


PWR-06-002	Terms & Conditions of Purchase (The Terms)	 powrmatic
13/11/2012		
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1. Document Approval

Role	Sponsor	Approver
Name	Jon Bloxam	Paul Senior
Title	Purchasing Manager	Operations Manager
Date	13/11/2012	13/11/2012

2. Change Log

Date	Issue	Pages	Amendment	Authority
12/11/2012	1	All	Document put into new company format. Minor changes made to sections relating to levels of authorisation and The Bribery Act.	PS

3. Contents

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4. Definition of Terms

In these Terms:-

- 4.1. "Company" means Powrmatic Limited whose registered office is at Hort Bridge, Ilminster, Somerset, TA19 9PS.
- 4.2. "Supplier" means the person, firm or company to whom this document is addressed.
- 4.3. "Goods" means the all goods to be purchased by the Company under the Contract in which these terms and conditions are incorporated ("the Contract").
- 4.4. "The Bribery Act" means The Bribery Act 2010 enacted by The Parliament of the United Kingdom on the 1st July 2011
- 4.5. A reference to a law is a reference to it as it is in force for the time being taking account of any amendment, extension, application or re-enactment and includes any subordinate legislation for the time being made under it. Words in the singular mean the plural and in the plural include the singular. Clause headings do not affect the interpretation of these Terms.

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5. Basis of Purchase

- 5.1. The Company will have no liability under any contract to purchase Goods except a contract which is made in accordance with the Company's order form signed by a director or authorised signatory on behalf of the Company ("the Order")
- 5.2. These Terms are the only conditions upon which the Company will procure the Goods from the Supplier. These Terms shall supersede and override any terms or conditions of sale, supply or business or other terms which may have been or may be issued, provided or referred to by the Supplier or subject to which the Supplier purports to accept the Order, and any such terms or conditions shall not form part of the Contract and are hereby excluded. These Terms do not affect the Company's statutory or other legal rights.
- 5.3. The Order will lapse unless unconditionally accepted by the Supplier within 14 days of its date.
- 5.4. No variation to the Order or these Terms shall be binding unless agreed in writing by a director or authorized signatory of the Company.

6. The Goods

- 6.1. The quantity, quality and description of the Goods to be supplied shall be as specified in the Order and/or in any applicable specification supplied by the Company to the Supplier or agreed in writing by the Company.
- 6.2. Quantities of Goods required by the Company, unless detailed on the face of the Order, will be confirmed in schedules issued from time to time and the Company will not be liable to pay for Goods delivered in excess of those requirements.
- 6.3. The Supplier shall not unreasonably refuse any request by the Company to inspect and test the Goods during manufacture processing or storage at the premises of the Supplier or any third party prior to despatch and the Supplier shall provide the Company with all facilities reasonably required for inspection and testing.
- 6.4. If as a result of inspection or testing the Company is not satisfied that the Goods will comply with the requirements of the Contract, the Company may notify the Supplier and the Supplier shall take such steps as are necessary to ensure compliance. Such inspection or testing shall be without prejudice to the Company's right to reject the Goods under the conditions of this Contract.
- 6.5. Suppliers carrying out the replacement or fitting of parts for and on behalf of Powrmatic shall have responsibility for ensuring that the parts are of the correct specification, are fitted, positioned adjusted and set in accordance with the data, detail and recommendations of both the manufacturer and/or the Company
- 6.6. The Goods shall be marked and shall be properly packed and secured in accordance with the Company's instructions.

7. Prices & Payment

- 7.1. The prices shown in this Order are fixed and firm for the duration of the Contract except where amended by the Company's Purchase Order Amendment signed by a director or authorized signatory of the Company. Prices are exclusive of any applicable Value Added Tax, and unless otherwise agreed, inclusive of all charges for packaging, carriage, insurance and delivery.

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- 7.2. The Supplier shall be entitled to invoice the Company on or at any time after delivery of the Goods and each invoice shall state clearly the Order number, quantity, Company part number and Supplier's name. Invoices not in accordance with these requirements will be rejected and returned to the Supplier.
- 7.3. Subject to Clause 7.2 above, payment by the Company will be made in sterling, or other currency by arrangement, within 60 days following the end of the month in which the Goods were delivered. This will be referred to as 60 days End of Month (EOM) Payment Terms.
- 7.4. The Supplier shall submit a monthly statement of account to reach the Company on or before the 10th day of each month.
- 7.5. Interest charges will not be accepted.

