



# General Terms and Conditions of Purchase H&R Malaysia Sdn Bhd

## Scope

### Asia

- H&R Malaysia Sdn Bhd

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For the sake of simplicity and easier reading, only the masculine form has been used.



## 1. General

These General Purchasing Conditions shall apply between H&R Malaysia Sdn Bhd. & seller at any stage of the procurement process concerned (e.g. in the request for quotation, the Purchase Order, or the contract). H&R does not accept any of the seller's terms & conditions of sale unless H&R has expressly agreed to any of them in writing prior to the date of H&R receiving the Order Confirmation.

## 2. Definitions

"Agreement"	means these General Terms & Conditions of Purchase & all other documents which the parties have agreed in writing will form part of the agreement governing H&R's procurement of the Product(s).
"Documents"	means any drawings, technical documents, software programs or other data bearing media in whatever medium or format.
"H&R"	means H&R Malaysia Sdn Bhd. &/or its affiliates procuring Product(s) from the seller under the Agreement.
"Incoterms"	refers to Incoterms 2010 – The International Chamber of Commerce rules for the use of domestic & international trade terms, & which are incorporated into & form part of these Terms & Conditions to the extent that they do not conflict with any of the terms herein.
"Order Confirmation"	means the confirmation of H&R's order sent by Seller to H&R in accordance with clause 4.
"Product(s)"	means the products, equipment, component, material, hardware, software, services & other objects (tangible & intangible) which the Seller is required to supply under the Agreement
"Purchase Order"	means a written order for the purchase of Product(s) submitted by H&R to Seller.
"Seller"	means the Seller of the Product(s).

These conditions apply to the purchase of all Product(s) & services by H&R.

## 3. Documentation

Any Documents provided to Seller by H&R shall remain H&R's exclusive property & shall be returned to H&R on request. The Documents may not be copied, reproduced or distributed without prior express written approval by H&R.

Documents specifically prepared as a result H&R's order of the Product(s) & provided by Seller to H&R, shall be the exclusive property of H&R. With respect to other Documents provided by Seller, H&R shall have the unrestricted right to copy & use such other Documents for the purpose intended by H&R's purchase of the Product(s).

## 4. Prices & Terms of Payment

The prices stated are fixed. All charges and duties shall be payable by the Seller as per the Incoterm stated on the Purchase Order. Payment shall be effected before the 30th day of the month following the month of receipt of invoice. If payment is delayed then Seller shall notify H&R & H&R shall thereafter expedite the payment.



## 5. Order Confirmation

Seller shall confirm receipt of H&R's Purchase Order by sending an Order Confirmation within two (2) working days after receipt of the Purchase Order, & the contract for purchase shall have been formed immediately on receipt by H&R of the Order Confirmation.

## 6. Delivery Documents & Package

The price shall include the cost of packing and package or other protection required under normal transport conditions to prevent damage to or deterioration of the Product(s) while in transit to H&R. The Products shall be packed and marked in accordance with H&R's instructions. The Purchase Order number and product numbers (if any) shall be set out in the shipping documents.

## 7. Terms of Delivery – Passing of Title

The terms of delivery shall be interpreted in accordance with the Incoterms. Title to the Product(s) shall be transferred to H&R when delivery has taken place.

## 8. Confidentiality

Seller is responsible for ensuring that Documents & other information provided by H&R orally or in writing, is not brought to the knowledge of third parties, without prior written authorization by H&R.

## 9. Obligation to Notify

Should Seller become aware of reasons to believe that the agreed delivery date cannot be met, Seller shall immediately notify H&R in writing, stating the cause of the delay and an estimated delivery date. Such notification shall not limit Seller's liability for delay according to this Agreement or applicable law. If Seller fails to give such notice in due time, H&R shall be entitled to compensation for all additional costs and expenses incurred as a result thereof which H&R could have avoided if the notice had been duly given.

## 10. Delay

If, for any reason whatsoever, the Product(s) are not delivered within the time agreed, & such delay causes H&R financial loss, then H&R shall, for each commenced week of delay, be entitled to claim liquidated damages amounting to five (5%) per cent of the relevant Purchase Order price. The liquidated damages shall not, however, exceed a total of forty (40%) percent of the said price. H&R shall be entitled, but not obliged to cancel the whole or part of the Purchase Order if delivery is delayed by more than 2 weeks.

## 11. Inspection, Quality & Environmental Standards

H&R shall be entitled to inspect the Product(s) & the production thereof, including the relevant quality assurance system, at the premises of Seller and its subcontractors.

Seller undertakes to comply with the applicable requirements in the ISO 9001 quality system standards. In addition, the Product(s) shall meet the regulatory requirements imposed by the laws and regulations of any governmental entity having jurisdiction over the production, transport &/or sale (including re-sale) of the Products. The Product(s) shall also meet the technical standards, the environmental & any special market requirements stated in the Purchase Order or otherwise agreed upon between the parties. In addition, Seller shall comply at all times with H&R's directive regarding banned & restricted substances. If requested by H&R, Seller shall furnish a certificate for delivered Products stating that the Products conform to all requirements referred to in this clause.



## 12. Warranty

Seller warrants that:

- It has & will maintain any necessary rights in the Product(s).
- It will comply with the applicable laws & regulations of any governmental or non-governmental body of the countries having jurisdiction over Seller.
- The Product(s) will perform & conform to the specifications and will meet what otherwise has been agreed upon, & will be free from defects, deficiencies & non-conformities in design, materials & workmanship.

H&R may reject any Product(s), & return them at Seller's risk & expense, if at any time during a period of 12 months ("the warranty period") following delivery, they are found defective, deficient or non-conforming ("the defect"). In such cases, & at the sole option of H&R, H&R shall either cancel the whole or part only of the purchase or Seller shall be obliged at its own cost, to repair the Product(s) or replace them with new Product(s) that are free from defects. Repair & replacement shall be carried out promptly upon demand.

When a defect has been remedied, Seller shall be liable for the warranty period for defects in the replaced or repaired Product under the same terms & conditions as those applicable to the original Product.

If Seller fails to fulfill its obligations above within the prescribed time, H&R may, without prejudice to other remedies available, undertake, or engage a third party to undertake, necessary remedial works at the risk & expense of Seller.

## 13. Product Liability

Seller shall indemnify & hold H&R harmless for any damage done to persons or to other property which is the result of any defect.

## 14. Export & Import

Seller is responsible for obtaining and maintaining any export license(s) required for delivery of the Product(s) to H&R according to the Purchase Order. Seller shall issue all other documents reasonably requested by H&R, regarding export & import of the Product(s).