



# TEI Limited

## GENERAL TERMS AND CONDITIONS OF PURCHASE (REV.8/88)

The Order shall be subject to the terms and conditions stated below and any Special Conditions, Requisitions, or Specifications incorporated in the body of the Order. The Seller's quotation where referred to in this Order shall only be used for the particular purposes for which the reference is made. By acting on this Order the Seller agrees to supply the Goods and or the Services upon the terms and conditions as aforesaid which shall override and exclude any terms or conditions proposed by the Seller save in so far as they may have been expressly accepted in writing as variations by the Purchaser in the Order.

### 1. TERMS OF PAYMENT

- (a) The Purchaser shall make payment to the Seller in accordance with the terms specified in the Order, when the Goods and Services are supplied in complete accordance with the Order to the satisfaction of the Purchaser.
- (b) All claims for extras must be submitted by letter to the Purchaser's Procurement Department no later than one month before the supply of Goods or Services. These claims will be considered and if approved on Amendment to the Order will be raised to cover the extra. Failure to comply with the above will result in the rejection of any invoice which exceeds the values stated in the Order unless authorised by the issue of an Amendment to Order.

### 2. SUBLETTING, ASSIGNMENT OR SUBCONTRACTING

This Order or any part thereof or any rights thereunder shall not be sub let, assigned or sub-contracted without the prior consent in writing of the Purchaser. The Purchaser reserves the right to cancel this Order without any payment whatsoever in the event of the Seller's breach of this condition.

### 3. QUALITY REQUIREMENTS in a fundamental condition of this Order that:

- (a) The Goods shall be new, in strict compliance with standards specified by the Purchaser, the Requisition and the Specification and of the best quality so as to be fit for the purpose for which they are supplied and
- (b) The Purchaser shall have the right to reject any Goods or Services which in his option does not conform with the requirements of this Purchase Order. Review of any designs and drawings and/or approval of Sub Orders or any failure to reject the Goods or Services during design manufacture or commissioning shall not prejudice the Purchaser's or his Customer's right to do so at any stage until final acceptance of the same by the Customer.
- (c) The Goods shall be supplied and the Services to be performed by or on behalf of the Seller shall be performed in the strict professional manner, and shall be safe and without undue or unreasonable risks to health which used or performed whether such Goods or Services are intended to be incorporated on or rendered for the purposes of this Order or brought onto the site by the Seller for his use or loaned or hired to him by the Purchaser or his Customer. The Seller shall provide all necessary instructions, warnings and appropriate documentation to the satisfaction of the Purchaser pertaining to the safe operation and usage of the Goods and Services in order to secure compliance by the user with the Health and Safety at Work etc Act 1974 and any subsequent amendments thereof including the regulations issued thereunder.

### 4. DELIVERY OF GOODS/COMPLETION OF SERVICES. It is a fundamental condition of this Order that:

- (a) The Goods shall be delivered and the Services shall be performed at the date(s) and in the sequence at the place(s) and by the method specified in this Order, and
- (b) All Goods to be supplied by the Seller under the Order shall be at his sole risk until the same shall have been delivered in accordance with the Order.
- (c) Any Goods delivered in error, rejected Goods or averages in excess of trade practice will be returned to the Seller at the Seller's expense.

### 5. PACKING

- (a) *Goods shall be packed and marked in an appropriate manner and in accordance with all applicable and legal requirements.*
- (b) *All packing is free and non-returnable unless otherwise stated on the order*

### 6. PROPERTY. It is a fundamental condition of this Order that:

- (a) Property in the Goods the subject matter of this Order and in the materials, components and equipment to be incorporated in such Goods shall pass to the Purchaser either:
  - (i) when any payment in respect thereof is made thereof to the Seller, or
  - (ii) the same are allocated to the Purchaser, or
  - (iii) upon delivery in accordance with the Order, or
  - (iv) upon delivery to any of the Seller's Sub-Contractors whichever is the earlier
- (b) The Seller hereby warrants:
  - (i) that the Seller and/or his Sub-Contractors have good title to the Goods and/or materials, components and equipment to be incorporated in the Goods the subject matter of this Order
  - (ii) that the title referred to in sub-clause (i) is free of any charge or incumbrance or defect in any manner whatsoever and
  - (iii) that neither the Seller nor his Sub-Contractors have entered into any contract with any Sub-Contractor for materials, components or equipment forming any part of the subject matter of this Order, containing a clause reserving or attempting to reserve title in such materials, components equipment to the Supplier
- (c) When any payment is made by the Purchaser in respect of the Goods and/or the materials components and equipment to be incorporated in the Goods, the Seller shall forthwith separate, mark and identify the Goods, materials, components, equipment to be incorporated in such Goods as being the Purchaser's Goods and the Seller shall require his Sub-Contractors to do the same such vesting of the property in the Goods shall be without prejudice to the obligation of the Seller and his Sub-Contractors with regard to the Goods.
- (d) The Seller shall cause the whole of Clause 5 to be inserted in his Orders with his Sub-Contractors and agrees hereby to indemnify the Purchaser in the event of any breach thereof.

### 7. WARRANTY & GUARANTEE

- (a) The Seller warrants and guarantees the Goods and/or Services supplied which form part of the entire Plant from the date of the said Plant entering into commercial service of the Purchaser's client for a period of 12 months. The Goods and/or Services which deviate from the requirements of the Order shall be removed, replaced, repaired or re-performed at the option of the Purchaser, and re-assembled into the Plant and Services re-performed free of any cost to the Purchaser and to his/or his Client's satisfaction. Similarly testing and/or commissioning of the affected equipment called for in the Order or as may be reasonably required shall be carried out free of any cost to the Purchaser. Any and all such repair or replacements carried out in pursuance of the above warranty and guarantee shall be subject to the provisions of warranty and guarantee for a period of 12 months from the date of

8 satisfactory completion of the repair or replacement to the date on which the original warranty and guarantee expires whichever is the longer period. This provision is in addition to the Purchaser's rights under the provisions of Clause 3 thereof.

