



## Standard Conditions of Purchase for Goods

### 1. DEFINITIONS

- (a) “Contract” means the agreement between the Purchaser and the Supplier comprising the Purchase Order, any special conditions specified in the Purchase Order, these Conditions of Purchase and any other documents specified in the Purchase Order: provided that should there be any inconsistency amongst any of the documents comprising the Contract, they shall take precedence over each other in the order herein listed unless otherwise stated in the Purchase Order.
- (b) “Documentation” means specifications, designs, drawings, calculations, software and other technical documentation whatsoever required under the Contract.
- (c) “Goods” means the plant, equipment, materials, packaging or services to be supplied as specified in the Purchase Order.
- (d) “Intellectual Property Rights” means patents, processes, registered and unregistered trade marks, registered and unregistered service marks, registered designs, utility models (in each case for the full period thereof), applications for any of the foregoing, inventions, confidential information, know-how, business names, trade names, brand names, copyright and rights in the nature of copyright, design rights and get-up and similar rights, subsisting in any country.
- (e) “Place of Delivery” means the delivery point specified in the Purchase Order.
- (f) “Price” means the sum specified in or calculated in accordance with the provisions of the Purchase Order.
- (g) “Purchase Order” means the order issued by the Purchaser for the Goods on the terms and conditions contained herein.
- (h) “Purchaser” means Hi-Tech Precision Engineering (UK) Ltd.
- (i) “Supplier” means the person, firm or corporation to whom the Purchase Order is issued.
- (j) “Works” means the works for and in connection with which the Goods are required.

### 2. DELIVERY

- (a) Goods shall, subject to the provisions of Conditions 3, 4 and 11, be delivered on the date or during the period specified in the Purchase Order and the Supplier shall give reasonable notice of the proposed time of delivery.
- (b) All Goods must be securely and properly packed by the Supplier in accordance with any instructions given by the Purchaser and delivered to the Place of Delivery. The Purchaser may refuse delivery of Goods not so delivered, or may, at its option, arrange for delivery to the Place of Delivery at the expense and risk of the Supplier. Subject to Sub-Condition 2(a) the Supplier shall give the Purchaser immediate notice in writing of any potential delay in delivery.
- (c) Without prejudice to any of the Supplier’s obligations under the Contract the Supplier shall at all times allow persons duly authorised by the Purchaser to enter upon the premises where the Goods or any part thereof is being manufactured or any work in connection therewith is being carried out and shall provide such programmes, schedules, reports and other information as the Purchaser may require to monitor the progress of the Goods and to satisfy the Purchaser that all practicable measures have been and are being taken to meet the due time of delivery.
- (d) Delivery in instalments or separate consignments shall be permitted only with the prior written consent of the Purchaser and only in accordance with the terms of such consent.
- (e) The latest edition of Hi-Tech Terms shall apply to any delivery terms specified in the Purchase Order.

### **3. LATE DELIVERY**

Time is of the essence for the Suppliers performance of the Contract. If the Goods or any part thereof are not delivered by the due date under Sub-Condition 2(a), the Purchaser may at its option, without prejudice to any other rights or remedies it may have, either:

- (a) refuse to take delivery of or reject the Goods or any part thereof as it may choose. and the Purchaser shall have no liability for the payment thereof: or
- (b) take delivery of and, subject to Sub-Condition 2(a), keep the Goods or any part thereof as it may choose and the Supplier shall pay to the Purchaser any liquidated damages specified in the Purchase Order or, if none are specified, general damages.

### **4. STORAGE**

If the Purchaser is not able to accept delivery of the Goods on the due dates

- (a) The Supplier shall at its own risk (but subject to reimbursement as provided in Sub-Condition 4(e) if the Purchaser so requests store the Goods at suitable premises, advising the Purchaser beforehand of the particulars of such proposed storage.
- (b) The Supplier shall insure the Goods on all 'risks' terms acceptable to the Purchaser in the joint names of the Supplier and the Purchaser and shall notify the Purchaser of such insurance cover: and
- (c) Subject to receiving a certificate of insurance in a form acceptable to the Purchaser, the purchaser shall reimburse the Supplier in respect of all reasonable storage charges and insurance premiums so incurred or paid.

### **5. QUALITY**

- (a) All Goods (including raw materials, parts, unfinished goods and labour) shall be provided and/or made in a professional manner using all due care and skill (both with respect to workmanship and design) and first class materials and shall, on delivery to the Purchaser and until the expiry of a period of twelve months from the date the Works are completed be of satisfactory quality, fit for the purpose for which goods of the same type are generally used, in accordance with any other requirements specified in the Purchase Order and to the satisfaction of the Purchaser. Where standards and codes of practice are referred to within the Contract the latest edition applies, unless stated otherwise.
- (b) The Supplier shall satisfy itself that it understands the Purchaser's requirements in order to comply with the obligations contained in Sub-Condition 5(a) and also to prevent delay caused by any work which maybe necessary to meet the Purchaser's requirements. The cost of any such work shall be borne by the Supplier.
- (c) For the purpose of satisfying the Purchaser that the obligations contained herein are being observed, the Supplier shall at all times allow persons duly authorised by the Purchaser to make and/or witness any such inspections or tests which the Purchaser may require and shall afford to the Purchaser all reasonable facilities and assistance which shall be free of cost to the Purchaser unless specifically agreed in writing to the contrary. Any inspection, test, checking or approval by or on behalf of the Purchaser (or any failure to inspect, test, check, approve or make any complaint to the Supplier) shall in no event be construed as acceptance of any of the Goods supplied or work or services performed by the Supplier or any of its subcontractors and shall in no way relieve the Supplier from any obligation or liability under the Contract or otherwise.
- (d) The Supplier warrants that any equipment or product (including, without limitation, any software and/or computer hardware with embedded firmware) to be provided to and/or licensed to the Purchaser pursuant to the Contract, or to be utilised by the Supplier in providing the Goods under the Contract, shall include at no extra cost to the Purchaser Year 2000 Conformity. For the purposes of this Condition 5(d) 'Year 2000 Conformity' means that neither performance nor functionality shall be affected by dates prior to, during and after the year 2000 and in particular, but without prejudice to the foregoing generality, that:
  - i) no value for current date will cause any interruption in operation:
  - ii) date-based functionality must behave consistently for dates prior to, during and after the year 2000:

iii) in all interfaces and data storage the century in any date must be specified either explicitly or by unambiguous algorithms or inferencing rules: and

## **6. REJECTION**

- (a) If, on inspection, (whether at any time prior to, during transit or after delivery) in manufacture or use, any Goods are found to be faulty in quality, damaged, defective, or not to comply with the Contract the Purchaser may, at its option:
  - (j) reject the whole or any part of the Goods in which event any payment previously made therefore shall be refunded to the Purchaser: or (ii) require the Supplier at its own cost either to replace the Goods or to rectify any defect: or (iii) undertake or procure at the risk and expense of the Supplier the replacement of the Goods or the rectification of any defect. The twelve month period specified in Sub-Condition 5(a) shall, in respect of Goods replaced or rectified as aforesaid, be renewed from the date such replaced or rectified Goods are put into service.
- (b) In addition to its remedies under Sub-Condition 6(a) the Purchaser shall be indemnified by the Supplier against all loss, damages or claims including (but without limitation) any claims by third parties arising by reason of any failure of the Goods to comply with Sub Conditions 5(a) and (d) or any other part of the Contract whether express or implied by statute, common law, custom or otherwise or by reason of any act or omission of the Supplier, its employees, agents or subcontractors in the performance of the Contract.

## **7. RECTIFICATION OF DEFECTS**

Where the Purchaser requires the Supplier to rectify a defect in the Goods:

- i) the cost of collecting the Goods from and returning them to the Purchaser shall be borne by the Supplier;
- ii) the cost of any additional inspection or testing of the replaced or repaired Goods shall be borne by the Supplier; and
- iii) the Supplier shall pay to the Purchaser a sum equal to the cost of any additional insurance considered necessary by the Purchaser.

## **8. INSURANCE**

Unless the Purchaser shall have approved in writing other arrangements for the insurance hereinafter mentioned the Supplier shall, until the Goods have been delivered, insure, and keep insured, the Goods for the full replacement value thereof against all risks and shall from time to time when so required by the Purchaser produce satisfactory evidence of such insurance cover.

## **9. DOCUMENT**

- (a) The Supplier shall, at no additional cost to the Purchaser, supply all Documentation, whether needed for information only, approval or final record, at the time, place and in the number of copies as specified in the Purchase Order, to a standard and detail as necessary to ensure the proper installation, operation, maintenance and repair of the Goods.
- (c) (h) By approving any of the Documentation and details, as herein before mentioned, the Purchaser shall not be deemed to have assumed any responsibility for any design criteria or the accuracy of any design details.
- (d) All documentation supplied by the Purchaser, or produced by the Supplier in connection with or for the purposes of performing the Contract shall be the property of the Purchaser and the Supplier warrants to hold all items under a duty of care whilst in the Supplier's possession and will return them to the Purchaser when requested.

