Terms of Purchase

1. Scope

1.1 All purchase orders (deliveries of goods and provision of services) issued by Heraeus Electro-Nite (UK) Ltd. ("Heraeus") are subject to the following Terms of Purchase only. The Terms of Purchase apply also to future purchase orders issued by Heraeus.

1.2 The Terms of Purchase will apply to any contract formed in accordance with clause 2 to the exclusion of all other terms and conditions including, without limitation, (i) any general terms and conditions of the supplier which deviate from these Terms of Purchase and any supplementary provisions in the terms and conditions of the supplier, except where Heraeus gives its express prior written consent to the applicability of the supplier's terms and conditions, and (ii) any terms and conditions which are implied by trade, custom, usage or course of dealings. The supplier's terms and conditions will not become part of a contract between Heraeus and the supplier even if Heraeus, although being aware of the supplier's deviating or contravening terms and conditions, takes delivery of goods, accepts services or effects payment for such deliveries or services.

2. Offer and Formation of a Contract

2.1 The purchase order of Heraeus constitutes an offer to the supplier to purchase goods or services in accordance with the Terms of Purchase. Purchase orders placed by Heraeus without a time limit for acceptance may be accepted by the supplier only within fourteen (14) days from the date of the purchase order.

2.2 The purchase order shall be deemed to be accepted when the supplier issues written acceptance of the purchase order to the purchasing department of Heraeus, or, if sooner, when the supplier does any act consistent with fulfilling the purchase order, and the contract shall be formed at this point.

2.3 No subsequent variation to the contract shall be binding unless confirmed by Heraeus in writing. All correspondence must be exchanged with the purchasing department of Heraeus.

2.4 Each contract is a separate legal contract and contains all the terms agreed by the parties in relation to its subject matter and supersedes all prior agreements, understandings and arrangements whether oral, in writing or arising from a course of dealing. Each party acknowledges that in entering into a contract it has not relied upon any matter not set out therein.

2.5 Quotations are binding and non-refundable unless otherwise expressly agreed in writing.

3. Examination and Procurement Duties

3.1 Within the scope of its general and special professional knowledge, the supplier shall examine all drawings, calculations, specifications and other terms of reference provided by Heraeus for errors and inconsistencies on its own initiative and shall report to and clarify with Heraeus all concerns or objections, if any, promptly in writing.

3.2 The supplier bears the procurement risk of the goods.

4. Delivery and Performance; Supplier's Lien; Security in the Supply Chain

4.1 The supplier shall meet any dates of delivery or performance specified in the purchase order. If the purchase order does not specify such dates, delivery of the goods or performance of the service, respectively, shall be effected within fourteen (14) days after the date of the purchase order. Time is of the essence in relation to the performance of the obligations contained in this clause 4.1.

4.2 If the supplier is unable to perform its obligations in accordance with the dates of delivery or performance set forth in clause 4.1, the supplier shall notify Heraeus promptly and advise a practicable date for the delivery/performance. In addition, the supplier is committed to notify Heraeus without request of any difficulties in delivery/performance which may arise, for any reason whatsoever, immediately after such difficulties have come to the supplier's knowledge.

4.3 The supplier is strictly obliged to comply with all instructions and requirements of Heraeus as regards mode of transport, forwarding agent, and shipping instructions.

4.4 All deliveries and services shall be effected DDP "Place of destination" (Incoterms 2020), save that if the named place of destination is a construction site or the premises of a third party, unloading at the place of destination shall be at the cost and risk of the supplier. The named place of destination shall be specified on the purchase order.

4.5 Partial deliveries are permissible only with the express written consent of Heraeus, which consent shall not be unreasonably withheld. However, failure by the supplier to deliver any instalment on time or at all or any defect in any instalment shall entitle Heraeus to the remedies set out in clause 7.

4.6 The supplier is committed to attach to each shipment a delivery note exactly specifying the contents of the shipment, the net weight per item, and the complete SAP purchase order number of Heraeus.

4.7 The unconditional acceptance by Heraeus of a late delivery or late performance does not constitute a waiver by Heraeus of any compensatory claims arising to it from such late delivery or late performance; the foregoing shall apply until Heraeus has fully settled all payments owed by it for the goods or services so affected.

4.8 With regard to quantities, weights and dimensions, the figures determined by Heraeus during its incoming inspection shall prevail, unless otherwise evidenced by the supplier.

4.9 The supplier shall provide reasonable assistance to Heraeus in obtaining preferential tariffs and other governmental benefits and submit to Heraeus all supporting records and documents, especially certificates of origin, which are requested by Heraeus for this purpose.

4.10 If any payment instruments, shipping documents, certificates of origin or sales tax vouchers are missing, improper or incorrect, Heraeus reserves the right to refuse acceptance of the goods at the supplier's cost and risk.

4.11 If the supplier has agreed to carry out the installation or assembly, or in the absence of any agreement stating otherwise, the supplier shall bear all necessary expenses, such as travel expenses or tooling charges, unless otherwise agreed.

4.12 Any contractual liens and reservations of title by the supplier are subject to a separate written agreement between Heraeus and the supplier.

4.13 The supplier shall give all organisational instructions and take all organisational measures, in particular in the areas of property protection, security of business partners, personnel and information, as well as in the areas of packaging and transport, which are required to ensure security in the supply chain, for example by adopting the requirements of internationally accepted initiatives on the basis of the WCO SAFE Framework of Standards (especially AEO).

4.14 The supplier shall protect its deliveries of goods to and the performance of its services for Heraeus against unauthorised access and manipulation and shall have such deliveries and services performed by reliable personnel only. The supplier shall ensure that any subcontractors commissioned by it gives corresponding instructions and takes corresponding measures.

4.15 The supplier represents and warrants to Heraeus, that the goods: (i) correspond with their description and any applicable specifications, drawings, samples and descriptions; (ii) are of satisfactory quality (within the meaning of the Sale of Goods Act 1979, as amended) and fit for any purpose held out by the supplier or made known to the supplier by Heraeus expressly or by implication, and in this respect Heraeus relies on the supplier's skill and judgement; (iii) if the supplier is responsible for design of items, the supplier warrants that all items delivered under this order will be suitable for use by Heraeus, including installation by Heraeus in its ultimate products, will be free from defects in design, material and workmanship and shall remain so for a period of 12 months after delivery and acceptance by Heraeus; (iv) comply with all applicable statutory and regulatory requirements relating to the manufacture, packaging, storage, handling and delivery of the goods; and (v) do not contain any substances which are restricted by Directive 2011/65/EU (RoHS), that the substances which are contained in the goods and its use(s) are either already registered or not subject to
registration in accordance with the Regulation (EC) No. 1907/2006 (REACH) and, if necessary, that an authorisation in accordance with the REACH Regulation has been granted. The supplier shall prepare the safety data sheet pursuant to Annex II of the REACH Regulation, if required, and provide them to Heraeus. If the goods delivered are to be classified as dangerous goods within the meaning of the applicable international rules, standards and guidelines, the supplier must notify Heraeus thereof no later than on the date of the order confirmation. 4.15 Heraeus retains title to, and ownership of, any and all items, such as substances, tools, materials and other items, which are provided by it to the supplier for manufacturing purposes. As long as they are not processed, any such items must be stored separately and insured at replacement value against loss and destruction at the supplier's cost. The processing, blending or combining (further processing) of any such items by the supplier is made on behalf of Heraeus. The same applies to the further processing of the goods delivered to it, so that Heraeus is deemed to be the manufacturer and obtains ownership of the product so manufactured. 4.16 The supplier is responsible for the protection, calibration, maintenance, and care (other than normal wear) of all tools and equipment used by the supplier and owned by Heraeus. Said tooling or equipment shall be subject to inspection upon notice and shall be returned to an acceptable condition upon demand or notice. Except as otherwise specified in the contract, any special tooling, including jigs, dies, fixture, molds, patterns, special gauges, special test equipment and other items shall be furnished by and at the expense of the supplier for Heraeus, shall be identified as Heraeus owned property, and shall be stored separately when not in use. Special tooling shall be kept in good condition by the supplier and when necessary repaired or replaced by the supplier after negotiating any costs with Heraeus. The supplier agrees that Heraeus will, at all times, maintain ownership of all tooling and equipment noted in this clause 4.16. The supplier also agrees promptly to notify Heraeus of any loss of or damage to the tooling or equipment. Risk of loss shall be the supplier's responsibility as long as the tooling or equipment is at the premises of the supplier or any of the supplier's subcontractors. The supplier agrees to limit its use of Heraeus equipment or any part thereof to activities necessary to the fulfillment of this contract. The supplier shall not use any such equipment for the benefit of any company other than Heraeus without the prior written permission of Heraeus. Any drawings and specifications prepared by the supplier are to become the property of Heraeus and shall be identified as Heraeus owned property and shall be stored separately when not in use. Such drawings or specifications will be sent to Heraeus' purchasing department upon request when the order is completed. 4.17 Title and risk in the Goods will pass to Heraeus on completion of delivery in accordance with this clause 4, at which point title to, and ownership of, the goods shall be transferred to Heraeus unconditionally and regardless as to whether the purchase price has been paid. If, in the individual case, Heraeus accepts an offer from the supplier for the transfer of ownership of goods which is conditional upon payment of the purchase price, the supplier's reservation of title shall lapse upon payment of the purchase price of the goods at the latest. In such case, Heraeus is authorised to resell the goods in the ordinary course of business prior to the payment of the purchase price on the condition that Heraeus assigns to the supplier in advance the purchase price claims arising from such resale (application of the simple reservation of title extended to resale). In any case, all other forms of reservation of title are excluded, in particular the expanded and the assigned reservation of title, as well as the reservation of title extended to further processing. 4.18 The supplier represents and warrants to Heraeus that (i) it will perform the services with reasonable care and skill and in accordance with generally recognised commercial practices and standards; (ii) the services will conform with all descriptions and specifications provided by Heraeus to the supplier; and (iii) the services and deliverables will be provided in accordance with all applicable legislation from time to time in force, and the supplier will inform Heraeus as soon as it becomes aware of any changes in that legislation. Hereus' rights under this contract are in addition to the statutory terms implied in favour of Heraeus by the Supply of Goods and Services Act 1982 and any other statute. 4.19 The provisions of clause 4.18 shall survive any performance, acceptance or payment pursuant to this contract and shall extend to any substituted or remedial services provided by the supplier. 5. Engineering Changes 5.1 Heraeus may make engineering changes from time to time to the item(s) ordered during the term of the contract by written notification to the supplier describing the details of such engineering change. Drawings, designs, and/or specifications, as required will be supplied by Heraeus. The supplier shall incorporate an engineering change into the goods supplied under the contract within a time-scale and at a cost to be agreed by the parties. 5.2 The supplier shall notify Heraeus of any engineering change proposed to be made by the supplier to the goods ordered and shall supply a written description of the expected effect of the engineering change on the item, including effect on price, performance, reliability and serviceability. Heraeus may require evaluation of sample parts specified as part of the proposed engineering change. In the event that the supplier proposed engineering change affects a Heraeus supplied design, Heraeus, in its sole discretion, may elect to incorporate or not to incorporate said change. The supplier shall not change or modify the Heraeus design without Heraeus' prior written consent. 6. Force Majeure Acts of God, labour disputes, operational breakdowns arising through no fault or negligence of Heraeus, civil disturbances, actions by any governmental authority and other events or circumstances beyond Heraeus' control will entitle Heraeus - notwithstanding any other rights or remedies available to it - to terminate the contract in whole or in part if such circumstances or events continue for a significant period of time and result in a substantial decrease in Heraeus' demand. 7. Remedies 7.1 In the event that the supplier defaults in the timely performance of its duty to deliver goods/provide a service in accordance with clause 4.1 Heraeus may, without limiting any of its other rights and remedies, have the right to any one or more of the following remedies, whether or not it has accepted the goods: (i) to terminate the contract immediately; (ii) to reject the goods (in whole or in part) and return them to the supplier at the supplier's own risk and expense; (iii) to require the supplier to repair or replace the rejected goods, or to provide a full refund of the price of the rejected goods/services (if paid); (iv) to refuse to accept any subsequent delivery of the goods/services of the supplier or any part thereof, including effect on price, performance, reliability and serviceability. Heraeus may, at its option, claim or deduct liquidated damages payable in accordance with clause 7.2, and shall extend the supplier's delayed performance, Heraeus may claim liquidated damages even if it has not expressly reserved this right at the time of receipt of delivery. Heraeus shall declare the reservation of its
right to claim the liquidated damages no later than at the time of its final payment of the delivery concerned.

7.5 The assertion of any further damage by Heraeus shall not be excluded, but the liquidated damages paid pursuant to clause 7.2 shall be set off against any such further damage.

8. Indemnity; Recourse and Product Liability; Insurance

8.1 The supplier is responsible for the perfect condition of the goods delivered and the services provided and for the existence of warranted characteristics. The supplier is in particular responsible for the conformance of the goods and services to the state of the art, to the generally accepted technical and occupational health and safety regulations of public authorities and trade associations, and for the compliance of the goods and services with all applicable laws.

8.2 The supplier will indemnify and hold Heraeus harmless from and against any and all costs, expenses, damages and losses (direct or indirect), including any interest, penalties and legal or other professional fees and expenses awarded against or incurred or paid by Heraeus, as a result or in connection with any claim brought by a third party against Heraeus relating to (i) any breach or alleged breach of any of the supplier's obligations or warranties under the contract or (ii) any other acts or omissions of the supplier, its officers, agents, employees or sub-contractors (including, without limitation, product liability claims and claims relating to breach or alleged infringement of a third party’s intellectual property rights), if and to the extent that such claims are attributable to a defect in the goods delivered/manufactured or the services provided by the supplier. If a product liability claim under strict liability is asserted or entered against Heraeus, the foregoing shall apply only if the supplier is at fault. If the cause of the loss or damage is within the responsibility of the supplier, the burden of proof shall rest on the supplier. The supplier shall refund also any and all necessary costs and expenses to the extent of the supplier's indemnity obligation, including the costs of bringing an action or the costs generated by a product recall. Heraeus will inform the supplier of the scope and content of such product recall to the extent practicable and reasonable.

8.3 The supplier shall take out and maintain during the term of the contract and for a period of six years thereafter, with a reputable insurance company, professional indemnity insurance, product liability insurance and public liability insurance to provide adequate coverage for such heads of liability as may arise under or in connection with the contract, and must furnish proof of the existence of such insurance to Heraeus upon request.

9. Infringement of Third Party Property Rights

The supplier warrants that no patent rights or other intellectual property rights of any third party are infringed by or in connection with the supplier's delivery of goods or provision of services, and the supplier will, upon first written request, indemnify and hold Heraeus harmless from and against any and all claims which are asserted or entered against Heraeus by any third party on account of the infringement of a patent or other property right. The supplier will reimburse Heraeus for all necessary costs and expenses arising to Heraeus out of or in connection with such third party claims. Irrespective of the foregoing, Heraeus shall be entitled to enter with any third party into agreements on the alleged infringement of property rights, including, without limitation, compromise settlement agreements, without the consent of the supplier.

10. Prices and Terms of Payment

10.1 The prices specified in the purchase orders are binding, and are exclusive of amounts in respect of value added tax ("VAT") and any other applicable taxes, duties and charges. These prices include any and all services and ancillary services provided by the supplier (such as mounting and installation, for example) as well as all ancillary costs (such as packaging, transport and transport and liability insurance). The supplier shall take back packaging materials at the request of Heraeus without additional charge.

10.2 All invoices must specify the SAP purchase order number of Heraeus, the exact description and quantity of the goods delivered or services provided, and the price per unit or quantity. All invoices must be sent to the address specified in the purchase order.

10.3 Unless otherwise agreed between the parties, the agreed prices become due and payable within sixty (60) calendar days after full performance of the delivery and/or service (as well as acceptance, if applicable) and receipt of a proper invoice. If the invoice is paid within fourteen (14) calendar days, the supplier shall grant a 3% discount on the net invoice amount.

10.4 If a party fails to make any payment due to the other under the contract by the due date for payment, then the defaulting party shall pay interest on the overdue amount at the rate of 2% per annum above the Bank of England’s base rate from time to time. Such interest will accrue on a daily basis from the due date until the date of actual payment of the overdue amount, whether before or after judgement. The defaulting party shall pay interest together with the overdue amount. This clause shall not apply to payments the defaulting party disputes in good faith in accordance with clause 10.5.