### 8. LIABILITY FOR ACCIDENTS AND DAMAGES

The Seller shall indemnify the Purchaser against all damage, loss or injury to the Purchaser and others to the extent caused by the negligence or breach of statutory duty of the Seller his Sub-Contractors or agents or by defective design, materials or workmanship by making good such damage or loss or compensating personal injury and/or damages.

### 9. VARIATION AND CANCELLATION

The Purchaser may at any time by notice in writing direct the Seller to alter, amend, omit, add to or otherwise vary the Order and the Seller shall carry out such variation(s) and be bound by the same conditions so far as applicable, as though the said variation(s) were part of the Purchaser's specified requirements if such variation(s) shall involve a cancellation in whole or in part of the Order then if the Seller is not in default under the Order the Purchaser shall make payment to the Seller of all costs reasonably and properly incurred by the Seller in the performance of the Order at the date of such cancellation. Save as expressed the Purchaser shall not be liable to the Seller for payment of any compensation for such cancellation.

### 10. SELLER'S DEFAULT

If the Seller shall default in the performance of the Order (in strict accordance with the provisions started herein) then, without prejudice to any rights he may have, the Purchaser may serve a notice or call upon the Seller to remedy the default within seven days, and if the default is not so remedied the Purchaser may cancel the Order in whole or in part and place the Order in whole or in part elsewhere and in such event the Purchaser shall be entitled to retain any balance which may be due from him to the Seller under the Order and apply the same or so much thereof as is necessary in payment of the extra costs and damages incurred by the Purchaser arising out of or in connection with such cancellation. If the extra costs and damages incurred by the Purchaser referred to herein shall exceed the balance due from the Purchaser to the Seller, the Seller shall pay such excess forthwith upon presentation of the Purchaser's invoice.

### 11. EXTENSION OF TIME FOR COMPLETION

If by reason of an act of God or omission of the Purchaser, after the date of Acceptance of the Order, the Seller shall have been delayed or impeded in the completion of delivery of the Goods or supply of Services and provided that the Seller shall without delay have given the Purchaser notice in writing of his claim for an extension of time, the Purchaser shall on receipt of such notice grant the Seller such extension of the time fixed by this Order for completion as may be reasonable.

### 12. PATENT RIGHTS

The Seller shall indemnify and save harmless the Purchaser and his Customers against any and all losses, costs, damages and expenses on account of any and all claims, suits or judgements arising out of the use or sale of Goods or Services supplied by the Seller which infringe or are alleged to infringe any right under any Letters Patent registered design, copyright or trade mark.

### 13. PUBLICITY

The Seller shall not take any photographs or use the Goods or Services for any kind of publicity unless previously authorised specifically by the Purchaser in writing as to the form and media in which it shall be publicised.

### 14. COMPLIANCE

Seller warrants that all Goods sold and Services performed hereunder shall have been produced, sold, delivered and furnished in strict compliance with all applicable laws and regulations to which the Goods and Services are subject. Seller shall execute and deliver such documents as may be required to effect or to evidence compliance. All laws and regulations required to be incorporated in agreements of this character are hereby incorporated herein by this reference.

### 15. AGENTS

It must be clearly understood that the Seller shown on the face sheet of this Order will be responsible for all fees and commissions payable in relation to the supply, however, or whenever these shall occur.

### 16. BANKRUPTCY

If the Seller shall become bankrupt or insolvent or has a receiving order made against him, or compound with his creditors or being a corporation commence to be wound up or carry on his business under a receiver or manager for the benefit of his creditors or any of them the Purchaser shall be at liberty either:

- (a) to terminate the Order forthwith by notice in writing to the Seller or to the receiver, manager or liquidator or to any person in whom the Order becomes vested and to act in the manner provided in Clause 9. Seller's Default as though the last mentioned notice had been the notice referred to in Clause 9 and the Order had been taken out of the Seller's hands, or
- (b) to give such receiver, manager, liquidator or other person the option of carrying out the Order subject to his providing a guarantee from a guarantor acceptable to the Purchaser for the due and faithful performance of the Order up to an amount to be agreed.

### 17. LAW

The Order shall in all respects be construed and take effect in accordance with the Law's of England, unless otherwise stated.

### 18. ARBITRATION

If at any time any question, dispute or difference whatsoever shall arise between the Purchaser and the Seller upon, in relation to, or in connection with the Order, either party may give to the other notice in writing of the existence of such question, dispute or difference, and the same shall be referred to the arbitration of a person to be agreed upon, or failing agreement within fourteen days of receipt of such notice, of some person appointed by the President for the time being of the Institute of Mechanical Engineers.

### 19. POST CANCELLATION

Cancellation or termination of the Order shall be without prejudice to the rights of the Purchaser occurred on the date of such cancellation or termination.

### 20. SUB-CONTRACTING (FINANCE ACT)

Prior to commencement of any work under the Sub-Contract constituted by the Order and its acceptance, the Seller shall at the Purchaser's request produce to the Purchaser's Procurement Department for inspection a valid Exemption Certificate issued by the Inspector of Taxes on behalf of the Board of Inland Revenue in accordance with current Finance Act and throughout the continuance of the Sub-Contractor shall at the Purchaser's request produce for inspection the same or similar valid certificate. Failure to produce such certificate will result in the deduction of tax in accordance with the provisions of the Finance Act.