

# General Purchasing Conditions

## Humanity & Inclusion

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## Article 1: Purpose and scope

These general purchasing conditions are applicable to contracts for supplies, services or works (hereafter called products) entered into by companies, suppliers, consultants or their sub-contractors for any act of purchase made by Humanité & Inclusion (hereinafter referred to as HI). They constitute the reference document for the administrative and financial management of the contract. They form an integral part of the contract and are considered to be accepted by the contracted party. They set forth the relations and administrative and financial obligations of the two signatories of the contract(s).

Consequently, the Supplier expressly forgoes his own conditions of sale. Any sale conditions appearing as appendices or on the back of letters, in invoices or in any other documents emanating from the Supplier and addressed to HI that are in contradiction with these general purchasing conditions will not be considered binding on HI.

The supplier further undertakes to comply with the principles in annex III of the ECHO FPA 2014

However, any conditions set forth in a contract between the Supplier and HI take precedence over these general purchasing conditions.

## Article 2: Order

The Supplier shall confirm orders by returning an acknowledgement of receipt containing identical terms within ten (10) calendar days from the date of issue of the purchase order. An order will be considered as final and binding upon HI's receipt of this acknowledgment of receipt. Failure to return the acknowledgment or receipt within ten (10) calendar days from the date of issue of the purchase order will entitle HI to cancel the order without penalties.

Contractual documents should include, as a minimum:

- an HI purchase order
- these HI general purchasing conditions
- the price proposed by the supplier (quotation or call for tenders).

And, where appropriate:

- a contract agreement or framework contract agreement
- any specific conditions for the order
- HI's planning schedule.
- the specifications and HI's technical clauses for the contract
- HI's plans relative to the contract.
- the plans or technical specifications relative to the price proposal.

## Article 3: Price, invoicing, payment

Prices are mentioned in the price proposals (quotation or tenders). They are firm and shall not be revised. In the absence of any other negotiated and accepted provisions, the payment conditions are 100 % by bank draft or transfer at 60 days end of month from receipt of the invoice on the condition that the products have effectively been delivered.

## Article 4: Packaging

The Supplier shall deliver the products in the appropriate packaging, taking into account the nature of the products and taking all measures to protect the products from bad weather, corrosion, loading accidents, transport or storage risks, vibrations or shocks, etc. In any case, products shall be packed, packaged, marked and otherwise prepared for shipment in a manner which is in accordance with good commercial practice, acceptable to common carriers for shipment at the lowest rates and adequate to insure safe arrival of the supplies at the named destination.

The Supplier shall be considered solely responsible for any damage to the products or any extra expenses due to incorrect or inadequate packaging, marking or labelling, except for damages or expenses due to special packaging, marking or labelling instructions provided in writing by HI.

## Article 5: Delivery

Unless otherwise stated in the contract agreement, any delivery shall include "cost, insurance, freight to agreed destination" in accordance with the most recent version of Incoterm provisions, to the place specified in the purchase order and during working hours.

Two supplier delivery slips will be drawn up, one to be sent to HI directly and the other to accompany the merchandise. Supplier delivery slips shall contain the full purchase order reference and the Supplier's product description and reference.

## Article 6: Transport, receipt and transfer of title

Transfer of title shall be effective upon delivery of the products at the delivery address specified on the purchase order.

Transfer of risk shall be in accordance with the most recent version of Incoterm provisions applicable to the order. If no Incoterm provision is applicable or if it is not specified, transfer of risk shall take place at the same time as transfer of title.

## Article 7: Delays and penalties for late delivery

Delivery times are specified in the price proposals (quotation or order). They are firm and may not be revised. The Supplier's acceptance of the purchase order constitutes an irrevocable undertaking to meet the delivery deadline.

In the event of early delivery, the supplier shall not be entitled to a bonus.

If the deadlines are not kept, late delivery penalties will be applicable to all or part of the contract. These will run from the fifteenth calendar day after the expiry of the deadline specified in the contract. They are fixed at 0.5 % of the amount concerned for each day's delay, with a ceiling of 7% of the amount concerned. From the thirtieth calendar day of delay, HI may cancel an order without payment of indemnities. Moreover, in addition to penalties, HI reserves the right to ask the supplier for payment of all other damages which are the direct or indirect consequence of a delay attributable to the supplier.

## Article 8: Changes and substitutions

Any changes to the services stated in the contract must always be communicated, costed and accepted by Humanité & Inclusion before being implemented. They will be formalized within thirty (30) calendar days via the drafting of a rider to the current contract.

No changes or substitutions of the product or delivery of non-conform products made or proposed by the Supplier shall be authorized without HI's prior written consent.

