

**SCHNEIDER ELECTRIC EGYPT**  
**General Terms and Conditions**  
**(Reference no. Market/ Serial /Year )**

Schneider Electric Egypt (referred to hereafter as **=S=**) recites hereafter the General Terms and conditions that are considered as the milestone binding the relation between **=S=** and its Supplier (referred to hereafter as the "S") who has the will to deal with **=S=**, in any and all stages of cooperation between **=S=** and the "S". These Terms and Conditions are applicable according to the Supplier Scope of work. The "S" hereby acknowledges that he renounces his own General Terms and Conditions for the application of **=S=** General Terms and Conditions, detailed hereby:

**1.Pre-Qualification Stage:**

On the first deal and before being engaged in any kind of Supply Chain Cooperation with **=S=**, the "S" shall submit the following documents and shall up-date **=S=** with any change thereof :

- An original file ,stamped by the "S" company seal, clarifying the "S" official name, address and Managing Director / the legal representative as clarified in the "S" Public Documents.
- An original file, stamped by the "S" company seal, clarifying the "S" bank details ( name and address of the bank, Account name and number and the "S" IBAN Code)
- A copy of the "S" Commercial Registration (for Local Suppliers).
- A copy of the "S" Tax Card (for Local Suppliers).
- Agency Certificates, stamped by the Original Manufacturer Seal.(For Local Traders).

**2. Pre-Selection Stage:**

- Upon receiving a request for quotation from **=S=**, the "S" shall submit to **=S=** its complete offer, which shall hereby mean the comprehensive Commercial offer and the detailed technical file, in a time that shall not exceed four working days from the date of receiving **=S=** Request for Quotation.
- The "S" shall submit an offer competitive enough, implementing quality control procedures, optimizing the supply chain, adjusting a cost profile and meeting the targeted delivery time frame.
- The "S" hereby acknowledges to abide by all that is stipulated in his offer presented to **=S=** and that any violation thereof, if being approved by **=S=**, shall expose the "S" to be legally accountable and shall reimburse **=S=** of any damages incurred by **=S=** for "S" failure to abide by his offer.
- The Supplier shall consider as strictly confidential all information, of any nature whatsoever (technical and commercial), and the material transmitted to the "S", or to which the "S" has access and /or the offer presented by the "S" to **=S=**

**3. The Consultation and Selection Stage**

- The "S" shall be committed to explain to **=S=** on which bases the "S" offer is architected, completed with comments and recommendations to meet the technical, quality and logistics objectives and deadlines as per requested by **=S=**.
- The Supplier shall participate, in a transparent collaborative manner, in the audits performed by Schneider Staff to approve the "S" The "S" shall submit to **=S=** all documents and data required to conduct all **=S=** audit Module "S"
- In case of "S" failure in the audit modules performed by **=S=** to measure "S" performance, "S" shall be committed to launch development plans to close the gaps observed by **=S=**, abiding by the time frame thereof.
- Upon the "S" pass of all audit modules carried by **=S=** staff, both **=S=** and the "S" shall sign a mutual agreement as appropriate enough, including the Contract/Purchase Order objectives ( costs, Inco terms, deadlines and quality), intellectual and industrial property aspects and guarantee aspects

e. The "S" shall appoint and shall inform **=S=** of the "S" assigned contact list during the implementation of **=S=** Contract/Purchase Order. The "S" shall also inform **=S=** of its periods of closure and shall ensure that the closure periods shall not affect the "S" continuity of service and shall not affect the agreed upon delivery schedule

**4.Firm Purchase Orders**

All Purchase orders shall be confirmed and processed by the Company's firm purchase order/Contract. No Purchase order/Contract shall be binding for **=S=** unless evidenced in writing, referenced and signed by authorized personnel of **=S=**.

**5. Modifications**

**=S=** reserves the right to modify, by means of an additional clause, the quantities and/or the supplies, keeping to the same consistency indicated in the Contract /Purchase Order at any time during implementation, without the "S" having any right to claim compensation for such modifications. When applicable, the additional clause shall specify the new contractual date of delivery.

**6. Order Acknowledgement :**

The "S" is hereby committed to acknowledge by mail return each and every Purchase Order to be delivered to the "S" by **=S=** within two working days from the date of Purchase Order delivery. If the "S" fails to acknowledge the Purchase Order thereof and/or raise any discrepancy that might appear in the Purchase order within the aforementioned period of Order Acknowledgement, the Purchase Order shall be considered as accepted and binding on part of the "S".

**7. Work-force :**

The "S" acknowledges being in full responsibility of the following in any service provided by the "S" to **=S=** that entails the presence of a workforce, either at **=S=**'s and/or at any other site, to carry out the service in request:

- The "S" shall be the sole responsible to ensure his workforce safety (through wearing safety shoes, helmets, belts, following safety processes, giving safety training ...etc.) at his own expenses in accordance with applicable laws, ordinance, codes and good practices.
- Work force shall not appeal to Schneider Electric for any claims, rights and / or responsibilities of any kind whatsoever, since they are fully accountable to the Supplier and work under the Penal and Civil responsibilities of the supplier

**8. Packing and documentation**

- The Supply shall be delivered with the documents necessary for its proper transportation, handling, storage and unpacking. Unless there is a clause stipulating otherwise there shall be no deposit on packaging.
- The Supply shall also be delivered with the documents necessary for its use, maintenance and servicing.

**9. Inspection**

- The "S" is responsible for checking and certifying that the Supply is in accordance with the applicable terms stipulated in **=S=** specifications, of which he declares having full knowledge. Inspection carried out by **=S=** prior to, during or after delivery/acceptance shall not constitute exemption from this responsibility. Accordingly, "S" shall submit with each and every consignment delivered to **=S=** a test report, signed & stamped by the "S" seal, indicating that goods have passed all quality tests performed by "S"
- =S=** shall be entitled to perform System/Process Audit at any time **=S=** sees as convenient and the "S" shall yield full cooperation in this respect.

**10. Shipping**

At the same time as all supply shipments, the "S" shall send **=S=** by e-mail a copy of the shipping note which shall include the references and date of the Purchase Order, the number of packages and a precise description of the supplies being shipped beside sending a copy of all set of shipping documents. The original copy of all set of the shipping documents shall be separately sent by Express mail to the shipping address indicated in **=S=** Contract/Purchase Order. "S" shall inform **=S=** of the tracking no. of the express mail by which the "S" delivered the original set of documents

of documents

**11.Late Delivery :**

In the event of late delivery which is not attributable to force majeure or a fault on the part of **=S=**, "S" shall be owed penalties for late delivery, calculated on the basis of the total Order amount at the rate of 2% per calendar week of lateness, up to a ceiling of 10% of that amount. Above the ceiling, Schneider reserves the right to:

- claim compensation from the "S" for the actual losses incurred
- at any time, unilaterally and rightfully declare termination of the Order, in full or in part, due to the fault of the "S" (without prejudice to damages), such lateness being considered a pure and simple failure on the part of the "S".

**12. Transfer of risks and ownership**

Notwithstanding any inspection or acceptance testing carried out at the "S"'s, the transfer of risks shall take place after **=S=** issuance of an acceptance report, for the goods delivered, with no reservation. Before **=S=** issuance of its acceptance report, the "S" shall retain all risks responsibility except for the damage that shall take place within the premises of **=S=** which is not attributed to a fault on part of the "S". In all circumstances, the Supply shall be transported at the "S"'s own risk.

As for ownership transfer, it shall be governed by the rules stipulated in the International Commercial Terms.

**13. Scrapping**

For Local Suppliers any supply that fails to conform to **=S=** Contract/Purchase Order specifications, it shall not be accepted by **=S=** and shall be considered as not having been delivered. Faulty Supplies shall be taken back by the "S", at his own expenses and risk. The "S" thereof shall be committed to replace the faulty supply in a period that shall not exceed four working days, otherwise it shall be dealt with as a late delivery supply. For foreign "S" faulty Supplies shall be considered by **=S=** as a scrap and shall be considered as not having been delivered/accepted. Faulty Supplies shall be taken back by the "S", at his own expenses and risk, within one calendar week of receipt of the scrapping written notice. On the Fifth Calendar Week of receiving **=S=**'s scrapping written notice, if the "S" fails to remove his faulty supply, **=S=** shall be entitled to scrap the faulty supply at the expenses of "S". Any supply that has been scrapped shall immediately result in the issuing of a debit note with the value of the faulty supply beside the scrapping expenses if applicable.

