any failure of the Supplies to conform with the Order, these Terms of Purchase or any agreed product specification then the Purchaser may recall the Supplies. The Purchaser will give notice to the Supplier if a recall is proposed.

11.9. The Supplier will reimburse to the Purchaser on demand all costs incurred by the Purchaser in making a product recall, including the costs and damages reimbursed or paid to the Purchaser's customers together with the costs of executing the recall together with the price paid for the Supplies.

11.10. The Supplier warrants and undertakes that it has the right to supply the Supplies and will keep the Purchaser fully and effectively indemnified from and against any and all liabilities, proceedings, costs (including without limitation legal costs), damages, losses or expenses caused by or in any way connected with any and all Intellectual Property Rights claims.

## **12. PRICE AND PAYMENT**

12.1. Where firm prices are stated in the Order no alteration may be made without the prior agreement in writing of the Purchaser.

12.2. Unless otherwise stated on the Order all prices include sales tax and import duty.

12.3. All invoices will be paid nett monthly unless otherwise agreed

## **13. LIABILITIES**

13.1. The Supplier shall indemnify the Purchaser in full against all liabilities, proceedings, loss, damages, costs and expenses (including without limitation legal expenses) awarded against or incurred or paid by the Purchaser as a result of or in connection with:

13.1.1. Breach of any warranty given by the Supplier in relation to the Supplies.



13.1.2. Any claim that the Supplies (to the extent that they are goods) infringe, or their importation, use, resale or infringe, any patent, copyright, design right, trademark or other intellectual property rights of any other person, except to the extent that the claim arises from compliance with the specification supplied by the Purchaser;

13.1.3. Subject to the proviso hereto the Supplier shall indemnify the Purchaser against any award of damages and costs made pursuant to a claim or claims in respect of any defect in the Supplies and all Product Liability Claims in respect of the Supplies including without limitation the costs associated with the repair or replacement of the Supplies

13.1.4. Any act or omission of the Supplier or its employees, agents or sub-contractors in supplying, delivering and installing the Supplies; and

13.1.5. Any act or omission of any of the Supplier's personnel in connection with the performance of the Supplies.

## **14. TERMINATION**

14.1. For Default: In the event of a breach or non-observance of any of these Conditions the Purchaser may give the Supplier written notice of such breach or non-observance following which the Supplier shall have twenty-eight (28) days from receipt of such notice in which to rectify the breach or non-observance. Should the Supplier fail so to rectify, then the Purchaser shall have the right to give the Supplier notice forthwith terminating without compensation the whole or any part of the Order.

14.2. For Insolvency: Should the Supplier (being an individual or firm) have any distress or execution levied upon a substantial part of its property or assets, or offer to make an arrangement with its creditors or commit any act of bankruptcy or have a petition in bankruptcy presented against it, or should the Supplier (being a limited liability company) pass a resolution for winding up or have any petition for winding up presented, such winding up in either of the aforesaid cases being other than for the purpose of a bona fide amalgamation or reconstruction, or should the Supplier have a receiver of its undertaking appointed or make a general assignment of its assets for the benefit of its creditors, then the Purchaser shall have the right to give the Supplier written notice forthwith terminating the Order without compensation.

14.3. For Convenience: The Order may be terminated by the Purchaser at any time in whole or in part by delivery to the Supplier of a notice of termination. Should such notice be given, the Supplier shall stop work forthwith and comply with any directions with regard to the Supplies which may be given by the





Purchaser. Subject to the Supplier submitting within three (3) weeks from the effective date of termination his termination claim in a form prescribed by the Purchaser in the notice of termination, the Purchaser undertakes to pay a fair and reasonable price for all Supplies completed in accordance with the terms of the Order up to the time of termination. Such payments as may be made by the Purchaser for Supplies completed taken together with any sums paid or due or becoming due to the Supplier under the Order shall not exceed the total price of the Supplies under the Order.

14.4. Any termination of the Order shall not prejudice any rights which shall have accrued or shall accrue to either party.

14.5. In the event of any termination under Clause 14.1 or 14.2:

14.5.1. The Supplier shall, if requested by the Purchaser and as soon as is reasonably practical, deliver to the Purchaser all completed Supplies, work in progress, intellectual property, tooling, raw materials and anything else which may be necessary for the Purchaser to complete, operate, repair, maintain and modify the Supplies itself or have this done by a third party. The parties shall agree a fair and reasonable payment for such items; and

14.5.2. The Purchaser reserves the right to recover from the Supplier the extra cost of purchasing equivalent Supplies from other sources if this is necessary to maintain the Purchaser's programme or any additional costs arising from completion of the Supplies by the Purchaser or a third party.

## **15. CONFIDENTIAL INFORMATION**

All information which the Purchaser may divulge to the Supplier, and any information relating to the Purchaser's business or products which may have come into the possession of the Supplier in the course of carrying out the Order, shall be treated by the Supplier in confidence and shall not without the Purchaser's written consent be disclosed to any third parties nor be used or copied for any purpose other than for the execution of the Order. The provisions of this clause do not apply to information which is or comes into the public domain otherwise than through a breach of this clause.

## **16. ASSIGNMENT**

The Supplier shall not without the previous consent in writing of the Purchaser assign or sub-contract the Order or any part of it. Any consent by the Purchaser under this Clause shall in no way relieve the Supplier from its obligations under the Order.





## 17. GENERAL

17.1. Nothing in these Conditions shall prejudice any condition or warranty (express or implied) or any other right or remedy to which the Purchaser is or may be entitled in relation to the Supplies by virtue of statute, common law or otherwise.

17.2. The Order shall be subject to and interpreted in accordance with the laws of England and the Supplier hereby accepts the jurisdiction of the English courts in so far as any dispute arising under or in connection with the Order is concerned.

17.3. No waiver or forbearance by the Purchaser of or in relation to any breach of contract shall be considered as a waiver of, or shall restrict the Purchaser's rights in respect of, that or any subsequent breach of contract.

## 18. FORCE MAJEURE

18.1. The Supplier shall not be considered to be in default or in breach of its obligations under the Purchase Order to the extent that performance of such obligations is prevented by circumstances of Force Majeure which arise after the date the Purchase Order becomes effective, providing that in such cases that the Supplier complies with this Clause 18.

18.2. If the Supplier considers that any circumstances of Force Majeure have occurred which may affect or have affected the performance of its obligations it shall notify the Purchaser promptly but in any event within 7 (seven) days of the Force Majeure event occurring.

18.3. Upon the occurrence of any circumstances of Force Majeure the Supplier shall endeavour to continue to perform its obligations under the Purchase Order so far as reasonably practicable. The Supplier shall notify the Purchaser in writing of the steps it proposes to take including any reasonable alternative means for performance which is not prevented by Force Majeure. The Supplier shall not take any steps unless agreed to by the Purchaser.

18.4. The Supplier affected by the Force Majeure occurrence shall take all reasonable steps to mitigate the effects of the occurrence and to minimise any delay there from. As soon as the effect of the Force Majeure occurrence is released the Supplier so affected shall immediately notify the Purchaser accordingly in writing and recommence the performance of its obligations under the Purchase Order immediately upon cessation of the Force Majeure event.