

## Terms and Conditions of Purchase

### Definitions

These Terms and Conditions of Purchase include the following defined words or phrases:

- a. "Buyer" – meaning Kara-Consulting or the "end-user".
- b. "Supplier" – meaning the individual, firm, partnership, company or other party with whom the buyer contracts;
- c. "Force majeure" – meaning any event beyond the reasonable control of the Supplier, including, but not limited to, act of God, fire, storm, flood, drought, earthquake, malicious damage, embargo, riot, strike, lock-out, trade dispute, civil disturbance, war, compliance with any law, rule or direction or any other event or accident;
- d. "IPR" – meaning intellectual property rights protected by law in any territory whatsoever.
- e. "end-user" in case of indirect sales, the end-user is the company or other party with whom the seller contracts.

### Conditions of Purchase

- 1- Any contract made between the Buyer and the Supplier shall be subject to these conditions. No employee or representative of the Buyer has authority to agree to any terms, or to enter into any contract to order goods except on the basis of these terms. In particular, any terms and conditions included or referred to by the Supplier during any quotation, pre-contract negotiation, order acknowledgement or invoice, are explicitly excluded.
- 2- contract is formed on acceptance by the Supplier of an order made by the Buyer. Acceptance can be through written acknowledgement or through performance. These conditions shall apply even where no written acknowledgement is given.
- 3- The law governing the contract will be that of the country of the respective Buyer.

### Buyer requirements

- 4- Where the Buyer requests a particular specification, design or build of goods to be supplied, it is the Supplier's responsibility to highlight any inconsistencies that arise between said specification, design or build, and the envisaged end use of the goods.
- 5- The Supplier will indemnify and hold the Buyer harmless in any instance that information supplied by the Supplier to the Buyer breaches the IPR of a third party.

### Pricing, acceptance and payment

- 6- The price in any order placed by the Buyer with the Supplier will, unless otherwise agreed, include packaging, transport, associated insurances and duties payable for delivery of goods to the Buyer by the Supplier.
- 7- The Supplier will, if applicable, add VAT at the appropriate rate to their invoice.
- 8- In case of indirect sales to the end-user, all the rights of Kara-Consulting such as Engineering and intermediation, shall be considered in pricing of the seller. This must be invariably agreed with seller



- before placing the order. Generally, the fee for the Engineering, Intermediation or the inspection services varies between 1 to 10 percent of the total value of the product prices, including the VAT.
- 9- Once a Supplier has accepted an order, pricing is fixed and firm. If the Buyer requests changes after an order has been accepted, the Supplier and the Buyer agree to adjust the pricing fairly to reflect such changes.
  - 10- The Supplier may invoice the Buyer once goods have been delivered. If the Buyer agrees to partial deliveries, the Supplier may raise invoices to reflect these partial deliveries.
  - 11- The Buyer will pay the Supplier 60 days after the date of the invoice. If the Buyer disputes an invoice, the Buyer agrees to notify the Seller within a reasonable timeframe. The Buyer and Seller agree to resolve any disputes efficiently and in good faith. Invoices in dispute will not be paid until the dispute is resolved.

#### **Warranties**

12- The Supplier warrants that for a period of 18 months after delivery, or 12 months after goods are put into use (whichever is the later):

- a. The goods comply with the specification as ordered by the Buyer;
- b. The goods are supplied with good legal title, free from any third party charges or interest;
- c. The goods are fit for the purpose envisaged; and
- d. The goods are of high quality and without defects.

- If the Supplier breaks any of the above warranties, the Supplier will at the Buyer's sole discretion:

- a. Repair or replace the affected goods;
- b. Provide a credit note for the affected goods;
- c. Reimburse the Buyer for the repair or replacement of the goods by a third party.

13 - The Supplier warrants that the goods conform with the latest legislative and industry standards in the Buyer's territory. It also warrants that no IPR has been infringed in the manufacture or supply of the goods, or in otherwise fulfilling the contract.

14- The Buyer will be entitled to cancel the contract in the event of a serious breach of warranty. The Buyer will, at its sole discretion, either:

- a. pay for goods supplied to that point; or
- b. return all goods supplied and any monies already paid to the Supplier in relation to such goods will be immediately reimbursed.



15- The Supplier will indemnify the Buyer against costs or damages attributable to a breach of any warranty (even if the Buyer cancels the contract under clause 15). The Supplier warrants that it carries appropriate insurance for the purposes of fulfilling any claims for breach of warranty.

### **Delivery and inspection**

16 - The Supplier agrees to deliver the goods on the date and to the location specified in the Buyer's order. The Supplier will assure the Buyer if the Buyer suffers loss or damages as a result of late delivery. The Buyer may, on a case by case basis, agree a grace period after the specified delivery date before the Buyer can claim for such loss or damages.

17- If the Supplier considers there could be a delay in delivery, it will notify the Buyer immediately. The Supplier will take all reasonable steps to remedy the delay.

18- The Supplier acknowledges that the goods are subject to onward sale by the Buyer. If delivery is delayed such that the Buyer's obligations in an onward sale are prejudiced, the Buyer has the right to terminate the contract with the Supplier without penalty or cost. In such circumstances, the Seller agrees to indemnify the Buyer against any loss or damages incurred by the Buyer related to its onward sale.

19- Where delivery is delayed due to Force Majeure, the Supplier will notify the Buyer immediately. If the Buyer agrees that there is an instance of Force Majeure, the Supplier will not be liable for loss or damages arising from late delivery. However, the Supplier agrees to do all it reasonably can to fulfil the order as quickly and efficiently as possible after Force Majeure conditions have been resolved. Delay of more than 30 days from the original delivery date due to Force Majeure will entitle the Buyer to terminate the contract without any cost or penalty. Any rights and obligations accrued up to that point, for example due to partial delivery, shall not be affected.

20-The Buyer agrees to inspect goods within a reasonable time of delivery and notify the Supplier promptly of any issues highlighted by the inspection. The Buyer (or its representative) may also inspect work in progress or finished goods at the Supplier's premises between order placement and dispatch of goods. The Supplier acknowledges that any inspection may not highlight all defects, and that warranty issues are often found after initial inspection. Therefore, inspection of any kind does not affect the Buyer's other rights under this contract.

21-Delivery shall transfer the risk in, and legal title of, the goods to the Buyer.

### **Termination**

22- The Buyer may for its own convenience terminate the contract with the Supplier at any point prior to delivery. If the Buyer terminates the contract for convenience, the Supplier agrees to take all reasonable measures to limit its costs, and the Buyer agrees to reimburse the Supplier for costs incurred up to the point of cancellation. The loss of the Supplier's profit on the contract is excluded.

23-The Buyer has the right to terminate the contract immediately without cost or penalty if:

- a. The Supplier enters financial difficulty (or the Buyer reasonably suspects that it will); or,
- b. If there is any change in the ownership or corporate structure of the Supplier.

### **General**

24- To the fullest extent possible under the governing law of the contract, the rights of third parties to enforce this contract are excluded.



25- The Supplier agrees that the Buyer may conduct a quality audit at any point during or after the contract, and will make its quality records and personnel available if requested.

26- The Supplier has anti-bribery, anti-corruption, anti-slavery and ethical working policies which conform with the requirements of the governing law of the contract.

27- The Supplier does not source materials from territories with which trade of such materials is prohibited. Conversely, the Buyer will not supply finished goods to customers in territories where the sale of such goods is disallowed.

28- The Supplier agrees to keep the existence of the contract and associated communications confidential. The Supplier will not publish any such details on its website or make any releases to the press.

29- The Supplier will not subcontract or assign its rights or obligations under this contract without the permission of the Buyer.

30- If any provision in these Terms and Conditions of Purchase is found to be incompatible with the governing law of the contract, the Buyer and the Supplier agree that only those items which are incompatible should be disregarded, and all other terms shall stand.

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