

Purchase order standard terms and conditions

PO/ Supply Agreement# _____

1. Agreement:

This purchase order (PO)/ (Supply Agreement) becomes the exclusive agreement between **Contractor** and supplier for the goods, subject to the standard terms and conditions contained herein. Any of the following shall constitute supplier's unqualified acceptance of this **PO/ (Supply Agreement)**: (a) acknowledgment of this **PO/ (Supply Agreement)**; (b) furnishing of any goods under this **PO/ Supply Agreement**; or (c) acceptance of any payment. Additional or different terms and conditions proposed by supplier shall be void and of no effect unless accepted in writing by **Contractor**. Until so accepted, **Contractor** reserves the right to return all goods, at supplier's expense. In the event of a conflict between the supplier's terms of acceptance and the **PO/ (Supply Agreement)** terms and conditions, the **PO/ (Supply Agreement)** terms and conditions shall govern unless **Contractor** agrees in writing to the supplier's proposed terms/ amendments.

2. Purchase Order (PO)/ (Supply Agreement) identification

The **PO/ (Supply Agreement)** number must appear on all invoices, bills of lading, packing slips, cartons and correspondences.

3. Delivery

Delivery must be completed within the delivery schedule stated on this **(PO)/ (Supply Agreement)** otherwise, **Contractor** reserves the right to (a) cancel this PO without liability and to charge supplier with any loss caused/ incurred as a result of supplier's failure to make the delivery within the delivery schedule specified; (b) charge a penalty of (0.1%) of the total price for everyday of breach of the delivery schedule by the supplier.

4. Payment

Supplier shall invoice **Contractor** upon delivery of the goods and payment shall be made within the stated period after receipt of the invoice. Payment shall be made to the supplier as stated in the "terms of payment" of the purchase order **(PO)/ (Supply Agreement)**.

5. Adjustments

Contractor reserves the right to change at any time the quantity, packaging, unit size, place and/ or time of delivery. Supplier agrees to proceed with this **(PO)/ (Supply Agreement)** in accordance with any such change(s) and to submit a claim request for an equitable adjustment in the **PO/ (Supply Agreement)** price or delivery term caused by such change(s). **Contractor** may deem any claim by supplier for equitable adjustments under this clause waived unless asserted in writing within 10 days from receipt by supplier of **Contractor** Change. No change in, modification of, or revision to this PO shall be valid unless in writing and signed by an authorized representative of **Contractor**.

6. Packaging

Supplier must provide proper and adequate packaging in accordance with best commercial practice, to ensure that the material being shipped to **Contractor** will be free of damage. Packaging must be adequate to allow for rough handling during transit, exposure to extreme temperature, salt and precipitation (rain fall) during transit and open storage, with consideration for the type of goods and transportation mode. **Contractor** reserves the right to reject any shipment that is deemed not to have been packaged adequately.

7. Inspection and Acceptance

- a) **Contractor** or its representatives shall have the right to inspect and/or test the goods at no extra cost to **Contractor**. at the premises of the supplier, at the point of delivery or at the final destination. The supplier shall facilitate such inspections and provide necessary assistance.
- b) **Contractor** shall have 30 calendar days after proper receipt of the goods purchased to inspect them and either accept or reject them as non-conforming with this **PO/ (Supply Agreement)**. Based on an inspection of a valid sample, **Contractor** may reject the entire delivery. **Contractor** may also charge the cost of inspection rejected goods to supplier. All rejected goods will be returned to supplier, transportation charges collect, or held by **Contractor** for disposition at supplier's risk and expense. Supplier agrees that **Contractor** payment under this **PO/ (Supply Agreement)** shall not be deemed acceptance of any goods delivered hereunder. **Contractor's** right to reject the goods shall not be limited or waived by the goods having been previously inspected or tested by **Contractor** prior to delivery.
- c) The supplier agrees that any acceptance by **Contractor** does not release the supplier from any warranty or other obligations under this contract.
- d) Title to the goods shall pass when they are delivered and accepted by **Contractor**. risk of losses, injuries, or destruction of the goods shall be borne by supplier until title passes to **Contractor**.

8. Warranties

Supplier is obligated to represent, assure and guarantee the following:

- a) The goods are conforming to the specifications, drawings, samples or any other relevant descriptions furnished or specified by **Contractor** and are free from defect in material and workmanship. This warranty shall remain valid for twelve (12) months at least after the goods/ machines have been delivered to and accepted at the final destination. **Contractor's** continued use of such goods after notifying supplier of their defect or failure to conform will not be considered a waiver of supplier's warranty.