8. Delivery

- 8.1. The Goods shall be delivered to the place specified in this Order on the date or within the period stated in the Order; time of delivery of the goods is of the essence.
- 8.2. Where the date of delivery is to be specified after the placing of the Order, the Company shall give the Supplier reasonable notice of its delivery requirements in the form of a date or delivery schedules.
- 8.3. The Supplier shall furnish such information with respect to the timing of manufacture and delivery of the Goods as the Company may reasonably require and the Supplier shall give notice to the Customer as soon as practicable if any aspect of manufacture or delivery is likely to be delayed.
- 8.4. A packing note quoting the Order number, the Company's part number and the quantity must accompany each delivery or consignment of Goods, together with any relevant certificate of conformity.
- 8.5. All Goods are to be delivered "carriage paid" to the Company (as per clause 7.1) or to such other address(es) as the Company may stipulate in writing. If goods are incorrectly delivered the Supplier shall be responsible for any additional expense incurred in delivering them to their correct destination.

9. Risk & Property

- 9.1. Risk of damage to or loss of the Goods shall pass to the Company upon delivery.
- 9.2. The property in the Goods shall pass to the Company upon delivery, or on payment by the Company for the Goods if payment is made in full prior to delivery.

10. Variations

- 10.1. The Supplier shall not alter any of the Goods, except as directed in writing by the Company but the Company shall have the right from time to time during the execution of the Contract, by notice in writing to direct the Supplier, to add to or omit, or otherwise vary the Goods, and such event the Supplier shall carry out such variations and be bound by the same conditions, as far as applicable, as though the variations were stated in the Contract.
- 10.2. Where the Supplier receives any such direction from the Company which would occasion an amendment to the contract price the Supplier shall, with all possible speed, advise the Company in writing to that effect giving the amounts of any such amendment ascertained and determined consistent with the basis of pricing as that contained in the original Contract.

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10.3. If, in the opinion of the Supplier, any such direction is likely to prevent the Supplier from fulfilling any of his obligations under the Contract he shall so notify the Company and the Company shall decide as soon as practicable whether or not the same shall be carried out and shall confirm its instructions in writing and modify the said obligations to such an extent as may be justified. Until the Company so confirms its instructions they shall be deemed not to have been given.

11. Warranties & Liabilities

- 11.1. The Supplier warrants to the Company that for a period of 24 months, or longer if by separate warranty agreement with the Supplier, from receipt of the Goods the Goods
- a) shall comply with the Supplier's standard, or any agreed contract, specification or description or any agreed sample or design in respect of the Goods,
 - b) shall otherwise be free from defects in design, material and workmanship and will be of satisfactory quality and fit for any purpose for which they are designed or any purpose which is specified by the Company or may reasonably be inferred from the Contract or dealings between the parties relating thereto, and
 - c) shall comply with all national, local and other applicable laws and regulations and with all health and safety, labelling and other applicable regulations, relevant European and British Standards and best accepted industry practices.
- 11.2. Without prejudice to any other remedy of the Company, if Goods are not supplied in accordance with the Contract (whether due to a breach of any part of Clause 11.1 or otherwise), then the Company shall be entitled to reject the Goods within a reasonable time after delivery to the Company. All Goods so shall be notified by the Company to the Supplier in writing and unless the Supplier confirms within 10 days of such notification that the rejected Goods should be returned at his risk and expense, the Company shall be free to dispose of them. The making of payment by the Company shall not prejudice its right of rejection.
- 11.3. The Supplier will replace the rejected Goods free of charge and will in addition pay all reasonable costs, travel charges and/or repair charges incurred by the Company in rectifying any faults in the Goods.
- 11.4. The Company will raise a Debit Note on the Supplier to cover all rejected Goods and reserves the right without reference to the Supplier to return the rejected Goods and debit the Supplier with such expenses as may be incurred.
- 11.5. The Supplier shall on the Company's request use reasonable endeavours to assign to the Company the benefit of any warranty which the Supplier may have from sub-contract manufacturers of the goods, any supplier of raw materials or components used in the Goods or any providers of the services in relation to the Goods.
- 11.6. The Supplier shall indemnify the Company and keep the Company indemnified in full: -
- 11.6.1. against all liability, loss, damages, claims, proceedings, costs and expenses (including legal expenses) awarded against or suffered, incurred or paid by the Company as a result of or in connection with any claim that the Goods infringe or their use or resale infringes the patent, copyright, design right, trade mark or intellectual property rights of any other person.
 - 11.6.2. against all liability, loss, damages, claims, proceedings, costs and expenses (including legal expenses) (including without limitation financial losses, loss of profits and claims from the Company's customers) which may be suffered or incurred by the Company arising from

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- a) any goods or services failing to comply with any part of Clause 8.1 above,
- b) any Goods or services otherwise being defective or causing loss or damage under applicable law,
- c) any late or incomplete delivery or performance or any other breach of the Contract by the Supplier or
- d) any negligent act of the Supplier, its employees, agents or contractors.