10.5 In the event that the amount of an invoice is subject to a bona fide dispute, Heraeus will advise the supplier of the same prior to the relevant due date. With regard to such disputed invoice, Heraeus shall pay the undisputed part of that invoice (if any) by the relevant due date and the parties will resolve the issue in relation to the disputed part of the invoice in accordance with clause 14.7.

10.6 Heraeus may, without limiting any other rights or remedies it may have, set off any amount owed to it by the supplier under the contract against any amounts payable by it to the supplier under the contract and/or any other agreement/contract between Heraeus and the supplier.

11. Industrial Property Rights and Know-How; Confidentiality

11.1 All right, title and interest in and to any models, samples, drawings, software, documentations and other records as well as all right, title and interest in and to any materials, tools, production and testing equipment and know-how disclosed or released by Heraeus to the supplier shall remain vested solely in Heraeus. Any such items, information and documents must be treated as confidential in accordance with the provisions of clause 11.4, and may not be transmitted to any third party, unless with the express prior written consent of Heraeus and unless such third party is bound by the same obligations of confidentiality.

11.2 All items, information and documents set forth in clause 11.1 must be returned to Heraeus, without request, immediately upon performance of the contractual obligation or when they are no longer required by the supplier. Any other use or disposal, whether in fact or in law, and/or any direct or indirect exploitation of such rights, items and documents by the supplier or any third party is expressly prohibited.

11.3 In the case of research, development, construction, engineering or other contracts covering the elaboration of a solution to a technical problem, all right, title and interest in and to any inventions made by the supplier, its agents or employees in performing the contract, as well as any patents to be applied for, already applied for, or granted on such inventions, shall vest exclusively in Heraeus. The same shall apply to any new technical know-how. At the request of Heraeus, the supplier will exploit inventions which are made by its employees. The supplier agrees and undertakes to notify Heraeus in writing of any such new technical know-how or employee invention promptly and, in any event, within a period of six (6) weeks. The supplier agrees that at any time and from time to time hereafter, it will upon written request take any and all steps and execute, acknowledge and deliver any and all further instruments and assurances necessary or expedient in order to vest any patents or copyrights or copyright licenses and interests more effectively in Heraeus.

11.4 A party (“receiving party”) shall keep in strict confidence all technical and commercial know-how, specifications, inventions, processes or initiatives which are disclosed to the receiving party by the other party (“disclosing party”), its employees, agents or subcontractors, and any other confidential information concerning the disclosing party’s business, its products or its services which the receiving party may obtain. The receiving party shall only disclose such confidential information to those of its employees, agents or subcontractors who need to know the same for the purpose of discharging the receiving party’s obligations under the contract, and
shall ensure that such employees, agents or subcontractors shall keep such information confidential.

12. Cancellation and Termination

12.1 Heraeus may cancel purchase order(s) or any portions thereof for any reason by written notice prior to delivery. Cancellation shall be effective upon the supplier’s receipt of the written notice from Heraeus, or thereafter upon the date specified in such cancellation notice. The supplier shall cease operation on subject purchase order(s) in accordance with the cancellation notice. Heraeus will have no liability for cancelled purchase orders other than as set forth in clause 12.2.

12.2 In the event of a cancellation under clause 12.1, Heraeus will pay the supplier for the reasonable costs of materials and labour incurred by the supplier in connection with the cancelled purchase order prior to the effective date of the cancellation, and the supplier will deliver to Heraeus (unless otherwise directed by Heraeus’ purchasing department) all completed parts, parts in process, all components procured on account of the cancelled purchase order(s), and any tools and equipment owned by Heraeus. However, Heraeus’ payment will not exceed the maximum payment established by the following schedule unless otherwise agreed in writing by Heraeus. The following numbers reflect the number of days prior to the scheduled delivery date that the notice of cancellation is received and the maximum payment for each item cancelled (expressed as % of the price applicable to the canceled item): 91 or more days - negotiable, 61 to 90 days - 25%; 31 to 60 days - 50%; 0 to 30 days 100%.

