



# TATA STEEL INTERNATIONAL (AUSTRALASIA) LTD

## Terms & Conditions of Purchase

In these Conditions "the Buyer" means Tata Steel International (Australasia) Ltd and any subsidiary company of the of buyer by whom the goods are purchased or the services ordered, "the Seller" means the supplier of such goods and/or services, "the Order" means the Buyer's purchase order for such goods, "the Contract" means the contract, subject to these Conditions, arising from the Seller's acceptance of the Order and "the Works" means the Buyer's receiving works for such goods.

- 1 Unless expressly accepted in writing by the Buyer any variation of the Order or these Conditions must be deemed to be and will be treated as inapplicable.
- 2 The price stated in the Order for the goods may only be varied by prior agreement in writing between the Buyer and the Seller.
- 3.1 In addition to the rights of the Buyer under any warranty or guarantee given by the Seller in respect of the goods, if within 18 months after delivery or 12 months of putting them into service - whichever period shall be the shorter there shall appear in the goods (which expression shall, where the context permits, include all materials supplied and work done by or on behalf of the Seller in the performance of the Contract) any defect which under proper use shall arise from faulty design (other than a design made furnished or specified by the Buyer and for which the Seller has disclaimed responsibility in writing within a reasonable period of receiving it) or from faulty materials or workmanship the Seller shall at his expense make good those defects either by repair or (at his option) by the supply of replacements. As regards any goods so repaired or replaced the foregoing provisions shall apply for a period ending 12 months after the date of such repair or replacement.
- 3.2 If any such defect is not repaired nor the relevant goods replaced within a reasonable time the Buyer may repair or (at the Buyer's option) replace those goods at the Seller's expense.
- 4 The Buyer's inspectors shall at all reasonable times have access to the premises of the Seller and those of its sub-contractors for the purpose of inspecting and testing the goods during or after manufacture, repairs or servicing and may reject or require the making good of anything that does not conform with the Contract.
- 5 The Buyer may suspend for such period as it thinks fit or at its option may cancel the delivery of any undelivered balance of goods and/or the performance of any work provided for in the Contract if its Works or any part there of are permanently closed down or operations temporarily curtailed during the currency of the Contract. If the Buyer cancels the Seller shall be entitled to such reasonable compensation as may be agreed between the parties. If the Buyer suspends delivery, the Seller will be reimbursed reasonable storage costs necessarily incurred by him.
- 6 The Seller shall not without the consent in writing of the Buyer, which shall not be unreasonably withheld, sub-let the Contract or any part thereof (except for materials or for minor details).
- 7 The Buyer will not be responsible for any failure to give notice to carriers of loss, damage, mis-delivery, delay, detention in transit, non-delivery or other matters affecting transit unless the Buyer has been advised of despatch of the goods in accordance with the Buyer's Instructions.
- 8 All patterns, drawings, dies, moulds, specifications and other such items supplied by or at the expense of the Buyer shall remain the Buyer's property and must be returned in good order and condition on request or on completion of the Contract and shall not be copied or used for any purpose other than for carrying out of the Contract.
- 9.1 Except to the extent that the goods embody designs prepared by the Buyer, the Seller shall indemnify the Buyer against all actions, claims, costs, charges and expenses arising from any infringement or alleged infringement of any patent, registered design, trademark, copyright or other protected right arising out of the supply or use of the goods but excluding infringement arising only from the use of the goods in combination with other goods not supplied by the Seller.
- 9.2 The Buyer shall promptly notify the Seller of the bringing of any such claim or proceedings and the Seller may at his own expense and on giving reasonable security to the Buyer deal with the same in the name of the Buyer provided the Seller takes over the conduct of all negotiations and proceedings within 14 days of the Buyer's notification.
10. The Seller shall indemnify the Buyer against all losses, liabilities, claims, costs and expenses that may result from loss of or damage to any property (including that of the Buyer) or injury to or the death of any person (including any employee of the Buyer) that may arise out of any act or omission of the Seller, his employees, agents or subcontractors in connection with the Contract.
- 11.1 The Seller shall comply with and shall ensure that its sub-contractors comply with the Buyer's Site Regulations, Buyer's Instructions and Safety Rules so

far as previously communicated to the Seller. The Seller shall comply with and shall ensure that its sub-contractors and any goods sold hereunder comply with all applicable legislative provisions, bye-laws and the like, including all relevant Health and Safety regulations but if any legislation relating directly and solely to the goods and made after the date of the tender shall increase or reduce the cost to the Seller of performing the Contract the price shall be increased or reduced by a corresponding amount.