- b) It has full title to the goods and is a company financially sound and duly licensed, with adequate human resources, equipment, competence, expertise and skills necessary to comply with our fully and satisfactorily, within the stipulated completion period, the delivery of the goods in accordance with this **PO/ (Supply Agreement)**.
- c) It shall comply with all applicable laws, ordinances, rules and regulations when performing its obligations under this mentioned PO/ (Supply Agreement).
- d) In all circumstances it shall act in the best interests of **Contractor**.
- e) It has not misrepresented or concealed any material facts in the procuring of this PO/ (Supply Agreement).
- f) The remuneration of the supplier under this PO/ (Supply Agreement) shall constitute the sole remuneration in connection with this PO/ (Supply Agreement). The supplier shall not accept for its own benefit any trade commissions, discount or similar payment in connection with activities pursuant to this PO/ (Supply Agreement) or the discharge of its obligations there under. The supplier shall ensure that any subcontractors, as well as the personnel and agents of either of them, similarity, shall not receive any such additional remuneration.

9. Indemnification/ Compensation

The supplier shall at all times defend, indemnify, and hold harmless **Contractor** its damages and expenses (including legal fees and costs), claims, proceedings, demands and liabilities of any kind or nature to the extent arising out of or resulting from acts or omissions of the supplier or its employees, officers, engineers, representatives or subcontractors. In the performance of this contract, **Contractor** shall promptly notify the supplier of any written claim, loss, or demand for which the supplier is responsible under this clause. This indemnity shall survive the expiration or termination of this contract.

10. Termination and Re-Procurement

- a) **Contractor** may terminate this **PO/ (Supply Agreement)** at any time with one week written notice to supplier. (*i.e.: supplier failed to initiate with manufacturing which can mischief the delivery date*) Any monies paid in advance by **Contractor** shall be refunded no later than the date of termination.
- b) If **Contractor** terminates this **PO/ (Supply Agreement)** in whole or in part for default on the part of the supplier, it may acquire elsewhere goods similar to those terminated and supplier shall be liable for any excess costs to **Contractor** for those goods. Supplier shall not be liable for any excess costs if the failure to perform under this **PO/ (Supply Agreement)** arises from causes beyond its control and without fault or negligence of the supplier.

11. Independent Contractor/ Supplier

The supplier shall supply goods pursuant to this **PO/ (Supply Agreement)** as an independent contractor and not as an employee, partner, or agent of **Contractor**.

12. Audit

The supplier agrees to maintain records, in accordance with sound and generally accepted accounting procedures, of all direct and indirect costs of whatever nature involving transaction related to the provision of services under this agreement. The supplier shall make all such records available to **Contractor** or the **Contractor's** designated representative at all reasonable times until the expiration or seven (7) years after the date of final payment, for inspection, audit, or reproduction for the purpose of verifying services or quantities delivered, or the right of supplier to any price adjustment or extra change claimed under this **PO/ (Supply Agreement)**. On request, employees of the supplier shall be available for interviewing.

13. Confidentiality

All information which comes into supplier possession or knowledge in connection with this **PO/ (Supply Agreement)** is to be treated as strictly confidential. The supplier should not communicate such information to any third party without the prior written approval of **Contractor**. The supplier shall comply with **Contractor** data protection and principles in the event that it collects, receives, uses transfers or stores any personal data in the performance of this **PO/ (Supply Agreement)**. This obligation shall survive the expiration or termination of this **PO/ (Supply Agreement)**.

14. Use of **Contractor** name

The use of the official logo and name of **Contractor** may only be used by supplier in connection with this **PO/ (Supply Agreement)** and with the prior written approval of **Contractor**.

15. Status of **Contractor**

Nothing in this agreement affects the privileges and immunities enjoyed by **Contractor** as a General Contracting Company.

16. Assignment and subcontracting

The supplier/ contractor shall not assign or subcontract the contract or any work under this contract in part of all, unless agreed upon in writing in advance by **Contractor**, any subcontractor who enter into through the supplier without the written approval issued from **Contractor** general management may be cause for termination of the mentioned **PO/ (Supply Agreement)**.

17. Waiver

Failure by either part to insist in any one or more instances on a strict performance of any of the provisions of this **PO/ (Supply Agreement)** shall not constitute a waiver or relinquishment of the right to enforce the provisions of this **PO/ (Supply Agreement)** in future instances, but this right shall continue and remain in full force and effect as previously agreed.

18. Severability

If any part of this **PO/ (Supply Agreement)** is found to be invalid or unenforceable, that part will be severed from this **PO/ (Supply Agreement)** shall remain in full force.

Supplier's signature and stamp accepting these terms and conditions: