



General Purchase Conditions

Article 1: Scope and application field

These general purchasing conditions are applicable to contracts for supplies, services or works (hereafter called goods) carried out by companies, suppliers, consultants or their sub-contractors for any purchase act operated by Handicap International (hereinafter referred to as HI). They constitute the reference document for the administrative and financial management of the contract. They form an integral part of the contract and are assumed to be accepted by the contracted party. They specify the relations and administrative and financial obligations of the two signatories of the contract(s).

As a result the Supplier expressly gives up boasting about all his own conditions of sale. The possible general sale conditions appearing as appendix or in the back of letters, invoices and any document emanating from the Supplier addressed to HI, in contradiction with these general purchase conditions are considered as null and nonopposable to HI

Anyway any condition specified in a contract between the Supplier and HI prevails over these general purchase conditions.

Article 2: Order

The Supplier shall confirm orders by sending an acknowledgement of receipt containing identical terms within ten (10) calendar days from the date of the order form. An order will be considered as final and binding upon HI's reception of this acknowledgment of receipt. Failure to return the order acknowledgment within ten (10) calendars days from the date of the order form will give HI the right to cancel the order without any penalty.

Contractual documents should include, as a minimum:

- an HI order form
- these general purchasing conditions of HI
- the price proposed by the supplier (quotation or call for tenders).

And, where appropriate:

- a purchasing contract or framework agreement
- the specific conditions for the order
- HI's related schedule.
- the terms of reference and HI's technical clauses for the contract
- HI's plans connected with the contract.
- the plans or technical specifications related to the price proposition.

Article 3: Price, invoicing, payment

Prices are mentioned in the price propositions (quotation or tenders). They are firm and shall not be revised. In the absence of any other negotiated and accepted provision, the payment conditions are 100 % by bill or exchange or bank transfer 60 days after the date of the invoice receipt, the end of the following month, providing the effective delivery of the goods.

Article 4: Packaging

Supplier shall supply the goods with adequate packaging, taking into account the nature of the goods and taking all measures to protect the goods from bad weather, corrosion, loading accidents, transportation or storage constraints, vibrations or shocks, etc. In any case goods shall be packed, packaged, marked and otherwise prepared for shipment in a manner which is in accordance with good commercial practice,

acceptable to common carriers for shipment at the lowest rates and adequate to insure safe arrival of the supplies at the named destination.

The Supplier shall be considered solely responsible for any damage to the goods or any extra expenses due to incorrect or inadequate packaging, marking or labelling, except for damages or expenses due to special packaging, marking or labelling instructions provided in writing by HI.

Article 5: Delivery

Unless otherwise stated in a written agreement, any delivery shall be performed "cost, insurance, carriage - destination place" complying with the Incoterm provisions, last version, to the agreed place specified in the order form during the working hours.

When delivering goods, the Supplier shall set one delivery note attached with the goods. Delivery orders shall specify the complete Handicap International reference of the order form, the goods' designation and reference of the Supplier.

Article 6: Transfer of title and transfer of risk

Transfer of title shall take place upon arrival of the goods at the delivery address specified on order forms.

Transfer of risk shall take place according to the Incoterm provisions, last version applicable to the supply. If no Incoterm provision is applicable or if it is not specified, transfer of risk shall follow transfer of title.

Article 7: Delays and late delivery penalties

Delivery times are specified in the prices propositions (quotation or order). They are firm and may not be revised. Supplier's acceptance of the purchase order means supplier's irrevocable commitment to meet the delivery time.

In case of early delivery, the supplier shall not be entitled to bonus for any early delivery.

If the deadlines are not kept, late delivery penalties will be applicable to all or part of the contract. These will run from the fifteenth calendar day after the expiry of the deadline specified in the contract. They are fixed at 0.5 % of the amount concerned for each day's delay, with a ceiling of 7% of the amount concerned. From the thirtieth late calendar day, HI may cancel an order without any financial consequence. Moreover, HI reserves the right to ask the supplier for, in addition to penalties, payment of all the other damages which would be the direct or indirect consequence of the delay attributable to the supplier.

Article 8: Changes and substitutions

Any changes to the services stated in the contract must always be communicated, calculated and accepted by Handicap International before being implemented. They will be formalised within thirty (30) calendar days via the drafting of an amendment to the current contract.