- 11.2 All goods supplied for this Contract shall, if the Seller is approved thereunder, comply with the applicable national and international quality assurance standards from time to time published.
- 12 The Seller shall not without the previous written consent of the Buyer advertise or except for the performance of the Contract make known to third parties the fact that the Seller supplies goods to the Buyer.
- 13 Until delivered to the place or places and in the manner specified in the contract the goods shall remain at the risk of the Seller who shall insure the same against all risks which can be reasonably contemplated as affecting the goods. Subject to the Buyer's right of rejection, the property in the goods shall pass to the Buyer upon delivery or upon the making of any progress payment, whichever shall come first.
- 14 The Buyer may by written notice cancel the Contract if the Seller becomes bankrupt or being a Company goes into liquidation (other than for purposes of amalgamation or reconstruction) or suffers a receiver to be appointed or has an administration order made against it.
- 15.1 Force Majeure.
- 15.2 If the buyer or seller is prevented from carrying out its obligations under this Contract by circumstances beyond its control but not limited to war (whether declared or not), riot, strike, embargo, act of god, theft or government intervention, then the performance of this Contract will be suspended for so long as such circumstances continue and the Buyer or Seller will not be liable for any delay.
- 15.3 The Buyer may give notice to the Seller to terminate the Contract if the suspension under Clause 15.2 continues or is in the opinion of the Buyer likely to continue for a period exceeding 60 days. No liability will attach by reason of such termination.
- 16 It is a condition of the placing of business between the Buyer and its suppliers that the Code of Conduct of the Buyer is strictly observed.
- 17 Payment will be made in accordance with the payment terms as stipulated in the contract.
- 18 Applicable Law – this Contract shall in all respects be construed and governed by the laws of New Zealand and unless the parties otherwise agree all disputes concerning the Contract will be determined by arbitration.

### Repairs and Servicing

Where the Contract comprises or includes the repair or servicing of goods, the following additional conditions shall apply together with such of the foregoing conditions as are capable of applying to such Contract and the expression "Seller" shall as regards any such Contract mean the Company, firm or person employed by the Buyer to carry out work of repair or servicing.

- 19 If the servicing or repair by the Seller of any goods is defective, then (1) if the defect can be properly and economically remedied, the Buyer shall at its option be entitled either to require the Seller to remedy it as soon as possible or itself to remedy it or to procure it to be remedied by another contractor at the cost and risk of the Seller, and (2) if the defect cannot be properly and economically remedied and the defective goods are of no use to the Buyer, then the Buyer shall be entitled to invoice the same to the Seller at their value before servicing or repair. The provisions of this Condition shall be without prejudice to any other rights and remedies which the Buyer may have at law.
- 20 Goods supplied by the Buyer to the Seller for servicing or repair shall remain from the time of receipt until re-delivery as instructed by the Buyer at the absolute risk of the Seller in regard to any loss or damage, excepting only inherent vice and fair wear and tear.
- 21 Further and without prejudice to the Seller's aforesaid responsibility the Seller shall at his own cost insure all goods delivered to him by the Buyer from the time of receiving them until re-delivery as intimated by the Buyer for their replacement value against loss, damage or destruction resulting from any insurable risk (other than inherent vice or fair wear and tear) which can be reasonably contemplated as affecting the goods. The Seller shall, if requested by the Buyer, effect such insurance in their joint names and the Seller shall upon request produce for inspection by the Buyer the policy of insurance and current receipts for premiums.