## Article 9: Purpose and scope

The Supplier agrees that during the execution of the purchase order, HI shall have the right to access the Supplier's premises to supervise the manufacturing process or give special instructions and to control and/or test ordered products, using the supplier's control and testing facilities. The conditions and modalities of such inspections shall be agreed by the Parties in advance. Such inspections shall in no circumstances limit the Supplier's liability towards HI.

HI shall have the right to refuse products that do not comply with the purchase order or the specifications or the requirements and shall have the right to demand their exchange with products that correspond to the technical specifications and quality determined and agreed upon. The non-acceptance or requirement to exchange products shall be promptly notified to the Supplier by registered letter or by fax or email. The supplier shall, at its own expense, take back non-accepted delivered products or carry out the exchange within fourteen (14) calendar days from date of the notification of non-acceptance. Prior payment to secure cash discounts does not constitute HI's acceptance of the products.

## Article 10: Overshipments

HI agrees to pay only for the quantities ordered, subject to the provisions of Article 7 above. HI reserves the right to refuse any delivered products exceeding the quantities ordered. Overshipments will be returned at the Supplier's sole risk and expense.

## Article 11: Warranties

The Supplier undertakes to inform HI of the risks related to the products, notably with regard to hygiene, security and any other risk of danger.

The Supplier guarantees that he has full rights of disposal over the products and that they are exempted from any privilege.

The Supplier shall guarantee that he respects laws, regulations, prescriptions and rules applicable to the products, especially as far as production, manufacturing, repair and the establishment of prices and delivery dates are concerned, so that products may be legally purchased, sold, transported and exported.

The Supplier shall guarantee for a minimum period of twelve (12) calendar months from the acceptance of the products by HI that they are free from any form of defect, contamination and unusual wear and tear.

During the warranty period, HI shall notify the Supplier in writing of any defect or malfunction of products supplied and the Supplier shall, at its expense and within a delay of fourteen (14) calendar days from the date of the notification, replace or repair the products or correct the defect or malfunction. The Supplier shall provide another twelve (12) calendar months' warranty period for any replacement, repair or correction made during the warranty period, starting on the day of successful and satisfactory completion of such replacement, repairs or corrections.

If the Supplier does not satisfactorily replace or repair the products or correct the defect or malfunction, HI shall have the right, at its own discretion, to make the replacement, repair or correction itself at the Supplier's sole cost and expense, or have such replacement, repairs or corrections made by a third party at the Supplier's sole cost and expense, or to obtain from the Supplier full reimbursement of the purchase price paid for the defective or malfunctioning products.

The Supplier shall guarantee the procurement of any spare parts necessary to the correct functioning of the products, as well as after-sales services, during a minimum period of ten (10) calendar years from the delivery date.

The Supplier agrees that the warranties specified herein shall be in addition to any warranties provided for by law or expressly granted by the Supplier other than those specified herein, and to any other warranties, whether explicit or tacit, applicable to the relevant purchase.

## Article 12: Intellectual property and confidentiality

The Supplier guarantees that the products to be supplied do not infringe any patents, licenses, industrial patent rights, copyrights, mask work rights or any other industrial and/or intellectual property rights of any third party. The Supplier guarantees that it has full right to use, produce and sell the products to be supplied and that HI shall have full right to use and resell such products.

The Supplier agrees to defend HI against any claim or action for infringement of a third party industrial or intellectual property right, to pay all costs incurred by HI for the defence of such a claim or action, including reasonable legal fees, and to indemnify HI for any damage, loss and prejudice suffered by HI as a direct or indirect consequence of such claim or action.

Any data, drawings, designs, equipment or other material or information which is provided by HI or provided by the Supplier but paid by HI as a part of the products' purchase price, shall be the sole property of HI and shall be considered confidential information belonging exclusively to HI

The Supplier agrees to keep strictly confidential any materials and/or information belonging to HI and received for the purposes hereof and not to communicate or disclose such material and/or information to any third party without HI's prior written consent. Any advertising or oral or written communication concerning the order or its details shall be subject to HI's prior written consent.

## Article 13: Liability and insurance

The Supplier shall be solely responsible and liable to HI and any third party for any physical injury, property damage or any other material damage, loss or prejudice arising from the execution by the Supplier or the Supplier's employees, agents or subcontractors of the Supplier's obligations under the purchase order.

The Supplier shall take out adequate insurance policies to cover the consequences of any liability that, according to the stipulations outlined in the above clause, might concern HI, and hereby agrees to indemnify and defend HI against any such damage and liability.

## Article 14: Sub-contracting

Sub-contracting is only permissible at first level. A sub-contractor may not therefore sub-contract the execution of the contract. The contract holder may sub-contract all or part of the contract under certain conditions:

- Any sub-contracting must be declared by the future contract holder when submitting the quotation and be authorised by Humanité & Inclusion before the contract is executed.
- All sub-contractors are subject to the same conditions as the contract holder (general purchasing conditions, specific conditions, etc.).

