



FORMET FABRICATIONS LTD

Working Together to Create Success



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Formet Fabrications Ltd Standard Terms and Conditions of Purchase September 2017

1. Definitions

1.1 In these terms and conditions ("the **Conditions**") the following words shall have the following meanings:

"Confidential Information"	the provisions of the Contract and all information which is secret or otherwise not publicly available (in both cases either in its entirety or in part) including commercial, financial, marketing or technical information, know-how, trade secrets or business methods or data, in all cases whether disclosed orally or in writing before or after the date of the Contract.
"Contract"	the contract between Formet and the Supplier, formed by the Supplier's acceptance of a Purchase Order in accordance with these Conditions, and incorporating these Conditions and the Purchase Order.
"Goods"	the goods specified in the Purchase Order.
"Purchase Order"	Formet's purchase order requesting the supply of the Goods/Services.
"Formet"	the company referred to on the face of the Purchase Order.
"Services"	the services specified in the Purchase Order.
"Supplier"	the company, firm or individual to whom the Purchase Order is addressed and upon whom Formet places a Purchase Order for Goods and/or Services.
"The Parties"	the Supplier and Formet.

1.2 Headings used in these Conditions are for the purposes of identification only and shall not affect the interpretation or construction of these Conditions. All of these Conditions shall apply to the supply of both Goods and Services except where the application to one or the other is specified.

2. Existence and Scope of Purchase Orders

- 2.1 Formet will have no liability in connection with any Purchase Orders except such as are made on a Formet Purchase Order form in accordance with these Conditions, which represent the only terms and conditions upon which Formet is prepared to procure the Goods and/or the Services from the Supplier. No amendment or variation of these Conditions shall be effective unless agreed by Formet in writing.
- 2.2 The Purchase Order constitutes an offer by Formet to purchase the Goods and/or Services in accordance with these Conditions.
- 2.3 The Supplier shall notify Formet within 48 hours of issue of the Purchase Order if it is not able to fulfil the Purchase Order. The Purchase Order and these Conditions shall be deemed to have been unconditionally accepted, and the Contract will become legally binding, on the earlier of the time that:
- 2.3.1 is 48 hours after issue of the Purchase Order by Formet (provided that no written rejection of the Purchase Order has been received from the Supplier within such 48 hour period); and
- 2.3.2 the Supplier commences work or issues a written acknowledgement (whether or not referring to conditions inconsistent with these Conditions unless clearly stated on its face to be a counter-offer) in connection with the Purchase Order.
- 2.4 Except as specifically agreed by Formet in writing, the Contract shall exclude all terms and conditions that the Supplier seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing.

3. Price and Payment

- 3.1 Time for payment shall not be of the essence of the Contract.
- 3.2 The price payable for the Goods and/or Services shall be as stated on the Purchase Order and shall be fixed and firm for the duration of the Contract and shall be inclusive of all charges and expenses including packaging, carriage, insurance, delivery and exclusive of value added tax at the appropriate rate and all applicable taxes that may arise in connection with the Contract (which shall be paid at the same time as payment is due for the Goods and/or Service on receipt by Formet of a valid value added tax or other tax invoice).
- 3.3 Invoices shall be sent to Formet at the address indicated on the face of the Purchase Order following acceptance of the Goods or satisfactory performance in full of the Services (as applicable) and shall clearly show the Formet Purchase Order number shown on the face of the Purchase Order.
- 3.4 Formet will make payment to the Supplier in arrears within 60 days from the end of month in which Formet receives the Supplier's conforming and undisputed invoice.
- 3.5 Without prejudice of its other rights, Formet reserves the right of set off from any payment due to Supplier under the Contract the amount of any claims which Formet may have against Supplier in connection with the Contract or any other contract.
- 3.6 The Supplier shall maintain complete and accurate records of the time spent and materials used by the Supplier in providing the Services, and the Supplier shall allow Formet to inspect such records at all reasonable times on request.

4. Quality and Condition of Goods, Environmental Standard

- 4.1 The Supplier warrants that:
- 4.1.1 the Goods and/or Services shall be delivered or performed (as applicable) by the required dates, conform to any applicable drawings, specifications, or other description furnished pursuant to the Purchase Order and comply with Applicable Law;
- 4.1.2 the Goods and/or any deliverables or other goods and materials provided or used pursuant to the Services will be new, free from defects in design, materials, installation and workmanship, of satisfactory quality and be suitable for the purpose expressly or impliedly made known to the Supplier by Formet; and
- 4.1.3 it will use the best quality goods, materials, standards and techniques.
- 4.2 The warranties in Condition 4.1 are in addition to any obligation implied by law.
- 4.3 The Supplier is expected to have achieved quality assurance certification to ISO 9001 and ISO 14001 or to be actively working towards such certifications.

5. Delivery of Goods

- 5.1 Unless otherwise directed in writing by Formet, Goods shall be delivered during normal business hours to the place and on the date(s) specified on the Purchase Order (time and quantity to be of the essence of the Contract). Delivery of the Goods shall be completed on the completion of unloading of the Goods at the delivery location.
- 5.2 All Goods shall be adequately protected against damage or deterioration in transit and delivered carriage paid in accordance with Formet's instructions. Formet shall have no liability for packing materials and cases except as agreed between the Parties in writing.
- 5.3 Formet's count as to the Goods delivered shall be accepted as final and conclusive.

- 5.4 Parts/goods shall be delivered with a certificate of conformity.

6. Inspection and Testing

- 6.1 All Goods and/or Services are assumed to have been properly inspected and tested by the Supplier prior to delivery of the Goods or completion of the Services (as applicable) but may be subject to test and inspection by Formet at its discretion.
- 6.2 The Supplier shall, at Formet's request, permit or procure permission for representatives of Formet, its customers and other organisations (including government agencies) to visit the Supplier's or third party premises for the purpose of viewing progress under the Contract and carry out such inspections and assessments (including taking samples) as they request in connection with any Goods and/or Services and any processes carried out in relation to them including quality assurance systems and procedures.
- 6.3 The Supplier shall furnish Formet with progress reports relating to performance of the Contract in such form as Formet may request.
- 6.4 The Supplier shall promptly advise of any difficulty or delay actual or expected in the performance of the Contract and the Supplier's proposed remedial action.

7. Rejection and Other Rights

- 7.1 Without prejudice to any of its other rights in respect of any failure by the Supplier to comply with these Conditions, if the Goods and/or Services are not delivered or performed by the required dates, or do not comply with the warranties provided in Condition 4.1, Formet shall be entitled at its discretion to exercise some, all or any of the following rights:
- 7.1.1 to reject such Goods (whether or not title has passed) or performance of the Services; and
- 7.1.3 to require the Supplier at its expense to supply immediately in substitution for any rejected Goods, Goods which conform to the Contract or at Formet's option to carry out repairs or remedial work to the Goods or to re-perform the Services so that they are in conformity with the Contract; or
- 7.1.4 at the Supplier's expense, to carry out or to have carried out any work which Formet in its absolute discretion considers necessary to conform the Goods and/or Services to the Contract; and/or
- 7.1.5 to be refunded any sums paid to the Supplier for rejected Goods which are not repaired or replaced by the Supplier or Services which have not been adequately performed; and
- 7.1.6 to recover from the Supplier any expenditure incurred by Formet in obtaining substitute goods from a third party and to claim damages for any other additional costs, loss or expenses incurred by Formet which are in any way attributable to the Supplier's failure to comply with the Contract.
- 7.2 These Conditions shall extend to any substituted or remedial services and/or repaired or replacement goods supplied by the Supplier.
- 7.3 Goods rejected by Formet shall be collected by the Supplier within 30 days of notice of rejection and until such Goods are collected they shall remain at the Supplier's risk. After 30 days, Formet reserves the right to destroy or otherwise dispose of the Goods at the Supplier's cost.

