



STANDARD TERMS & CONDITIONS OF PURCHASE

These Conditions shall apply to any contract between Gallay Limited (“the Company”) and any person, firm, or company (“the seller”) on whom the Company places an order for the manufacture and/or supply of goods and/or services (“the goods”).

SPECIFICATIONS

- a) The Seller shall give the company written notice of any proposed change in the specification of the Goods (“the specification”). The Company shall be free to reject any such change and insist on supply to the original Specification.
- b) The Company reserves the right by written notice to require changes in the Specification subject only to its agreeing with the Seller the fair and reasonable effect on price and delivery

DRAWINGS, MODELS ETC

- a) All patterns, dies, moulds, tools, drawings, models, materials and other items supplied by the Company or manufactured or brought by the seller for or at the expense of the Company for the purpose of the Contract shall be and remain the property of the Company and shall at all times be clearly labelled and identified as such but shall be at the risk of the Seller until delivered or returned to the Company.
- b) Except with the prior written consent of the Company the Seller shall not loan, bail or otherwise remove any Company property from its custody nor allow it to be seized, sequestered, or used otherwise than for the purpose of fulfilling the Contract.
- c) The Seller shall maintain Company property in good order and condition (fair wear and tear and materials consumed in the proper execution of the contract excepted).
- d) Immediately on completion of the Contract the Seller shall deliver all the Company property to the Company or its nominee.

SUBCONTRACTING AND ASSIGNMENT

- a) The Contract shall be performed by the Seller and no part of it shall be assigned sub-let or sub-contracted, by the Seller (except to the extent that sub-contracting is normal to the trade) without the written permission of the Company.

INSPECTION AND TESTING

- a) Goods supplied under the Contract shall be provided in accordance with the Company’s Quality Assurance Requirements as specified on the face of the Company’s order.
- b) The Company shall have the right to inspect the goods at reasonable times during their manufacture or while being stored.
- c) Before delivering the Goods, the Seller shall inspect and test them for compliance with the Specification. If so requested the Seller shall permit the Company to attend such inspection and testing and shall supply the Company with copies of records relating thereto.
- d) The Seller shall forthwith inform the Company if, as a result of any inspection, test or otherwise, it appears that the Goods are not in accordance with the Specification or are unlikely to accord within the time limits of the Contract. Thereupon and without prejudice to the Company’s rights to claim damages or subsequently repudiate the Contract, the Seller shall deal with the Goods in such manner as the Company may reasonably direct.
- e) Where the Goods are being supplied in aid of a contract on the Company from the United Kingdom Ministry of Defence, the Seller shall permit access to its works by the representative of the Ministry for the purpose of surveillance and/or inspection. Similar facilities shall be provided by the Seller to representatives of other agencies who are customers of the Company.

DELIVERY

- a) Save as provided by Postponement of Delivery clause the Seller shall, at its risk and expense, deliver the goods to the places, in the manner and within the time limits in the Contract. Time is of the essence of the Contract.

- b) The Company shall as soon as reasonably practicable give notice to the Seller of loss of or damage to Goods while in the course of delivery. The Seller shall promptly repair or replace such lost or damaged Goods at its expense.
- c) If the Seller fails for any cause whatsoever to deliver any of the Goods within the time limits in the Contract or as extended hereunder the Company may at its sole option either grant to the Seller such extension as the Company may deem reasonable or suspend the Contract and, after a reasonable period of suspension, cancel it or rescind the Contract or any part thereof by notice in writing.

POSTPONMENT OF DELIVERY

- a) The Company may by notice in writing given to the Seller at any time before delivery of the Goods postpone delivery thereof.
- b) On receipt of notice of postponement, the Seller shall arrange for the Goods when ready for delivery to be stored safely at the Seller's risk but at the Company's reasonable expense.
- c) The Seller shall notify the Company of the location and terms on which the Goods are stored pursuant to this clause.