## **10. RISK AND TITLE**

- (a) The risk of damage to or loss or destruction of the Goods or Documentation will remain with the Supplier prior to and will pass to the Purchaser on delivery of the Goods or Documentation (as the case may be) to the Place of Delivery.
- (b) Title in the Goods and Documentation or any part thereof shall pass to the Purchaser on their being appropriated to the Contract or on delivery of or on payment for the Goods or any such part whichever is the sooner. Any Goods and Documentation for which the Purchaser has paid but which have not

been delivered shall be clearly identified as the property of the Purchaser and stored in safe and otherwise suitable conditions and in accordance with any instructions given by the Purchaser.

- (c) Where the Purchaser for the purposes of the Contract issues materials or other items free of charge to the Supplier, such materials and other items shall remain the property of the Purchaser and shall be used by the Supplier solely in connection with the Contract. The Supplier shall (unless within three working days from receipt thereof the Supplier notifies the Purchaser in writing to the contrary setting out appropriate details), be deemed to have satisfied itself as to the suitability of such materials and other items for their intended use and to have received same in good order and condition and in the quantities specified in the Contract. The Supplier shall thereafter be responsible for and accountable to the Purchaser for any loss of or damage thereto (including without limitation any waste thereof arising from any fault or neglect of the Supplier) until safe delivery of the completed Goods incorporating the said materials and or other items is effected in accordance with Condition 2 and any scrap or surplus arising from free-issue materials and or items as the Purchaser may at its option have decided and instructed the Supplier is/are (i) delivered with the Goods as aforesaid or (ii) sold by the Supplier by competitive tender and the amount so obtained paid or credited to the Purchaser.

#### **11. VARIATION AND CLAIMS**

- (a) The Supplier shall not vary the Goods or its performance of the Contract without the Purchaser's consent in writing.
- (b) The Purchaser may vary the quantity or quality of the Goods, the specification, the time of delivery, the Place of Delivery or any other matter and the Supplier shall perform the Contract as so varied.
- (c) Variations shall be valued at the rates or prices for the same or similar work, if any, as specified in the Contract or otherwise at a reasonable price.
- (d) All variations shall be in writing approved by the Purchaser.
- (e) All claims by the Supplier, whether for variations or otherwise, shall be notified to the Purchaser in writing with due particulars, promptly upon the happening of the event giving rise to the claim. Compliance with this Sub-Condition 11(e) shall be a condition precedent to the Supplier's entitlement.

#### **12. LIENS**

- (a) The Goods shall have clear title unencumbered or fettered by any third party claim, including (but without limitation) any lien, mortgage, hypothec or charge but to the extent that clear title is not given the Supplier shall promptly and fully indemnify the Purchaser against the consequences (direct or indirect) including all legal fees incurred by the Purchaser arising out of the Supplier's breach under this Condition 12.
- (b) The Supplier shall not delay or halt performance of the Contract or delivery of the Goods on account of any disputes, claims, variations or disputes whatsoever.
- (c) As a condition of payment, the Supplier may be required to sign a release or waiver of liens and claims against the Purchaser.

#### **13. PRICE AND PAYMENT**

- (a) The Price shall be the total compensation payable to the Supplier under the Contract.
- (b) The Price shall include, as appropriate, (i) secure and proper packaging acceptable to the Purchaser and (ii) the cost of delivery to the Place of Delivery.
- (c) Where the supply of the Goods is subject to the addition of Value Added Tax, the price of the Goods and the amount and rate of Value Added Tax shall be stated separately.
- (d) The Purchaser reserves the right to set off any such sums in respect of which the Supplier may be indebted or in default to the Purchaser whether or not in connection with the sale or supply of the Goods or performance of any services.
- (e) Payment of amounts correctly invoiced by the Supplier shall, subject to Sub-Conditions 13(d), (f) and (g) be made by the end of the month following the month in which the invoice is received.
- (f) If specified in the Purchase Order, the Purchaser shall have the right to withhold ten per cent of the invoiced amount as retention money. Such retention money, if any, shall, subject to the provisions of Sub-Conditions 13(d) and (g) and subject to the Supplier having complied with the Contract, be released to the Supplier at such time(s) as is/are provided in the Purchase Order.

- (g) No payment by the Purchaser shall in any way be construed as acceptance of the Goods supplied or work performed by the Supplier or any of its subcontractors and no payment shall in any way impair or restrict any rights or remedies the Purchaser may have under the Contract or otherwise for and in connection with the supply of Goods and or the performance of work or services under the Contract by the Supplier or any of its subcontractors.
- (h) Invoices must be sent to the Purchaser's office address stated in the Purchase Order and not the Place of Delivery.

**14. LABELLING AND INSTRUCTIONS (for hazardous goods)**

- (a) The Supplier warrants that the design, construction, quality and labelling of the Goods shall comply in all respects with any order or other instrument having the force of law, which may be in force at the time when the Goods are supplied.
- (b) All marking and labelling of the Goods (i) necessary to ensure safe and proper handling and (ii) as particularly required by the Purchaser shall be carried out by the Supplier.
- (c) Hazardous Goods must have prominent warning in English on all packing and documents.
- (d) The Goods shall be provided with all adequate and necessary instructions to enable the Purchaser and any subsequent owner to use or utilise them for the purposes of the Contract and the Works.

**15. HEALTH AND SAFETY**

- (a) The Supplier (and all its subcontractors) shall comply with all statutory obligations imposed on designers, manufacturers, importers, suppliers, installers or erectors of articles or substances for use at work to ensure so far as is reasonably practicable that such articles or substances are so designed, constructed or installed as to be safe and without risk to health when properly used.
- (i) Where by reason of its statutory obligations or otherwise the Supplier has carried out or arranged for the carrying out of testing and examination of the Goods for the purpose of ensuring that they are safe and without risk to health when properly used the Supplier shall provide the Purchaser where appropriate, on or before delivery of the Goods, with properly documented results of such tests or examinations or, in default thereof, certificates issued by a duly qualified and authorised person that the tests and examinations proved satisfactory.
- (b) Without prejudice to the obligations contained in Sub-Condition 15(b), on or before delivery of the Goods to the Purchaser, the Supplier shall make available to the Purchaser information about any conditions necessary to ensure that when installed, commissioned and put into use the Goods will be safe and without risk to health.

**16. CONFIDENTIAL INFORMATION**

Unless otherwise specifically agreed in writing by the Purchaser, no detail or information of any kind is to be disclosed to any third party and all matters relating to the Contract are to be considered confidential. Nothing relating to the Contract is to be used by the Supplier other than for the purposes of performing the Contract.

**17. ASSIGNMENT**

The Contract is personal to the Supplier. The Supplier shall not assign, Novate, sub-let, sub-contract, or otherwise dispose of the Contract or any part thereof without the previous consent in writing of the Purchaser. In the event that the Supplier subcontracts any part of the Contract, it will remain responsible for performance of the Contract.

**18. INTELLECTUAL PROPERTY RIGHTS INDEMNITY**

The Supplier warrants that the supply by the Supplier and the use by the Purchaser or an other user of the Goods do not and will not infringe any Intellectual Property Rights. The Supplier will indemnify the Purchaser against all claims, demands, damages, penalties, costs and expenses which the Purchaser may incur in any action for such infringement or for which the Purchaser may become liable in any such action.

## **19. TERMINATION**

(a) The Contract shall terminate upon the earlier to occur of the following:

- i) seven (7) days after the Purchaser gives the Supplier notice in writing of termination:
- ii) seven (7) days after either party gives notice in writing to the other party that such other party is in material breach of the Contract unless such other party has remedied such breach during the seven (7) day notice period:
- iii) forthwith upon notice in writing from either party to the other party in the event of the occurrence of any one or more of the following events with respect to that other party:-
  - i. the other party passes a resolution or a court of justice makes an order that the other party be wound up otherwise than for the purpose of a bona fide reconstruction or amalgamation:
  - ii. a receiver, manager or administrator on behalf of a creditor is appointed in respect of the business or any part thereof of the other party:
  - iii. circumstances arise which entitle a court of justice or creditor to appoint a receiver, manager or administrator or which entitle a court of justice otherwise than for the purpose of a bona fide reconstruction or amalgamation to make a winding-up order:
  - iv. the other party is unable to pay its debts within the meaning of Section 123 of the United Kingdom Insolvency Act 1986: or
  - v. any event analogous to those set out above occurs under the law of any other jurisdiction.

(b) The rights and obligations under Conditions 16, 18 and 20 shall survive any termination or expiration of the Contract

(c) The right of either party to terminate the Contract in accordance with this Clause 19 is in addition to and shall in no way limit or prejudice any other right or remedy which that party may have in consequence of any breach by the other party, or any other right or liability of the party accrued at the date of termination.

(d) All costs and any subsequent losses incurred by the Purchaser in purchasing the Goods or by the appointment of a replacement supplier in the event of the Contract being terminated will be reimbursed by the Supplier.

## **20. LAW AND JURISDICTION**

The Contract shall be construed in accordance with the law of England and Wales and the parties irrevocably submit to the jurisdiction of the courts of justice of England and Wales to settle any disputes which may arise in connection with the Contract.