8. Title and Risk in Goods

- 8.1 Title and risk in respect of the Goods shall pass to Formet on delivery.

9. Provision of Services

- 9.1 If the Contract is for or includes Services to be performed by the Supplier then, the Supplier undertakes, represents and warrants to Formet that the Supplier shall:
- 9.1.1 co-operate with Formet in all matters relating to the Services, and comply with all reasonable instructions and guidelines issued by Formet from time to time;
- 9.1.2 use personnel who are suitably skilled and experienced to perform the tasks assigned to them, and in sufficient number to ensure that the Supplier's obligations are fulfilled in accordance with the Contract;
- 9.1.3 provide all equipment, tools and vehicles and such other items as are required to provide the Services;
- 9.1.6 obtain and at all times maintain all necessary licences and consents, and comply with all Applicable Laws; and
- 9.1.7 observe all health and safety rules and regulations and any other security requirements that apply at any of Formet's premises.
- 9.2 Time of performance of the Services is of the essence of the Contract. The Services shall be provided so as to meet any dates set out in the Purchase Order.

10. Formet Property and Material

- 10.1 The Supplier shall ensure:
- 10.1.1 that all material, plant, tools, drawings, specifications or other equipment or data ("**Formet Property**") supplied by Formet for use in connection with the Purchase Order and the supply of the Goods shall at all times remain Formet property;
- 10.1.2 that Formet Property is marked with such indications of ownership as Formet requires and is kept in good condition;
- 10.1.3 nothing shall be done to permit Formet Property to become subject to any lien, encumbrance, tax, charge or duty;
- 10.1.4 that Formet Property shall not be removed from the Supplier's premises save for purposes connected with the Contract or the provision of Goods;
- 10.1.5 Formet Property is not used or permitted to be used save for the purposes of the Contract and that such Formet Property shall be treated as confidential; and
- 10.1.6 Formet Property at the Supplier's premises shall be adequately insured for its full replacement value and that the Supplier shall bear all risk of loss and damage whilst the property is in the Supplier's control.
- 10.2 The Supplier shall permit or procure permission for Formet representatives to enter premises where Formet Property is located for the purpose of inspecting it and its condition or seeking its return.
- 10.3 The Supplier shall return Formet Property in accordance with directions given by Formet on demand in good condition.
- 10.4 Any and all tooling fixtures purchased or manufactured by the Supplier the cost of which forms part of the value of the Contract shall become the property of Formet and shall be treated and protected in the same way as Formet Property. All right, title and interest in and to any part of tooling to be paid for by Formet shall pass to Formet as soon as it is acquired or fabricated in accordance with a Contract.

11. Proprietary Rights

- 11.1 All intellectual property rights of any kind and rights of a like nature whether registered or unregistered and including but not limited to patents, copyright, trademarks, registered designs, design rights, database rights, goodwill and the right to sue in passing off ("**Intellectual Property Rights**") produced, created or acquired under a Contract will belong to Formet.
- 11.2 Any pre-existing Intellectual Property Rights owned or controlled by Supplier, and utilised by Supplier for the performance of the Contract shall be freely available for use by Formet, and Supplier grants Formet a perpetual, royalty-free, irrevocable, non-exclusive right to use such Intellectual Property Rights without restriction. This right shall include the right for Formet to incorporate such Supplier owned or controlled Intellectual Property Rights into work performed by Formet for its customers, and no restriction as to use shall be placed on Formet's customers as a result of such incorporation.
- 11.3 In respect of the Goods and any goods that are transferred to Formet as part of the Services under this Contract, including without limitation any deliverables, the Supplier warrants that it has full clear and unencumbered title to all such items, and that at the date of delivery of such items to Formet, it will have full and unrestricted rights to sell and transfer all such items to Formet.