No changes or substitutions of the supply or deliveries of non-conforming goods made or proposed by the Supplier shall be allowed unless accepted in writing by HI in advance.

Article 9: Performance, inspection and refusal of goods

The Supplier agrees that during the time of performance of the purchase order, HI shall have the right to access the Supplier's premises to supervise the manufacturing process or give special instructions and to control and/or test ordered goods, using the supplier's plant control and testing facilities. Conditions and modalities of such inspections shall be agreed by the Parties in advance. Such inspection shall not in any case reduce the Supplier's liabilities towards HI.

HI shall have the right to refuse goods that do not comply with the relevant purchase order or the applicable specifications or requirements and shall have the right to require exchange with goods which correspond to the agreed and determined technical specifications and quality. Non acceptance or requirement of goods shall promptly be notified to the Supplier by registered letter or by fax or email. The supplier shall at its expense

take back non-accepted delivered goods or set about exchange within fourteen (14) calendar days from date of the notice of non-acceptance. Prior payment to secure cash discounts does not constitute HI's acceptance of the goods.

Article 10: Over shipments

HI agrees to pay only for the ordered quantities, provided that such quantities can be subject to the provisions of Article 7 above. HI reserves the right to refuse any delivered goods exceeding the ordered quantities. Over shipments may be returned at the Supplier's sole risk and expense.

Article 11: Warranties

The Supplier commits to put HI on their guard about risks related to the goods especially as far as hygiene, security and any other risk of danger are concerned.

The Supplier shall warrant that he has a right to have the goods and that they are exempted from any privilege.

The Supplier shall warrant that he respects laws, regulations, prescriptions and rules applicable to the goods especially as far as production, manufacturing, repairing, prices and deliveries fixing are concerned so that goods could be legally purchased, sold, transported and exported.

The Supplier shall warrant for a minimum period of twelve (12) calendar months from the acceptance of the goods by HI that those ones are exempted from any defect, contamination and unusual wearing.

During the warranty period, HI shall notify the Supplier in writing of any defect or malfunction of goods supplied and the Supplier shall at its expense and within a delay of fourteen (14) calendar days from the date of the notice replace or repair the goods or correct the defect or malfunction. The Supplier shall provide another twelve (12) calendar months warranty period for any replacement, repair or correction made during the warranty period, starting on the day of successful and satisfactory completion of such replacement, repair or correction.

If the Supplier does not satisfactorily replace or repair the goods or correct the defect or malfunction, HI shall have the right, at HI's exclusive option, to make the replacement, repair or correction itself at the Supplier's sole cost and expense, or have such replacement, repair or correction made by a third party at the Supplier's sole cost and expense, or to obtain from the Supplier total reimbursement of the purchase price paid for the defective or malfunctioning goods.

The Supplier shall warrant the procurement of any spare parts necessary to the good working of the goods as well as the after-sales services during a minimal period of ten (10) calendar years from the delivery date.

The Supplier agrees that the warranties specified herein shall be in addition to any warranties implied by law or expressly granted by the Supplier other than specified herein and to any other warranties, whether express or implied, applicable to the relevant purchase.

Article 12: Intellectual property and confidentiality

The Supplier guarantees that the goods to be supplied and any part of them do not infringe any patent, license, industrial patent right, copyright, mask work right or any other industrial and/or intellectual property right of any third party. The Supplier guarantees that it has full right to use, produce and sell the goods to be supplied and that HI shall have full right to use and resell such goods.

The Supplier agrees to hold HI harmless against any claim or action for infringement of a third party industrial or intellectual property right, to pay all costs incurred by HI for the defence of such claim or action, including reasonable attorney fees, and to indemnify HI for any damage, loss and prejudice suffered by HI as a direct or indirect consequence of such claim or action.

Any data, drawing, design, equipment or other material or information which is provided by HI or provided by the Supplier but paid by HI as a part of the goods' purchase price, shall be solely owned by HI and shall be considered HI's proprietary and confidential information.

