

Civil Society Human and Institutional Development Programme - CHIP

GENERAL PURCHASING TERMS

ARTICLE 1: GENERAL PROVISIONS

The following general Terms and Conditions apply to all orders placed by CIVIL SOCIETY HUMAN AND INSTITUTIONAL DEVELOPMENT PROGRAMME - CHIP with a supplier. The term "order" refers to any CHIP purchase order or contract.

Upon acceptance of the order, the supplier shall be entirely bound by the provisions of these Terms and Conditions which will prevail over any additional or differing terms in the supplier's terms of sale.

This Agreement may only be varied with the written consent of CHIP and any specific terms and conditions in the purchase order or contract will prevail over these terms and conditions.

ARTICLE 2: DELIVERY

Except if otherwise specified in writing in the purchase order or contract, all orders will be delivered carriage and insurance paid (CIP), or in conformity with the terms specified on the purchase order.

Goods will remain the sole responsibility of the supplier until the delivery note has been signed by CHIP or by the forwarding agent appointed by CHIP.

All orders will be delivered in full, unless CHIP has agreed to partial deliveries in writing.

All deliveries will be accompanied by a delivery note mentioning the purchase order reference or contract numbers, complete descriptions and quantities of goods delivered, and batch or serial numbers if applicable. CHIP reserves the right to request additional documentation such as certificates of analysis and/or certificates of origin for goods delivered.

Should the point of delivery be different to the billing address, a copy of the delivery note and shipping documentation will be sent to the ordering entity at least 24 hours before expedition of the goods.

CHIP reserves the right to refuse any goods delivered in excess of quantities ordered. Excess quantities will be returned to the supplier at their own risk and cost.

ARTICLE 3: DELIVERY TIMES

Delivery times and delivery dates appearing on the purchase order or contract are binding.

If contractual delivery times are not respected, CHIP may, in accordance with the law, apply late delivery penalties without prejudice to the cancellation clause. These penalties will amount to two percent (2 %) of the total amount of the undelivered goods, excluding taxes, per week of late delivery.

If goods have not been delivered within ten (10) calendar days after the contractual delivery date, CHIP reserves the right to cancel the order for undelivered goods without notice or payment to the supplier.

ARTICLE 4: COMPLIANCE

A delivery will only be considered as compliant after verification and acceptance by CHIP. Non-compliant goods can be refused, without written prior agreement from the supplier, and returned by CHIP at the supplier's cost and risks within fifteen (15) calendar days of delivery. After this time CHIP will be responsible for costs incurred returning the goods.

CHIP may also demand that the goods be brought up to standard or replaced within fifteen (15) calendar days of receipt of a written request from CHIP, that the total price be refunded, or the cancellation of the order in its entirety.

All delivery prices include packaging charges. No deposit can be applied to packaging without prior written agreement from CHIP. If such an arrangement is agreed, details of the deposit will be clearly

ARTICLE 5: PACKAGING

The supplier agrees to supply goods and services that comply with technical specifications defined by CHIP, official standards and, in all cases that comply with good professional practice in the sector in question.

Packaging must be compliant with the quality standards required by the nature of the goods, and their transport, storage and handling, in order that they are delivered in perfect condition.

ARTICLE 6: WARRANTY

The supplier guarantees that goods will be delivered undamaged and free from defects, contamination or unreasonable wear, and that they will comply with their destined usage. Any replacement or repair of goods by the supplier will renew the guarantee for a further twelve (12) months beginning on the date of acceptance by CHIP of the replaced or repaired goods. The supplier guarantees that any replacement parts will be provided at short notice, and an after-sales service will be guaranteed for five (5) years from the initial delivery date.

ARTICLE 7: DANGEROUS OR PERISHABLE GOODS

The supplier agrees to inform CHIP of the precautions, instructions, recommendations and applicable restrictions for the transport, warehousing and handling of perishable or dangerous goods.

The supplier agrees to provide all required official documentation for perishable and dangerous goods, particularly for international shipping. Product expiry dates must be displayed clearly and permanently on packaging. The supplier guarantees that the remaining shelf life of the product at the time of delivery is longer than eighty percent (80 %) of its total initial shelf life.

ARTICLE 8: LIABILITY

The supplier is entirely liable for the delivery of goods in compliance with the terms and conditions of the purchase order or contract, and with the laws, regulations, recommendations, standards and good professional practices applicable to the sector.

The supplier is solely liable for any damage caused by its staff or sub-contractors during the execution of the purchase order or contract.

The supplier agrees to hold a valid civil liability insurance policy for the entire duration of their contractual agreement with CHIP.

ARTICLE 9: ORDER CANCELLATION

Any order unfilled by the supplier or non-compliant with one or several of their contractual obligations may be lawfully cancelled by CHIP if the failure to comply is not addressed in the fourteen (14) calendar days following formal notification by CHIP by registered mail with acknowledgement receipt.

CHIP will notify the supplier in writing of the cancellation, which will take effect to the sole detriment of the supplier, and this notwithstanding all damages suffered or incurred by CHIP.

ARTICLE 10: PRICE

Unless stipulated otherwise by CHIP, the prices indicated on the purchase order are firm and not subject to change. They include all costs associated with the manufacture, packaging, loading, shipping and unloading of the goods. Prices for goods to be exported outside the European Union do not include VAT.

ARTICLE 11: INVOICING AND PAYMENT

Two copies of all invoices will be issued and sent to the CHIP office that sent out the order within seven (7) calendar days of delivery.

If several orders are contained in one delivery, a separate invoice will be issued for each order.

All invoices will feature the exact references of the delivery note and the order to which they correspond.

ARTICLE 12: SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

CHIP reserves the right to denounce the order at any time, if the supplier is implied in acts of fraud, corruption, money laundering, or is implied in a criminal organization or quite other illegal activity or is in situation of conflict of interests or abuse of power towards the representatives of CHIP. CHIP also reserves the right to denounce the order at any time if the supplier does not respect the international laws in Human Rights or fundamental rights in labor law such as define by the International Labour Organization (ILO)(INTERNATIONAL LABOR ORGANIZATION)), in particular concerning the non-child labor, the nondiscrimination in the employment(use), the labor-union freedom and the right(law) of organization, the respect for salaries minimum and the equality of payment, the not appeal for the hard labor and the respect for durations and for conditions of work and hygiene. CHIP also reserves the right to denounce the order at any time if the supplier participates whatever shape it is for the distribution of antipersonnel land mines and bombs with sub-ammunitions (production, business, financing, shareholding, transport, storage, etc.), in the business or in the arms dealing, or if he devotes to practices who would make him comparable to a "war profiteer" (use of the economic springs(competences) of a conflict, an abuse of dominant position bound to the existence of a conflict), or still if he has links with terrorist networks about or their nature (acts of violence committed to populations or civil installations committed by an organization). Finally, CHIP attempts to use techniques and processes of production respecting the fundamental rules of environmental protection (mainly towards the deforestation, towards the use of chemical agents getting the protection of the biodiversity) and expects from CHIPs suppliers and persons receiving benefits (providers) for a similar approach. CHIP saves himself

ARTICLE 13: APPLICABLE LAW AND ATTRIBUTION OF JURISDICTION

CHIP purchase orders and contracts are governed by Pakistani Laws.