12. Indemnity

- 12.1 The Supplier shall forthwith upon demand indemnify Formet against loss damage or injury to Formet and from and against any claim in respect of loss damage or injury made against Formet by any third party or parties and any costs and expenses arising in connection therewith which result from the Supplier's performance or purported performance of or failure to perform the Contract and/or supply the Goods and/or Services whether negligent or otherwise and in particular but without prejudice to the generality of the foregoing which results from (i) any defect in the Goods supplied, their materials, construction workmanship or design save to the extent that Formet is responsible for design, or (ii) any actual or alleged infringement of a third party's Intellectual Property Rights arising out of, or in connection with, the manufacture, supply or use of the Goods, or receipt, use or supply of the Services, to the extent that the claim is attributable to the acts or omissions of the Supplier, its employees, agents or subcontractors.
- 12.3 The Supplier shall at all times insure itself and keep adequately insured with a reputable insurance company against all insurable liability under the terms of the Contract and in particular its liabilities under this Condition 12 and shall on request provide to Formet evidence as to the existence and sufficiency of such insurance and in particular professional indemnity and product liability insurance.

13. Confidentiality and Publicity

- 13.1 The Parties acknowledge and agree that the terms of any pre-existing confidentiality agreement shall continue to apply in respect of the Contract. If there is not a pre-existing confidentiality agreement in place between the Parties, the following terms shall apply.
- 13.2 The Parties (as a "Receiving Party") hereby acknowledge that the other (the "Disclosing Party") has provided to the Receiving Party Confidential Information and in respect of all such Confidential Information the Receiving Party will:
- 13.2.1 treat it as confidential;
- 13.2.2 restrict its disclosure to such of its employees, agents and professional advisors as have a need to know and subject always to such employees and agents being under a similar duty of confidentiality; and
- 13.2.3 not disclose it to any third party without the prior written consent of the Disclosing Party.
- 13.3 The requirements shall not apply to any Confidential Information which:
- 13.3.1 is or becomes common knowledge without breach of this Condition by the Receiving Party; or
- 13.3.2 was in the Receiving Party's possession prior to receipt from the Disclosing Party or developed for or by the Receiving Party at any time independently of any disclosure by the Disclosing Party; or
- 13.3.2 the Receiving Party is required to disclose by law or other competent authority provided that the Receiving Party notified the Disclosing Party, of permitted by law, as soon as it receives such a request for disclosure and affords to the Disclosing Party all such reasonable assistance as the Disclosing Party may request to prevent or limit such disclosure.
- 13.4 Neither the Contract nor any details or name shall be used by the Supplier for advertisement or publicity purposes without Formet's prior written consent.
- 13.5 The Supplier shall not affix any maker's name or maker's mark on any Goods supplied pursuant to the Contract and to be embodied in Formet Property.
- 13.6 The Supplier shall not without prior written consent take any pictures or make any recordings on any of Formet's premises. These actions will result in an automatic breach of the Contract, unless the Supplier has obtained Formet's prior written consent.

14. Termination

- 14.1 Performance of the Contract may be terminated by Formet in whole or in part at any time by written notice to the Supplier (notwithstanding the existence with respect to the Supplier of any force majeure circumstances). In such event Formet's liability shall not exceed the price of the Goods and/or Services delivered and accepted by Formet and not previously paid for. The Supplier shall also, if so required by Formet in writing, complete all Goods and/or Services partially completed on the date of such notice and in respect of which Formet shall pay the price of such Goods and/or Services as it accepts. The Supplier shall afford to Formet the assistance to ascertain the extent of the work in progress. Payment in respect of Goods delivered and accepted by Formet shall constitute full and final satisfaction of any claims arising of such termination.
- 14.2 Formet may at its discretion without prejudice to any other remedy terminate or suspend performance of the Contract in whole or in part by written notice to the Supplier at any time if the Supplier:
- 14.2.1 commits a material breach of any of its obligations under the Contract which is incapable of remedy;
- 14.2.2 commits a breach of its obligations under the Contract which is capable of remedy and fails to remedy it or persists in such breach after ten (10) days of having been required, in writing, to remedy or desist;
- 14.2.3 is in breach of Conditions 21 or 22 of these Conditions;
- 14.2.4 fails to make progress so as in the reasonable opinion of Formet to endanger performance of the Contract; and/or
- 14.2.5 becomes insolvent, has a Receiver, Manager, Administrative Receiver, Administrator or Trustee in Bankruptcy appointed in respect of any of its undertaking, assets or income, is the subject of any bankruptcy order or has any petition presented to any Court or resolution passed of its winding-up whether compulsory or voluntary or is dissolved or has any distrains or executions levied on any of its assets, enters into any composition or arrangement with its creditors or suffers any similar action in consequence of debt under the laws of any jurisdiction.
- 14.3 No failure or delay on the part of Formet to exercise its rights in respect of any default under the Contract by the Supplier shall prejudice Formet's rights in connection with the same or any subsequent default.
- 14.4 On termination of the Contract for any reason, the Supplier shall immediately deliver to Formet all deliverables in relation to the Services whether or not they are complete, and return all Formet Property. If the Supplier fails to do so, then Formet may enter the Supplier's premises and take possession of them.

15. Assignment and Sub-Contracting

- 15.1 The Supplier shall not without the prior written consent of Formet assign, sub-contract delegate, transfer, charge or otherwise dispose of all or any of its rights and responsibilities under the Contract either in whole or in part.
- 15.2 Formet may assign, delegate, sub-contract, transfer, charge or otherwise dispose of all or any of its rights and responsibilities under the Contract at any time without prior written consent of the Supplier.
- 15.3 If Formet consents to any such assignment or sub-contract the Supplier shall:
- 15.3.1 nevertheless continue to be responsible to Formet for all of the Supplier's obligations under the Contract;
- 15.3.2 include in any such sub-contract conditions consistent with those of the Contract, and in particular those relating to compliance with quality standard, the benefit of and to be enforceable directly by Formet; and
- 15.3.3 furnish to Formet on demand details of any such sub-contract or assignment.

16. Notices

- 16.1 Any notice given by a Party to the other in respect of these Conditions shall be in writing and shall be addressed to the other Party at its registered office or principle place of business, and shall be delivered personally, or sent by pre-paid first-class post. Notice is deemed to be served on the date of personal delivery or on the second day after posting.

17. Statutory Requirements

- 17.1 The Supplier undertakes that the Goods are safe and without risk to health when properly used and comply in all respects with all Applicable Law in force at the date of delivery.
- 17.2 The Supplier shall be responsible for ensuring that its employees and sub-contractors comply with the Health and Safety at Work Act and other Applicable Laws and policies whilst on Formet premises.

18. Government and Other Contract Conditions

- 18.1 Whenever Goods and/or Services specified in the Purchase Order are specified as being for a Government entity, the Supplier agrees that there shall be incorporated into the Contract the rights and obligations contained in the contract which exists between Formet and the Government entity concerned. Copies of those terms and conditions will be made available, subject to confidentiality requirements, upon request by the Supplier and the Supplier shall be deemed to have notice of those terms and conditions irrespective of whether disclosure is requested.
- 18.2 Whenever Goods specified in the Purchase Order are specified as being for a third party the Supplier agrees that there shall be incorporated into this Contract the rights and obligations contained in the contract, which exists between Formet and such third party. The Supplier agrees to comply with all environmental and recyclability requirements (if any) of such third party. Copies of those terms and conditions will be made available, subject to confidentiality requirements, upon request by the Supplier and the Supplier shall be deemed to have notice of those terms and conditions irrespective of whether disclosure is requested.
- 18.3 These Conditions shall not be modified or varied unless Formet's agreement to alter modify or vary these Conditions has been obtained in writing.

19. Law and Jurisdiction

- 19.1 The Contract and any issues, disputes or claims arising out of, or in connection with it (whether contractual or non-contractual in nature such as claims in tort, from breach of statute or regulation or otherwise) shall be governed and construed in all respects in accordance with, the law of England and Wales.
- 19.2 All disputes or claims arising out of or relating to the Contract shall be subject to the exclusive jurisdiction of the English and Welsh Courts to which the Parties irrevocably submit.
- 19.3 In the event of any conflict between the provisions of these Conditions and any terms or special conditions appearing or referred to on the face of the Purchase Order, the latter shall prevail.

20. Values and Behaviour

- 20.1 The Supplier's staff working on or visiting Formet's sites (including delivery drivers) shall behave in a professional manner and comply with Formet's values and policies. A constructive and positive response to any staff enforcing Formet's values and other policies will be expected at all times. The Supplier's staff that does not meet these competence requirements can expect to be told to leave the site and be replaced by their employing organisation. Any repeated failure of the Supplier to comply with this Condition will result in a material breach of its obligations under this Condition and shall entitle Formet to terminate the contract with immediate effect.

21. Anti-Bribery

- 21.1 The Supplier shall:
- 21.1.1 comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010 ("**Relevant Requirements**");
 - 21.1.2 not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2, 6 or 7 of the Bribery Act 2010 if such activity, practice or conduct had been carried out in the UK;
 - 21.1.3 have and shall maintain in place throughout the term of the Contract its own policies and procedures, including but not limited to adequate procedures under the Bribery Act 2010, to ensure compliance with the Relevant Requirements and Condition 21.1.2 and will enforce them where appropriate;
 - 21.1.4 promptly report to Formet any request or demand for any undue financial or other advantage of any kind received by the Supplier in connection with the performance of the Contract;
 - 21.1.5 immediately notify Formet (in writing) if a foreign public official becomes an officer or employee of the Supplier or acquires a direct or indirect interest in the Supplier (and the Supplier warrants that it has no foreign public officials as officers, employees or direct or indirect owners at the date of formation of the Contract); and
 - 21.1.6 if requested by Formet, supply a written document signed by an officer of the Supplier, certifying compliance with this Condition 21 by the Supplier and all persons associated with it under Condition 21.2. The Supplier shall provide such supporting evidence of compliance as Formet may reasonably request. If Formet does not receive written certification of compliance within 1 month of the date of Formet's request, the Supplier and any associated persons shall be deemed to be in breach of this Condition 21.
- 21.2 The Supplier shall ensure that any person associated with the Supplier who is performing services or providing goods in connection with the Contract does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on the Supplier in this Condition 21 ("**Relevant Terms**"). The Supplier shall be responsible for the observance and performance by such persons of the Relevant Terms, and shall be directly liable to Formet for any breach by such persons of any of the Relevant Terms.
- 21.3 For the purpose of this Condition 21, the meaning of adequate procedures and foreign public official and whether a person is associated with another person shall be determined in accordance with section 7(2) of the Bribery Act 2010 (and any guidance issued under section 9 of that Act), sections 6(5) and 6(6) of that Act and section 8 of that Act respectively. For the purposes of this Condition 21 a person associated with the Supplier includes but is not limited to any subcontractor of the Supplier.

22. General

- 22.1 If any provision of the Contract is declared by any judicial or other competent authority to be void, voidable, illegal or otherwise unenforceable, the remaining provisions shall remain in full force and effect unless Formet, in its discretion, decides that the effect of such declaration is to defeat the original intention of the Parties in which event Formet shall be entitled to terminate the Contract immediately.
- 22.2 A person who is not a Party to the Contract has no rights (whether under the Contracts (Rights of Third Parties) Act 1999 or otherwise) to enforce any provision of the Contract.
- 22.3 Nothing in the Contract is intended to, or shall be deemed to, establish any partnership or joint venture between the Parties, nor constitute either Party the agent of the other for any purpose. Neither Party shall have authority to act as agent for, or to bind, the other Party in any way.