

General terms and conditions for purchasing

Valid from 1 July 2017

Article 1 Validity of general terms and conditions for purchasing

These terms and conditions shall apply to all contracts of sale where Atlas Copco Internationaal BV (hereinafter referred to as 'Atlas Copco') is a purchaser of goods and/or services (hereinafter referred to as 'items') from a seller (supplier). Any deviations from these terms and conditions shall be agreed in writing.

Article 2 Formation of contracts of sale

1. In the event that a written purchase order is issued in response to a quotation from the supplier, the contract shall be formed at the moment that Atlas Copco dispatches the purchase order.
2. In the event that a written purchase order is issued without there being a prior quotation, or based on a quotation without obligation from the supplier, the contract shall be formed if no notice of cancellation is received from the supplier or the items are supplied in accordance with the purchase order, within 14 days of dispatch of the purchase order.
3. A verbal purchase order shall have the same consequences as those laid down in Articles 2.1 and 2.2, with the proviso that the implementation of the contract shall be delayed until the written confirmation of the purchase order is dispatched by Atlas Copco.

Article 3 Prices

The agreed prices shall be in euros, exclusive of VAT, fixed and non-refundable, including packaging and dispatch, based on delivery to the Atlas Copco receiving warehouse in Zwijndrecht (Netherlands). Price increases as a result of additional deliveries may then be passed on only if Atlas Copco has accepted them in writing in advance.

Article 4 Delivery

1. When interpreting the delivery conditions, the most recent Incoterms issued by the International Chamber of Commerce shall apply.
2. Delivery shall be made exactly at the agreed time to the Atlas Copco receiving warehouse in Zwijndrecht (Netherlands), taking into account the normal Atlas Copco opening times.
3. As soon as the supplier becomes aware, or should be aware, that the delivery will not take place, will not take place on time, or will not take place properly, the supplier shall immediately provide Atlas Copco with a written report accordingly, stating the circumstances that are the cause of the said non-compliance. Notwithstanding the provisions of Article 12, the parties shall consult about whether and, if so, how the situation that has arisen can still be settled to the satisfaction of Atlas Copco.
4. If the parties agree to postpone the delivery, the supplier shall take sufficient measures to maintain the quality of the items.
5. The supplier shall properly pack the items to be supplied such that they are well protected against damage in transit, clearly mark said items with the purchase order number, and enclose with the items the accompanying documents, which shall state at least the purchase order number, the content (type and number of items) and the number of packages.

Article 5 Ownership and risk

The ownership of and risk for the items shall pass from the supplier to Atlas Copco upon delivery. If delivery is postponed and in cases of advance payment or partial payment, Atlas Copco may demand that ownership of the items pass to Atlas Copco at an earlier time. In these cases the supplier shall consider the items and/or the materials and parts intended for the items as the property of Atlas Copco.

Article 6 Changes

Atlas Copco shall be entitled to demand changes to the size and/or the quality of the items to be supplied. If such, in the opinion of the supplier, has consequences for the agreed fixed price or time of delivery, the supplier shall inform Atlas Copco accordingly, in writing, and within 14 days, before implementing the change. If these consequences for the price and/or time of delivery, in the opinion of Atlas Copco, are unreasonable as regards the nature and size of the change, Atlas Copco shall have the right to dissolve the contract by providing written notice accordingly to the supplier, unless this would evidently be unreasonable in view of the circumstances. Dissolution under this Article shall not give either of the parties the right to compensation for any damages.

Article 7 Payment

The price shall be paid at the latest 30 days after the end of the month in which delivery was made and after receipt of all relevant documentation, including the invoice. The purchase number shall be stated on the invoice (in duplicate). If part payments or advance payment have been agreed, Atlas Copco shall have the right, before payment is made, to demand, in addition to or instead of transfer of ownership, that the supplier has an unconditional and irrevocable bank guarantee issued by a banking institution acceptable to Atlas Copco in order to guarantee compliance with the supplier's obligations.

Article 8 Quality, guarantees, approval test

1. The supplier shall guarantee that the items comply with the requirements of the contract, have the characteristics that have been promised, are free of defects, are suitable for the purpose for which they are intended and at least comply with the statutory requirements and other government regulations as apply at the time of delivery.
2. Atlas Copco shall have the right to have the items or parts thereof examined and tested by persons or bodies designated for that purpose by Atlas Copco, both during production and assembly and prior to or following delivery. For this purpose the supplier shall provide access to the places where the items are produced or stored, shall cooperate with the desired examinations and tests and shall provide the necessary documentation and information. Atlas Copco shall also be authorised to check the progress of work, both at the supplier's premises and at the premises of the parties that have a contract with the supplier to provide material or items destined for use in this purchase order. These approval tests or checks shall not affect the obligations or liability of the supplier pursuant to the purchase contract. If the supplier so demands, the supplier shall have the right to be present during the approval test.
3. If the items, regardless of the results of a previous approval test, do not comply with

the provisions of Article 8.1, the supplier shall repair or replace the items, as determined by Atlas Copco, at the supplier's cost, upon the first notification of non-compliance, unless Atlas Copco prefers to dissolve the contract in the manner laid down in Article 12. In urgent cases, and in addition in cases where – following consultation with the supplier – it is reasonable to assume that the supplier cannot or will not be able to repair or replace, or will not be able to do so on time, or will not be able to do so properly, Atlas Copco shall have the right to perform the repair or replacement itself or have the said repair, or replacement performed by third parties, and to charge the costs to the supplier.

Article 9 Tools, models, drawings, etc.

Atlas Copco is and shall remain the owner of the models, templates, drawings or other tools, whether they are made available by Atlas Copco for the purposes of the order or created or procured by the supplier at the expense of Atlas Copco. The supplier shall be obliged to mark these items such that the property rights of Atlas Copco can be determined. The supplier shall maintain such tools in a good state of repair and shall insure them all-risk at the supplier's cost for as long as the supplier is in charge of them. The supplier shall send the tools to Atlas Copco when the last delivery is made, unless Atlas Copco issues instructions otherwise to the supplier. The supplier shall not be permitted to use the tools made available by or created at the expense of and/or using the know-how of Atlas Copco, or to allow said tools to be used, for any other purpose than the performance of the order placed by Atlas Copco.

Article 10 Patents, licences, etc.

Unless Atlas Copco has prescribed a particular arrangement, the supplier shall guarantee that usage – which shall include but not be limited to resale – of the items provided by the supplier shall in no way infringe on the patent and trademark rights or any other rights of third parties. The supplier shall be obliged to fully indemnify Atlas Copco against any resulting claims and shall compensate Atlas Copco for all costs, damages and interests that result from any such infringement.

Article 11 Liability

1. The supplier shall be liable for all damages suffered by Atlas Copco or by third parties as a result of a defect in the supplier's product that causes the product to be less safe than may reasonably be expected.
2. The supplier shall be liable for damages suffered by Atlas Copco or third parties as a result of actions or omissions by the supplier, the supplier's personnel or the parties that the supplier engages to perform the contract.
3. The supplier shall fully indemnify Atlas Copco against any claims by third parties for compensation for damages arising from liability within the meaning of Articles 11.1 and 11.2 and, upon the first request by Atlas Copco, shall reach a settlement with the party having suffered the damage or shall contest the aforementioned claims before the courts instead of or together with Atlas Copco.
4. The supplier shall take out sufficient insurance against the liability within the meaning of this Article and shall allow Atlas Copco to inspect the policy if so requested.

Algemene inkoopvoorwaarden

Article 12 Termination

If the supplier does not comply, does not comply properly, with any one or more of the supplier's obligations under the purchase contract or under supplementary contracts that result from the purchase contract, as well as in the event of bankruptcy, moratorium on payments and cessation or liquidation of the business of the supplier, the supplier shall be deemed in default by operation of law and Atlas Copco shall have the right unilaterally to terminate the contract fully or in part, without notice of default and without judicial intervention, by giving written notification to the supplier, which shall not oblige Atlas Copco to pay any compensation for damages, without prejudice to any further rights belonging to Atlas Copco and without prejudice to the right of Atlas Copco to full compensation for damages. In these cases all claims that Atlas Copco may have or acquire against the supplier shall be immediately and fully due and payable.

Article 13 Applicable law, disputes

- a. Dutch law shall apply to the contract and any supplementary contracts.
- b. Subject to the applicability of paragraph c) of this Article and notwithstanding the option to ask the President of the competent District Court for a provisional decision in interlocutory proceedings, disputes that may arise as the result of a contract to which the present terms and conditions of delivery apply in whole or in part, or as a result of supplementary contracts that ensue from such a contract, shall not be brought before an ordinary court and shall only be settled by an arbitration tribunal. This arbitration tribunal shall be appointed in accordance with the statutes of the Court of Arbitration for the Metal Trade and Industry (Stichting Raad van Arbitrage voor Metaalnijverheid en -Handel), which has its registered office in The Hague, and shall rule in accordance with the statutes of the said Court of Arbitration.
- c. Insofar as the disputes described in the previous paragraph fall under the subject-matter competence of the sub-district court under the rules of Dutch civil procedural law, the dispute may only be settled by the competent sub-district court in the district of Dordrecht.

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