The Supplier agrees to keep strictly confidential any HI's proprietary materials and/or information received for the purposes hereof and to avoid communication or disclosure of such material and/or information to any third party unless with prior written consent of HI. Any advertising or oral or written communication concerning the order or its details shall be subject to HI's prior written approval.

Article 13: Liability and insurance

The Supplier shall be solely responsible and liable towards HI and any third party for any physical injury, property damage or any other material damage, loss or prejudice arising from performance by the Supplier or the Supplier's employees, agents or subcontractors, of the Supplier's obligations under the purchase order.

The Supplier shall take out adequate insurance policies to cover any liability that, subject to clause above, might arise towards HI, and hereby agrees to indemnify and hold HI harmless against any such damage and liability.

Article 14: Sub-contracting

Sub-contracting is only permissible at first level. A sub-contractor may not therefore sub-contract the execution of the contract. The contract holder may sub-contract all or part of the contract under certain conditions:

- Any sub-contracting must be declared by the future contract holder when submitting the quotation and authorised by Handicap International before the contract is executed.
- All sub-contractors are subject to the same conditions as the contract holder (general purchasing conditions, specific conditions, etc.).

If this principle is not respected, the contract may be cancelled.

Article 15: Ethics

By signing these general purchase conditions, the Supplier certifies:

- not to have engaged in corrupt and fraudulent practices
- not to be subject to a conflict of interests with the members of HI
- to respect laws in force about children non exploitation
- to respect social rights especially as far as minimum wage and working hours are concerned
- to respect basic working conditions especially as far as prohibition of any physical constraint or discipline, security guarantee of the employees are concerned
- not to participate in any way whatsoever in the propagation of landmines and cluster bombs (production, trade, assets stare-holders, transport, storage, ect.)
- not to participate in any way whatsoever in the arms trade (production, trade, assets stare-holders, transport, storage, ect.)
- not to have links of any kind with terrorist networks of any nature (acts of violence against civilian populations or installations committed by an organisation)
- to make every attempt to use production techniques and processes that respect the fundamental rules for the protection of the environment (notably with regard to deforestation and the use of chemical agents affecting biodiversity)

Article 16: Termination

This agreement may be terminated at any time by either Party without the need of any legal proceeding by written notice served to the other Party in the event of any breach to this agreement which such other party has failed to remedy within one (1) month of the receipt of a notification to that effect. The Party terminating the agreement reserves the right to claim for damages for the suffered harm.

HI reserves the right to terminate an order or an agreement by registered letter with acknowledgement of receipt without notice and without owing the Supplier indemnity or penalty, if one of the following events occurs:

- failure of the Supplier to his obligations relative to delays and delivery conditions complying with the terms defined in the article 7 of these general purchase conditions
- failure of the Supplier to his compliance obligations defined in the article 9 of these general purchase conditions
- failure of the Supplier to his warranty obligations defined in the article 11 of these general purchase conditions
- failure of the Supplier to one of the ethics rules specified in the article 16 of these general purchase conditions
- proven misrepresentations of the Supplier in the written documents he gives to HI
- a force majeure event defined at the article 17 below, leading a delivery delay longer than three (3) months. In case of termination of the agreement because of any force majeure event, all the goods delivered until the termination date shall be paid to the Supplier.

In case of framework agreement, termination of the agreement shall not lead to the termination per se of the orders placed prior to the effective date of termination of this framework agreement. Such orders keep being governed by the terms and conditions of this framework agreement till completion.

Article 17: Force majeure

Neither party shall be responsible or liable for any delay or failure in performance arising as a result of any occurrence or contingency beyond its reasonable control, including but not limited to, accident, act of God, acts of the public enemy, earthquake, fire, flood, labour disputes, riots, civil commotion, war (declared or not), requirements or acts of any government or agency thereof. The delayed party shall send written notice of the delay and the reason therefore to the other party as soon as possible.

Article 18: Applicable law and jurisdiction award

Parties agree that in case of dispute about the interpretation and/or the performance of the contract and/or its cancellation, they will endeavour to arrive to an amicable settlement.

Failing this, the Commercial Court of Lyon – France will be the only competent jurisdiction and the French law shall be the only applicable law.

For acceptance of the Supplier

Date:

Place:

Name:

Function Title:

Signature preceded by the mention « read and approved » and seal of the company: