SGS General Conditions for the Purchase of Goods and Services

1. Application of Terms
Unless otherwise agreed in writing or except where they are at variance with the mandatory provisions of local law, all Orders for goods or services and all resulting contractual relationship(s) between sellers/service providers (“Seller”) and SGS Belgium NV, SGS Nederland B.V. or SGS Luxembourg SA or any of its subsidiaries or affiliates (each a “Buyer”) (the “Contractual Relationship(s)”) shall be governed by these General Conditions of Purchase (hereinafter the “General Conditions”) to the entire exclusion of any other terms. Buyer may order goods or services from any persons or entities (private, public or governmental) selling goods or services. No terms or conditions endorsed upon, delivered with, or contained in Seller’s quotation or Seller’s acceptance of the Order will form part of the purchase agreement and Seller waives the right it might otherwise have to rely on such terms and conditions when accepting an Order from Buyer and/or delivering goods or services to Buyer. If Seller objects to any of these General Conditions, it shall notify Buyer in writing and the Purchase will not be deemed finalised until agreement has been reached on the extent of validity of these General Conditions.

2. Basis of Purchase
For the purpose of any purchase agreement between Buyer and Seller, an “Order” is Buyer’s offer to Seller and becomes a binding contract subject to these General Conditions when accepted by means of a confirmation or acceptance, delivery or commencement of activity by Seller.

3. Acceptance of Goods/Services
Goods and services purchased under Buyer’s Order are subject to Buyer’s reasonable inspection, testing and approval at the agreed delivery place and time. Buyer reserves the right to reject and refuse acceptance of goods or services which are not delivered in accordance with the Order or Seller’s expressed or implied representation or warranties. Buyer may charge Seller, who will pay, for the cost of inspecting rejected goods or services. Rejected goods and services may be, at Buyer’s discretion, either returned to the Seller, or held by Buyer as a lien at Seller’s risk and expense. Payment for any goods or services under an Order shall not be deemed acceptance of the goods or services.

4. Delivery
Time is of the essence with respect to Orders, and if delivery of goods and/or the performance of services is not completed by the delivery date stated in the Order or otherwise agreed, Buyer may, without liability, in addition to its other rights and remedies, terminate the purchase agreement by written notice, effective when received by Seller but but latest five (5) days after expedition by Buyer, as to goods and/or services not yet delivered to Buyer or performed. Buyer, in its judgment, shall be entitled to purchase substitute goods and/or services elsewhere and charge Seller any costs and losses incurred.

5. Customs, Transport, Title and Risk
5.1 Unless otherwise agreed in writing and signing, the International Chamber of Commerce Terms of Shipment DDP (Buyer nominated delivery place) (INCOTERMS 2020) will apply.
5.2 The precise term will be mentioned in the Order and Seller shall conform to the proposed term, unless otherwise agreed in writing with Buyer. In the absence of specific agreement or in case of unclear Order(s), the full delivery custom charges, transport costs and risks will be borne by Seller to the agreed delivery date and place (which, unless otherwise indicated, shall be the relevant Buyer’s premises) and title to the goods will pass to Buyer on the delivery date and at the delivery place but only upon Buyer’s acceptance of the goods without prejudice to any right of rejection which may accrue subject to inspection as per article 3 above. Any loss of or damage to the goods prior to the transfer of title shall be borne by Seller.

6. Warranty
Seller expressly warrants that goods shall be in good condition, shall conform to the Order and all specifications, drawings or description relating to such goods, shall be fit for the intended purpose, and shall be free from defects in materials and workmanship. Seller further expressly warrants that the services ordered shall be provided by qualified, skilled and trained personnel acting transparently and with due diligence and loyalty to Buyer, in accordance with accepted industry standards and without any conflict of interest. Seller warrants that it has clear title to the goods and services and that such goods and services will be delivered free of liens and encumbrances. All of the above mentioned warranties shall be deemed to be made not only to Buyer, but also to its customers and to the users of the goods or services, or products into which such goods may be incorporated.

7. Price and Payment
7.1 Unless otherwise expressly agreed in writing and signing, purchase agreements are entered into on the basis that the price stipulated on Buyer’s Order is a fixed price, including all applicable taxes and levies, that is not subject to alteration for any reason whatsoever. Separate invoices will be issued by Seller for each Order in the English language and will be sent to Buyer only as pdf by email. Seller sends one invoice by email. These invoices shall be sent to Buyer within 5 days of delivery of the goods or completion of the services. Invoices shall quote Buyer’s Order number. Delays in receiving invoices or any other data requirement, or errors and/or omissions in the invoice, will be just cause for Buyer’s withholding payment. Invoices not received within six months of receipt of goods and/or services will be deemed waived by Seller and, if sent nevertheless to Buyer, time-barred.

7.2 All claims for money due or to become due by Buyer shall be subject to deduction by Buyer for any setoff or counterclaim arising out of this or any other of Buyer’s Agreement with Seller. Unless otherwise agreed in writing, payment for the goods and services will be made within 60 days from prompt receipt of Seller’s invoice. Payment by Buyer shall be without prejudice to any claim or rights which Buyer may have against Seller.

8. Regulatory Compliance
Seller will comply with all relevant legislation and standards for environmental, safety and hygiene matters in manufacturing, packing, shipping, delivering or otherwise providing the goods or services to Buyer’s premises, including the legislation of all countries through which the goods may transit. Seller shall inform Buyer of any significant adverse event that adversely affects or may adversely affect regulatory compliance. Seller will implement promptly any corrective action that may be necessary or requested by Buyer including corrective actions complying with Buyer’s own environmental, safety and hygiene standards.

9. Liability and Indemnity
9.1 Seller agrees to defend, indemnify and hold harmless Buyer, its subsidiaries, affiliates, successors, assignees, employees, directors, agents, customers and users of the goods or services with respect to all claims, liability, damage, loss and expenses, including legal and defence costs, incurred, relating to or caused by:
- actual or alleged patent, copyright or trademark infringement, or violation of any other intellectual property right arising out of the purchase, sale or use of the goods or services described in the Order;
- actual or alleged defect in the services or in the design, manufacture or material of the goods;
- actual or alleged breach of warranty;
- failure to deliver the goods or services at the agreed time and place;
- failure of the goods or services to comply with applicable laws and regulations;
- any encumbrance over the goods; and
- any incidental or consequential loss howsoever arising.

9.2 Buyer’s aggregate liability in contract, tort or otherwise including negligence howsoever arising out of or in connection with the Contractual Relationship shall be limited to the price of the Order.

10. Product Recall
In the event of a recall of the goods necessitated by a defect, a failure to conform to the specifications, applicable laws or any other reason within Seller’s control, Seller will bear all costs and expenses of such recall, including without limitation, costs of notifying customers, customer refunds, costs of returning goods, lost profits and other expenses incurred to meet obligations to third parties.

11. Insurance
Seller shall maintain in force, at its expense, appropriate general and professional liability insurance covers for any damages caused by Seller, its employees, its subcontractors or its agents for the goods or services supplied. If requested, Seller shall furnish Buyer with a certificate evidencing the required insurance covers.

12. Confidential Information and Intellectual Property

12.1 Seller understands that during work on the Order he may gain access to information that is confidential and/or proprietary to Buyer or to other parties and agrees not to use or propagate any such confidential information without prior written approval of Buyer.

12.2 To the extent the services ordered by Buyer include the creation, development and/or modification of documents and/or works, including computer hardware or software, or any other activity pertaining to computer hardware or software, Seller acknowledges that Buyer owns such document and/or works, including but not limited to source codes, object codes, software documentation and any other patentable or copyrightable works, and all related intellectual property, all of which for all purposes shall be deemed to have been created by Seller for or on behalf of Buyer as works made for hire. Neither Seller nor any of its contractors shall have any right, title or interest in any such works, and Seller and its employees and contractors hereby assign any and all such rights in and to any inventions and creative works to Buyer, free of all liens, encumbrances and claims of ownership or right to use by Seller and any third party.

Upon Buyer’s request, Seller and each of its employees and contractors performing such Services for Buyer shall execute all documentation requested by Buyer to further document and/or perfect such assignment to and ownership by Buyer in and to such inventions and creative works.

13. Assignment/Subcontracting
Seller shall not assign the Order or subcontract any material portion of it without Buyer’s prior written consent.

14. Sustainability
Seller shall carry out its procurement activities in an environmentally and socially responsible manner. In accordance with its environmental, health, safety and employment policies, Seller shall strive to incorporate environmental and social considerations into its goods and service selection process. Seller recognises that it is its responsibility to encourage its suppliers, contractors and subcontractors to minimise negative environmental and social effects associated with the goods and services provided. Seller shall also strive to ensure that local and smaller suppliers are not discriminated against in the procurement process and specifications.

15. Termination and Time-Bar
If Seller does not deliver the services and/or goods on or before the specified delivery date and place or as otherwise specified by Buyer, or if Seller breaches any of the terms hereof, including without limitation, the warranties, Buyer shall have the right to terminate or cancel the Order at any time upon written notice to Seller. Buyer may cancel the Order for its convenience at any time, in whole or in part, by notice given at least two days before the agreed delivery date, including by facsimile or e-mail, or orally or by telephone so long as such cancellation orally or by telephone is promptly confirmed in writing by Buyer. No such termination of this Order shall relieve Seller of its obligations as to any services and/or goods that have been delivered. Claims must be made in writing within ninety (90) days of the discovery of the facts alleged to justify such claim and, in any case, neither party shall be liable to the other for loss, damage or expense unless law suit is filed within one year from discovery of those facts. Invoices shall be deemed time barred as provided for under article 7 above.

16. Personal Data and Supplier Code of Conduct
Seller, like Buyer, warrants that if personal data is processed, this will be done in accordance with European and local regulations, in particular the European General Data Protection Regulation (GDPR). Seller will also act in accordance with Buyer’s Suppliers Code of Conduct.

17. Governing Law and Dispute Resolution
Unless specifically agreed otherwise, all disputes:

- arising out of or in connection with the Contractual Relationship(s) hereunder, shall be governed by Dutch law, if SGS Nederland B.V. or any other SGS company with statutory seat in the Netherlands placed the Order, and the court of Rotterdam, the Netherlands shall have exclusive jurisdiction to resolve any dispute, and
- arising out of or in connection with the Contractual Relationship(s) hereunder, shall be governed by Belgian law, if SGS Luxembourg SA, SGS Belgium NV or any other SGS company with statutory seat in Belgium placed the Order, and the court of Antwerp, Belgium shall have exclusive jurisdiction to resolve any dispute.