PASSING OF PROPERTY AND RISK

- a) Save as provided by sub-clause (b) property in the Goods shall pass to the Company either on delivery or when the Company pays the Seller any part of the price of the Goods, whichever shall first occur.
- b) If delivery is postponed pursuant to the above clause, property in the Goods shall pass to the Company seven days after receipt by the Company of any notice given in accordance with sub-clause (c) of the above clause.
- c) Where property has passed to the Company pursuant to sub-clauses (a) or (b) and the Goods are in the Sellers custody or control, the Seller shall ensure that the Goods are clearly labelled as the Company's property.
- d) Risk in the Goods shall remain with the Seller until delivery save that the Seller shall be liable for all damage to the Goods caused by the Seller, its servants or agents, during commissioning.

INSTALLATION

- a) Where the Goods are to be installed at the premises of the Company or of its nominee, the Seller shall liaise with the Company to ensure the satisfactory installation of the Goods and in particular shall in good time provide the Company with all information necessary for preparation of the installation site and the reasonable provision of services thereto.
- b) Where any part of the installation of the Goods is undertaken by the Sellers employees or agents, the Seller shall indemnify the Company against loss or damage arising from advice given or work undertaken by such employees or agents.

COMMISSIONING

Where the contract provides for the Seller to commission the Goods or any part thereof, the Seller shall provide all the requisite skilled labour supervisory staff and facilities for commissioning the Goods and shall indemnify the Company against loss or damage caused thereby.

REJECTION

The Company may, by written notice to the Seller after delivery, reject the Goods if the Seller is in breach of any conditions of the Contract and the Seller has not remedied such breach after twenty-eight days notice in writing thereof. Thereupon and without prejudice to the Company's rights to damages or to repudiate the contract, the Seller shall deal with the Goods in such manner as the Company may reasonably direct.

PRICE AND PAYMENT

- a) Prices shall be: -
 - i) firm and not subject to variation.
 - ii) inclusive of all costs including packaging, carriage to destination.
 - iii) exclusive of VAT.
- b) All containers supplied by the Seller shall be considered as non-returnable and their cost as having been included in the contract price.
- c) Payment for the Goods shall be made at the end of the month following that in which delivery is made, subject to the receipt of the Sellers invoice bearing the order number and the serial number of the Seller's delivery note.

WARRANTY

- a) The Seller hereby warrants that the Goods conform to the drawings, specifications, samples or other description furnished or specified by the Company, are of good material and workmanship and are fit and sufficient for the purpose intended.
- b) The Seller shall promptly repair or replace any of the Goods which, within one year of being put into use or of being repaired or replaced under the provisions of this clause (or such other period as may be agreed), are found to be defective for any reason whatsoever.
- c) The Seller shall not be held liable for any damage caused directly by bad handling or bad storage by the Company, its customers or either's agents.

LIQUIDATED DAMAGES

If the goods are not delivered on the due date then, without prejudice to any other rights of the Company, the Company shall be entitled by way of liquidated damages to recover from the Seller a sum equivalent to 1% of the price of the Goods not so delivered for each month of delay but subject to a maximum of 10% of the Contract price.

FORCE MAJURE

- a) The Seller shall not be responsible for any delay in delivery, installation or commissioning of the Goods arising from: -
 - i) Acts of God
 - ii) Explosion, flood, fire or accident provided they are not the result of the Seller's negligence or that of its sub-contractors or agents.
 - iii) War, sabotage, insurrection or civil disturbance.
 - iv) National strikes but not strikes of the Seller's own employees or those of its sub-contractors or agents.
- b) In the event of an occurrence specified by clause a) the Seller shall take reasonable steps to mitigate the effect thereof and shall notify the Company within seven days of the occurrence and its likely effect on delivery.
- c) On receipt of a notification in accordance with clause b) the Company shall take such action as it may deem fit in accordance with Delivery Clause c)
- d) Any extension of delivery date approved by the Company in accordance with clause c) shall not affect the Contract price in any way whatsoever.

INDEMNITIES

- a) The Seller shall indemnify the Company against all losses, costs, claims and expenses arising from
 - i) Any personal injury or damage to property caused by the Seller, its servants or agents or by the Goods otherwise than where such injury or damage is caused by the Company's negligence and
 - ii) Any infringement of any letters patent, registered design or instruction furnished by the Company. In the event of such a claim the Seller shall at its expense and at the Company's option either make the Goods non-infringing or replace them with compatible non-infringing goods.
- b) The Company shall promptly notify the Seller of any claim falling within the scope of this clause and the Seller shall be entitled at its own expense to conduct any litigation arising therefrom and any negotiations for the settlement thereof. The Company shall at the Seller's request and expense assist the Seller in defending or settling any such claim.
- c) The indemnities in this clause shall be in addition to that in Installation clause b) and Commissioning clause.

SELLERS DUTY TO INSURE

- a) The Seller shall take out such insurance as will: -
 - i) ensure that all Company property issued to the Seller is replaced without any cost whatsoever to the Company.
 - ii) Cover the indemnities given at Installation clause b), Commissioning clause and Indemnities clause a).
- b) The Seller shall on request provide the Company with copies of policies relating to the insurances referred to in this clause in default of which at the Sellers expense the Company may insure such risks on such terms and for such sums as it thinks fit.

CONFIDENTIALITY

- a) The Seller shall use its best endeavours to keep secret confidential information relating to the Company's business which may become known to the Seller through its performance of the Contract or otherwise save only that such information may be disclosed to the extent necessary for the proper performance of the Contract.

- b) The Seller shall not, without the Company's prior written consent, use the Company's name or trademarks in connection with the Contract or disclose the existence of the Contract in any public material.

HEALTH AND SAFETY

As required by the Health & Safety at Work Act 1974 all Goods to be supplied shall be designed, tested and constructed so as to be safe and without risks to health when used at work and all necessary information and instructions for the safe and proper use of the Goods shall be supplied by the Seller to the Company prior to delivery of the Goods. Any exemption from the foregoing shall be requested in writing and shall be specifically agreed to by the Company by means of a statement in the Contract or Amendment thereto. In particular, the Seller shall specify in its quotation or as soon as identified any operational or health risk which may arise during handling, storage, use or disposal after use, including known mis-uses of the Goods.

INTELLECTUAL PROPERTY RIGHTS

- a) Where the contract is for the design, development, or modification of Goods all rights in such design, development or modification shall vest in the Company including but not limited to the prohibition of the use of any drawings produced in relation thereto except for the purpose of executing the Contract.
- b) The Seller shall prepare any drawings and specifications in such format as the Company shall specify and shall clearly mark such drawings and specifications and any copies of either that they relate to a design right, the property in which vests in the Company.

REQUIREMENTS IN AID OF CONTRACTS FOR HM GOVERNMENT

Where the Contract specifies that the Contract is in aid of a contract placed by HM Government, the Seller shall accept such additional conditions as will enable the Company to discharge its obligations to HM Government. Any such additional conditions shall be specified by the Company in an appendix to the Contract.

TERMINATION

- a) If the Seller commits a breach of the Contract and fails to remedy such breach within such reasonable period as the Company may specify in writing, the Company may by written notice to the Seller forthwith terminate the Contract without incurring any liability to the Seller and without prejudice to the Company's rights which may have accrued up to date of termination.
- b) If the Company shall receive any information which leads it to reasonably believe that the Seller will be unable, because of lack of cash or credit facilities, to complete the Contract satisfactorily and on time, the Company may give notice under this clause to the Seller with a copy of the information and may either;
 - i) Vary the Contract so that only completed Goods may be delivered provided they are paid for at the correct Contract price or
 - ii) Cancel the contract by notice in writing without compensation to the Seller.The exercise of this clause shall not prejudice any rights of the Company under the Terms and Conditions of Purchase or the law related to insolvency.

TERMINATION FOR CONVENIENCE

- a) In addition to its rights at Termination clause the Company shall be entitled to terminate the Contract by giving two weeks notice in writing thereof to the Seller
- b) In the event that the Company gives notice in accordance with clause a) hereof the Company shall pay to the Seller its reasonable costs incurred.

INTERPRETATION

- a) These conditions shall apply to the exclusion of the Seller's conditions.
- b) No variation or addition to these conditions shall be effective unless contained on the face of the Contract order or in a formal amendment to the Contract signed by a Director or authorised official of the Company.
- c) The contract shall be construed and operate in accordance with English Law. All disputes differences or questions between the parties to the Contract with respect to any matter or thing arising out of or relating to the Contract shall be referred to the Arbitration of two persons, one to be appointed by the Company and one by the Seller, or their umpire, in accordance with the provisions of the Arbitration Act 1996 or any statutory modification or re-enactment thereof.