

**PRYSMIAN CABLES & SYSTEMS LIMITED
CONDITIONS OF PURCHASE (11/2008)**

1. DEFINITIONS

1.1 In these Conditions:

1.1.1 **"Address" means** the address for delivery of the Products and / or supply of the Services specified in the Order;

1.1.2 **"Contract" means** the contract formed by the Supplier's acceptance of the order placed by Prysmian for the supply of Products and/or Services, which contract shall be deemed to include these Conditions;

1.1.3 **"Default" means** when the Supplier:

- (a) fails to make any delivery of Products and / or Services on or before the due date; or
- (b) commits any breach of the terms of the Contract; or
- (c) enters into any arrangement with any of its creditors (including any voluntary arrangement as described in the Insolvency Act 1986); or
- (d) has a receiver, receiver and manager, administrator, administrative receiver or liquidator appointed over all or any part of its undertaking or assets; or
- (e) has a petition for an administration order or for a winding-up order brought against it; or
- (f) ceases to carry on its business or becomes unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986; or
- (g) does or suffers any act similar or equivalent to those described in (c) or (f) above under the law of any jurisdiction;

1.1.4 **"Loss" means** any loss or expense whatsoever incurred by Prysmian including:

- (a) loss of profits, business or goodwill;
- (b) any liquidated damages, penalties, damages or compensation payable to a third party; and
- (c) any legal or other expenses incurred in respect of any claim;

1.1.5 **"Order" means** an order for Products and/or Services placed by Prysmian with the Supplier which complies with Condition 2 below;

1.1.6 **"Prysmian" means** Prysmian Cables & Systems Limited (registered number: 958507) having its registered office at Chickenhall Lane, Eastleigh SO50 6YU

1.1.7 **"Prysmian Document" means** any drawing, design, instruction, description, specification or sample (on whatever media stored) belonging to or under the control of Prysmian;

- 1.1.8 **"Products"** means any products of any kind (including machinery, components and raw materials) to be supplied by the Supplier to Prysmian, whether or not for value;
- 1.1.9 **"Rights"** means any patent, trade mark or registered design, any application for any of the same, and any copyright or design right;
- 1.1.10 **"Services"** means any services (including design services) to be provided by the Supplier to Prysmian whether or not in connection with the supply of Products and whether or not for value;
- 1.1.11 **"Supplier"** means the party agreeing to supply Products and/or Services to Prysmian, whether or not for value;

1.2 Headings in these Conditions shall be ignored for the purposes of construction.

1.3 Reference to any statute means such statute as amended or re-enacted from time to time. Reference to a natural person includes any body corporate, firm or association. Reference to the singular includes the plural, and vice versa.

2. ORDERS

2.1 Prysmian shall not be liable in respect of any order other than one issued or confirmed on its printed official form duly signed by an authorised member of Prysmian's Purchasing Department.

2.2 The Order shall, unless it states otherwise, automatically cease to be effective unless accepted by the Supplier within 30 days after its date.

2.3 Acceptance of the order may be made by electronic means acceptable to Prysmian.

2.4 Prysmian personnel are not permitted to accept any inducement in connection with an Order or a possible Contract. Any offer, payment or supply of such an inducement will entitle Prysmian to cancel the relevant Order and the resulting Contract.

3. SOLE CONDITIONS

3.1 Prysmian only does business subject to these Conditions (together with any terms, conditions or warranties implied by law) unless otherwise specifically agreed in writing by Prysmian.

3.2 The Supplier be deemed to have accepted these Conditions as being incorporated into the Contract to the entire exclusion of the Supplier's own terms and conditions notwithstanding any reference to the latter in the Supplier's quotation, order acceptance or any other document (unless otherwise so agreed).

4. DELIVERY

4.1 The Products shall be delivered carriage paid to the address stated in the Order unless otherwise agreed in writing.

4.2 Where Prysmian has agreed that delivery of the Products and / or Services may be made by instalments, the Contract shall be treated as a single contract and shall not be severable.

4.3 Prysmian shall have the right to reject any Products and / or Services which do not conform fully to the Contract. The Products and / or Services shall not be deemed to have been accepted until

the expiry of a period of 30 days from the date of delivery or acceptance in writing by Prysmian, whichever first occurs.

- 4.4 Prysmian shall be entitled to reject any delivery which is not made within normal business hours or does not comply with the Contract.
- 4.5 Unless otherwise stated in the Contract, Prysmian shall not be obliged to return any packaging with which the Products are supplied.
- 4.6 Unless otherwise specified on the Order, the packaging will be sufficient to protect the Products against damage and deterioration in transit.
- 4.7 When requested by Prysmian but generally in advance of and no later than delivery, the Supplier shall make available to Prysmian copies of relevant documentation and procedures in order to provide:
 - (1) evidence of conformance to Prysmian's specifications and requirements
 - (2) health and safety information including risk assessments and method statements and
 - (3) assistance in any Prysmian internal investigation that may be necessary, as and when required.

5. TIME OF ESSENCE

- 5.1 Unless otherwise agreed in writing by Prysmian, time shall be of the essence of the Contract.

6. TITLE AND RISK

- 6.1 Title to and risk in the Products shall pass to Prysmian upon delivery of the Products to Prysmian.

7. PURCHASE SPECIFICATIONS

- 7.1 The Supplier shall strictly comply with all relevant Prysmian Documents specified and incorporated in the Order. No deviations from stated requirements will be accepted without the prior written approval of Prysmian's Purchasing Department.
- 7.2 The Order shall, unless otherwise expressly stated, be deemed to include a requirement that the Products shall comply with any relevant British Standards.

8. TESTS

- 8.1 For the purpose of satisfying Prysmian and any third party involved that the Contract is being performed by the Supplier strictly in accordance with its terms, the Supplier shall at all times allow persons authorised by Prysmian to make any inspections or tests which Prysmian may require and shall afford all reasonable facilities and assistance for this purpose free of cost to Prysmian. Such inspection or tests shall not in any way affect the rights and remedies of Prysmian or constitute acceptance of the Products or Services. Prysmian shall be entitled to reject any Products which are shown by such tests not to comply with the Contract.
- 8.2 At the request of Prysmian, the Supplier shall provide with each delivery a separate certificate of conformance and/or record of final test results for each Product or Product batch as appropriate.

8.3 Where Products are processed through manufacture as a batch or a specific production run and receive an individual identity, the Supplier shall institute routines to maintain traceability of each Product back to any such Product batch or production.

9. ACCESS TO SUPPLIER'S PREMISES

9.1 When required by Prysmian, the Order shall include the provision of access to the Supplier's premises for verification purposes to ensure that Products and/or Services conform to specified purchase requirements.

9.2 On such occasions the Supplier shall provide facilities and assistance for the purpose of inspecting all materials used, manufacturing testing and packaging operations and all related procedures and records.

9.3 Any information obtained by Prysmian whilst at Supplier premises shall be treated as confidential and shall not be disclosed to any third party without the permission of the Supplier.

10. PRICE

10.1 The Supplier shall give to Prysmian the benefit of any general price reduction made by the Supplier before the actual date of delivery of the Products or supply of the Services.

10.2 No increase in the price for the Products or Services shall take effect unless agreed by Prysmian in writing.

10.3 Unless otherwise stated in the Contract the price for the Products shall include all packaging, carriage and insurance, delivery to the Address and all duties and taxes other than VAT. VAT shall be paid in addition by Prysmian subject to receipt of a valid VAT invoice.

10.4 Prysmian shall be entitled to set off against the price for the Products or Services any amounts owing from the Supplier to Prysmian, whether or not due for payment.

11. ADVANCE PAYMENTS

11.1 Any advance payment made by Prysmian shall not be treated as a deposit and shall be immediately returned to Prysmian if it so requests in writing. Such payment shall be held by the Supplier in trust for Prysmian until the invoice to which it relates becomes payable.

12. WORK ON SITE

12.1 Where the Contract calls for the execution of work involving the presence of the Supplier's employees, agents or contractors on Prysmian's premises, the Supplier shall indemnify Prysmian on demand against any Loss arising as the result of the acts or omissions of such employees, agents or contractors.

12.2 The Supplier shall ensure that such employees, agents and contractors working on Prysmian's premises shall comply fully with the requirements of any relevant legislation including but not limited to health and safety legislation.

13 MACHINERY

- 13.1 This Condition shall apply where the Products consist of machinery or equipment of any kind, including without limitation computer equipment.
- 13.2 The Supplier shall supply Prysmian with all components and spare parts required by Prysmian for such Products for a period of five years from the date of delivery or collection of the Products. Such components and spare parts shall be supplied at the prices set out in the Order or, if none, at a reasonable price.
- 13.3 The Supplier shall supply Prysmian with any Services reasonably required by Prysmian (including without limitation technical assistance) in relation to such Products free of charge for a period of two years from the date of delivery of the Products.

14. DEFECTIVE PRODUCTS OR SERVICES

- 14.1 The Supplier shall indemnify Prysmian against any Loss resulting directly or indirectly from the supply by it of defective Products, or from the failure to perform any Services at all or to perform the same with reasonable care and skill.
- 14.2 In addition to the above indemnity Prysmian shall be entitled to the replacement by the Supplier free of charge of any defective Products or Services.

15. BREACH OF LEGISLATION

- 15.1 The Supplier shall indemnify Prysmian against any Loss resulting from any breach of any applicable legislation (including without limitation the Consumer Protection Act 1987) where such liability arises in respect of defective Products or Products which do not comply with the requirements of such legislation, or in respect of Services which are not performed with reasonable care and skill or at all.

16. THIRD PARTY RIGHTS

- 16.1 The Supplier shall indemnify Prysmian against any Loss arising as a result of the alleged infringement of any Right owned by a third party (except where the alleged infringement relates solely to a Prysmian Document) as a result of the supply of Products or Services to Prysmian or the use of the Products by Prysmian.

17. PRYSMIAN DOCUMENTS

- 17.1 It is the responsibility of the Supplier to request any Prysmian Document that may be necessary to enable the Supplier to supply the Products or Services. Failure to do so shall not in any way relieve the Supplier from liability under the Contract.
- 17.2 Except as may be necessary to perform the Contract or where authorised by Prysmian in writing, the Supplier shall not disclose or make any use of any information contained in any Prysmian Document. All Prysmian Documents and the information contained therein and all copies thereof shall remain at all times the property of Prysmian and shall be returned to Prysmian on completion of the Contract, or earlier if required by Prysmian.
- 17.3 If so required by Prysmian at any time, the Supplier shall certify in writing that it has complied fully with Condition 17.2 and shall give to Prysmian such supporting information as Prysmian may reasonably require.

17.4 All Rights in Prysmian Documents shall remain vested in Prysmian. The Supplier shall not acquire any licence under such Rights except to the extent strictly necessary for performance of the Contract.

18. WARRANTIES

18.1 The Supplier warrants that all Products:

18.1.1 comply fully with all applicable legislation (including all relevant standards and safety regulations) in the United Kingdom; and

18.1.2 are not subject to restrictions in the United Kingdom which would prevent their supply to Prysmian;

18.1.3 are of satisfactory quality (as defined in the Sale of Goods Act 1979) and fit for any purpose made known by Prysmian expressly or by implication in the Order or prior to entry into the Contract;

18.1.4 will be free from any defects in design, materials or workmanship; and

18.1.5 will comply fully with any samples approved by Prysmian before entry into the Contract.

18.2 The Supplier warrants that all Services:

18.2.1 will comply fully with all applicable legislation (including all relevant standards and safety regulations) in the United Kingdom; and

18.2.2 will be performed with reasonable care and skill.

18.3 The Supplier shall indemnify Prysmian against any Loss resulting directly or indirectly from any breach of this Condition by the Supplier.

19. BREACH OF CONTRACT

19.1 In the event of any breach by the Supplier of any of the terms of the Contract or of any of these Conditions, Prysmian may without prejudice to any other remedies available to it cancel the whole or any part of the Contract or may:

19.1.1 require the Supplier to remedy the breach free of cost to Prysmian and for that purpose may return any defective Products to the Supplier at the Supplier's sole risk; or

19.1.2 remedy or procure the remedying of the breach at the expense of the Supplier.

19.2 Prysmian shall be entitled to recover from the Supplier damages for any Loss arising as a result of:

19.2.1 any of the Products or Services not being supplied for whatever reason by the date specified in the Contract; or

19.2.2 any of the Products or Services being defective in any way or not being supplied at all.

20. CANCELLATION

- 20.1 if a Default occurs then Prysmian shall in its discretion be entitled:
 - 20.1.1 to terminate the Contract; and/or
 - 20.1.2 to terminate any other agreement between Prysmian and the Supplier for the supply of Products and/or Services which has not been completely performed.
- 20.2 Such termination shall become effective when Prysmian gives written notice to the Supplier to that effect. Such notice may be sent by ordinary or recorded delivery post or by telex or fax. Upon such termination:
 - 20.2.1 Prysmian's obligations to make payments under the Contract or other agreement shall cease and the Supplier shall immediately return to Prysmian any payments already made by Prysmian under the Contract; and
 - 20.2.2 Prysmian shall be entitled to retain any Products already received from the Supplier under the Contract until the Supplier has complied fully with Condition 20.2.1.

21. LAW AND JURISDICTION

- 21.1 The Contract shall be governed by and construed in accordance with English law. The parties hereby submit to the non-exclusive jurisdiction of the English Courts in respect of any dispute arising out of the Contract.

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