12.3 Heraeus may terminate the contract immediately and without compensation to the supplier by giving the supplier notice to that effect at any time: (a) the supplier commits a material or persistent breach of the contract, (b) the supplier becomes insolvent and/or is made bankrupt, makes an involuntary arrangement with its creditors, enters into administration and/or goes into liquidation and/or a receiver or other security holder is appointed over all of the supplier’s assets or undertakings; or (c) in the circumstances set out in clauses 6, 7.1 and 13.2.


13.1 The supplier hereby commits to Heraeus to comply with all legally binding rules and regulations, in particular with all applicable laws for the protection of fair competition, all export and import prohibitions in force, all applicable customs and tax regulations as well as all applicable legal regulations for the protection of the environment, and not to offer, promise, or grant any benefits to employees of Heraeus as consideration for the preferential treatment in the procurement of products or services (“bribery”), to ban forced and child labor, and to ensure for its own staff a fair pay, proper working hours, safety at work and a non-discriminating working environment. Furthermore, the supplier expressly acknowledges that it accepts the “Supplier Quality Manual” and expressly acknowledges that the contents form an integral part of these general terms and conditions and the contracts that will be concluded between Heraeus and the supplier in the future. The most recent version of the “Supplier Quality Manual” can be consulted at www.heraeus.com/en/hen/about_heraeus_hen/supplier_quality/supplier_quality.html.

13.2 Heraeus may terminate the contract with the supplier without notice in the event that the supplier commits a breach of its obligations set forth in the preceding paragraph. The supplier commits to pay liquidated damages in the amount of 10% of the order value to Heraeus in the case of bribery or violation of the applicable laws for the protection of fair competition. Furthermore, the supplier shall indemnify and hold harmless Heraeus from and against any third-party claims which are asserted or entered against Heraeus on account of, or in connection with, the supplier’s breach of its obligations set forth in the preceding paragraph. The parties confirm that these sums represent a genuine pre-estimate of Heraeus’ loss in these circumstances.

14. Miscellaneous

14.1 Any notice, claim or demand required to be served under or in connection with the contract is to be provided in writing and will be deemed sufficiently given or served if delivered by hand or by first class post to the relevant party at the address specified within the purchase order addressed to the company secretary of that party. Such notice will be treated as having been received if delivered by hand, on the day of delivery if delivered outside business hours) or on the second business day following delivery by first class post.

14.2 Heraeus may at any time assign, transfer, charge, subcontract or deal in any other manner with any or all of its rights or obligations under the contract. The supplier may not assign, transfer, charge, subcontract or deal in any other manner with any or all of its rights or obligations under the contract without Heraeus’ prior written consent.

14.3 Nothing in any contract under these Terms of Purchase shall confer any rights upon any person who is not a party to it, whether under the Contracts (Rights of Third Parties) Act 1999 or otherwise.

14.4 If a court or other regulatory body finds that any part of the contract is invalid or unenforceable, the remainder of the contract shall not be affected and shall be construed as if such invalid or unenforceable part did not exist.

14.5 A waiver of any right or remedy under the contract is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default. No failure or delay by a party to exercise any right or remedy provided under the contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

14.6 Nothing in the contract will operate to exclude or limit any liability for fraud, fraudulent misrepresentation or for any other matter that cannot be limited or excluded lawfully.

14.7 All disputes between the parties arising out of or relating to the contract shall be referred by either party firstly to the relationship managers (appointed by the parties from time to time) for resolution. If the dispute cannot be resolved by the relationship managers within a maximum of 14 days, the dispute shall be referred to the managing directors of each party for resolution. If the dispute remains unresolved by the managing directors of the parties after 14 days of being referred to them, the dispute shall be referred to mediation under the supervision of the Centre for Effective Dispute Resolution. The decision of the mediator shall be binding upon the parties and each party shall bear its own costs and expenses in respect of the mediation process.

14.8 The place of performance for all payments between Heraeus and the supplier is the registered place of business of Heraeus.

14.9 These Terms of Purchase and any agreement between Heraeus and the supplier, and any dispute or claim arising out of or in connection with such an agreement or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with English law, without giving effect to its conflict of law provisions and without giving effect to the UN Convention on Contracts for the International Sale of Goods (CISG).

14.10 Each party irrevocably submits to the exclusive jurisdiction of the courts of England and Wales.