11.7. Neither the Supplier nor the Company shall be liable to the other or be deemed to be in breach of this Contract by reason of any delay in performing or any failure to perform any of its obligations in relation to the Goods if the delay or failure results from circumstances beyond the party's reasonable control, including without limitation acts of God, governmental actions, war or national emergency, adverse weather conditions, acts of terrorism, protests, riot, civil commotion, fire, explosion, flood, epidemic, lock-outs, strikes or other labour disputes (whether or not relating to either party's workforce), provided that, if the circumstance in question continue for a continuous period in excess of 30 days, the Company shall be entitled to give notice in writing to the Supplier to terminate the Contract and the Company shall not be liable to the Supplier for any costs incurred or loss suffered consequent on such termination

12. Company's Property

- 12.1. All drawings, patterns, tooling, gauging or other equipment provided by the Company for the execution of this Contract remain the Company's property and such drawings, patterns, tooling, gauging or other equipment are to be returned in good condition forthwith upon the Company's request.
- 12.2. All patterns, tooling, gauging or other equipment provided by the Company must carry a plate or other clear marking stating 'The Property of Powrmatic Limited ' and shall not be disposed of without prior written consent from the Company.
- 12.3. Drawings, specifications or other data supplied by the Company must in any event be treated as confidential and must not be either shown to or supplied to any third party without the Company's prior written permission, It is furthermore a condition of the Contract that the Supplier undertakes not to supply to any third party any Goods in accordance with such drawings or specifications or otherwise of the Company's design, and to refer to the Company any enquiry for the same.
- 12.4. Any goods, materials, patterns, tooling, gauging, drawings or other equipment which the Company provides to the Supplier are to be insured by the Supplier in the full value thereof against fire or any other damage occurring or against theft while in the custody of the Supplier. The Supplier must, if requested by the Company, provide proof of such insurance policy.
- 12.5. The Supplier shall allow representatives of the Company to enter its premises during normal working hours or at such other reasonable times provided notice has been given by the Company, for the purpose of identifying and if the Company wishes removing the Company's property. Such property shall include materials, patterns, tooling, gauging and any other equipment.
- 12.6. Ownership of any patent, design, copyright or other similar industrial or intellectual property right belonging to the Company and used in the design or manufacture of the Goods shall remain the property of the Company and the Supplier shall not use the same for any purpose other than the supply of the Goods to the Company.

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13. Termination

- 13.1. The Company shall be entitled to terminate the Contract in respect of all or any part of the Goods by giving notice to the Supplier at any time, in which event the Company's sole liability shall be the cost of work in progress calculated in accordance with the then current delivery schedules but not exceeding three months in total less the value of all materials retained by the Supplier. The Company shall not be liable for any other loss or damage, including without limitation loss of profits or any indirect or consequential loss whatsoever.
- 13.2. The Company shall without prejudice to any other rights be entitled to terminate the Contract without liability to the Supplier by giving notice to the Supplier at any time if the Supplier: -
- 13.2.1. becomes insolvent, has a receiver appointed, enters administration or goes into liquidation (other than for the purposes of amalgamation or reconstruction) or makes any voluntary arrangement with its creditors; or
- 13.2.2. refuses or fails to deliver the Goods in accordance with the Contract or any delivery schedules or is in breach of a material provision of the Contract.
- 13.3. In the event of termination of the Contract by the Company pursuant to Clause 13.1, 13.2 or 11.7, the Company shall be entitled to any premises of the Supplier and take possession of any items or materials described in Clause 12 or of any Goods title to which has passed to the Company prior to delivery pursuant to Clause 9.2.

14. The Bribery Act

- 14.1. The Company recognizes the obligations of The Bribery Act 2010. The Supplier is formally obliged to contract with the Company with due regard to the legislation.
- 14.2. Suppliers should not engage in any practice or activity which constitutes an offence under the Bribery Act.
- 14.3. Suppliers should promptly report to the Company any undue request or demand for any financial incentive or benefit that has been received in connection with the supply of goods and services to the Company.

15. General

- 15.1. This Contract is personal to the Supplier and the Supplier shall not assign or transfer to any other person any or all of its rights or subcontract any or all of its obligations under the Contract, without the consent of the Company.
- 15.2. No waiver by the Company of any breach of the Contract by the Supplier shall be considered as a waiver of any subsequent breach of the same or any other provision.
- 15.3. Any notice given by either party to the other under these conditions shall be in writing addressed to that other party at its registered office or principal place of business.
- 15.4. The Contract shall be governed by and construed and performed in accordance with the law of England. The Supplier agrees, for the Company's exclusive benefit, that the English courts shall have sole jurisdiction to hear all claims or proceedings connected with the Goods or the Contract. The Company may nevertheless bring claims in any other courts of competent jurisdiction.

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