If these conditions are not met, the contract may be cancelled.

## Article 15: Ethics

HI affirms its determination to combat fraud, corruption, economic and sexual exploitation, sexual abuse and harassment of children and vulnerable adults benefiting from or impacted by HI's intervention, and to implement risk reduction measures in its programmes, with zero tolerance for such abuse and a victim-centred approach.

In signing these terms and conditions of purchase, the supplier/service provider certifies as follows:

- It is not involved in fraud, corruption, money laundering, with the activities of criminal organisations or in any other illegal activity
- It will avoid any conflict of interest or abuse of power against HI representatives
- It complies with international laws regarding human rights
- It complies with fundamental labour legislation, in particular with regard to minimum wages and equal pay, working hours and conditions, freedom of association and the right to organise, non-discrimination in employment, non-use of forced and child labour.
- It is not involved, in any form whatsoever, in the propagation of landmines and cluster munitions, (production, trade, financing, shareholding, transportation, storage, etc.),
- It is not involved, in any form whatsoever, in arms trading and trafficking –Arms category A and B - as defined in the French Law article n°2012-304 of the 6 of march 2012 (production, trading, financing, shareholding, fund-raising, transportation, storage, etc.)
- It will not engage, in any form whatsoever, in practices that would result in its being perceived as a “war profiteer” (exploiting the economic consequences of a conflict, abuse of a dominant position due to the existence of a conflict...),
- It has no ties with any terrorist networks in any form whatsoever (acts of violence perpetrated against the population or civil installations committed by an organisation).
- It will endeavour to use production techniques and processes that comply with fundamental environment-friendly rules (principally with respect to deforestation and the use of chemical agents affecting biodiversity)

The Provider acknowledges and agrees to comply with the stated policies (accessible: <https://hi.org/fr/politiques-institutionnelles>), which are HI's policies on the protection of beneficiaries from acts of sexual exploitation and abuse, its Child Protection Policy, its Anti-Fraud and Anti-Corruption Policy, its Disability, Gender and Age Policy and the HI Code of Conduct.

If you believe that the action of a person (or group of persons), belonging to HI, does not comply with the above rules, you should report it in accordance with the process by contacting HI via the following link: <https://hi.org/en/reporting-form>

HI reserves the right to use international supplier tracking tools to verify their history and potential involvement in illegal or unethical activities. HI wishes to limit its environmental impact and expects its suppliers and service providers to take a similar approach

## Article 16: Termination

This agreement may be terminated at any time by either Party without need for any legal proceedings by written notice served to the other Party in the event of any breach to this agreement that such other party has failed to remedy within one (1) month of the receipt of a notification to that effect. The Party terminating the agreement reserves the right to claim for damages for the prejudice suffered.

HI reserves the right to terminate a purchase order or a contract agreement by registered letter with acknowledgement of receipt without notice and without owing the Supplier indemnities or penalties, in the event of any of the following:

- Failure by the Supplier to meet his obligations relative to delays and delivery conditions relative to the terms set forth in article 7 of these general purchasing conditions
- Failure by the Supplier to comply with the obligations set forth in article 9 of these general purchasing conditions
- Failure by the Supplier to meet the warranty obligations set forth in article 11 of these general purchase conditions
- Failure of the Supplier to comply with any of the ethical obligations set forth in article 16 of these general purchasing conditions
- Proven misrepresentations on the part of the Supplier in the written documents supplied to HI
- A case of *force majeure* as set forth in article 17 below, leading to a delay in delivery of more than three (3) months. In case of termination of the agreement due to a situation of *force majeure*, the Supplier shall be paid for all the products delivered up to the agreement termination date.

In the case of a framework agreement, termination of the agreement shall not lead to the termination per se of the orders placed prior to the effective date of termination of this framework agreement. Such orders shall continue to be governed by the terms and conditions of this framework agreement until completion.

## Article 17: Force majeure

Neither party shall be responsible or liable for any delay or failure in execution arising as a result of any occurrence or contingency beyond its reasonable control, including but not limited to accidents, earthquakes, civil wars, wars (declared or not), governmental measures, etc. The affected party shall send written notice of the delay and the reason therefore to the other party as soon as possible.

## Article 18: Applicable law and attribution of jurisdiction

Parties agree that in case of dispute about the interpretation and/or the execution of the contract and/or its cancellation, they will endeavor to reach an amicable settlement.

Failing this, the Commercial Court of Lyons, France shall be the only competent jurisdiction and French law shall be the only applicable law.

### For acceptance of the Supplier

Date:

Signature preceded by « read and approved » and the company stamp:

Read and approved