**14. Invoicing and Documentation:**

**a. Time to Invoice:**

- For Local "S", invoicing for all the items approved and accepted by **=S=** shall take place three working days as of the physical delivery to **=S=** premises.
- For Foreign "S", invoicing shall take place three working days before goods shipment date.

**b. Documents :** The following set of Original documents, except as otherwise indicated, shall be sent to the invoicing address and **=S=** Representative indicated in the Contract/Purchase Order and shall include the references of **=S=** and the corresponding Contract/Purchase Order.

- For Local "S": The Product Test Report & Packing List indicating the weight and dimension of the goods supplied shall be delivered with the goods at the address of **=S=** Factory. As for the invoices, Warranty Certificate, they shall be delivered at **=S=** headquarter address to the attention of the Accounts Payables Dept. (continued)

ii. For Foreign "S": AWB or B/L, invoices, Certificate of Origin, Warranty Certificate, Test Report, Packing List indicating the weight and dimension of the goods beside any other documents as per indicated in the the Contract/Purchase Order.

c. Each set of documents shall cover a single Contract/Purchase Order and include a description of the supplies, work or services being invoiced. All documents shall be in full conformity to the Contract/Purchase Order in respect of Quantities and description of the supplies, work or services

d. Should there be any disagreement by =S= regarding the quantity or quality of the products or services supplied or the price invoiced, a debit note shall be issued. The "S" has 7 calendar days as of the date of issue to contest, otherwise the debit note is to be considered as accepted.

#### **15. Prices and payment**

a. The prices given in the Contract/Purchase Order are firm and irrevocable, carriage and packing paid, except as otherwise indicated.

b. The "S" hereby acknowledges that for any payment to be effected by =S= before the complete delivery of goods And/or services, it shall be countered by bank guarantees channelled by the "S" to the favour of =S= and shall only be released upon the "S" fulfilment of its respective obligation(invoicing).

c. Debit notes issued by =S= shall automatically be deducted from payment of the corresponding invoice.

d. =S= reserves the right to suspend payment of any invoice that does not conform to what is stipulated in the invoicing clause and/or in case of "S" failure to present all the required documents mentioned in the Contract / Purchase Order issued to the "S". Payment thereof shall be only released upon Supplier redemption of all waiver thereof. "S" shall not be entitled to charge =S= for any compensation or interest whatsoever due to payment suspension.

#### **16. Moulds, tooling, testing facilities(referred to hereafter as"Tooling")**

A. All Tooling specially produced for the performance of =S= Contract/ Purchase Orders shall become =S='s exclusive property as soon as it is produced and shall be used by the "S" solely to perform Contract/Purchase Orders placed by =S=.

b. If the Tooling is left on consignment at the "S"'s, it shall be identified by a plate indicating =S='s ownership and shall be immediately returned, in good working Order, when first requested in writing by =S=.

c. The "S" shall carry out maintenance and routine repairs of the Tooling, at his own expense. He shall be responsible for the safekeeping of the Tooling, at his own risks, and shall ensure that the Tooling is correctly covered by his own insurance policies.

d. In the event of accidents, the "S" shall repair the Tooling at his own expense as quickly as possible or, if the Tooling is deemed beyond repair, he shall reimburse =S= the equivalent of the replacement value. The amortization period for Tooling is 36 months as of the time it is first used.

e. =S= reserves its right to inspect its tooling list at the "S"'s at any time as part of =S= asset program .

#### **17. Raw Material lent by =S= to the "S" (referred to herein as "Material")**

A. All Material specially lent by =S= to the "S" for the performance of =S= Contract/ Purchase Orders shall be =S='s exclusive property and shall be used by the "S" solely to perform Contract/Purchase Orders placed by =S=.

b. The "S" shall be responsible for the safekeeping and proper storage of the Material and shall be liable towards=S= for any loss, especially in case of robbery, or damage.

c. In the event of accidents, the "S" shall reimburse =S= the equivalent of the material value.

#### **18. Contractual guarantee**

##### **1. Operating guarantee**

a. The "S" shall cover all Supply defects resulting from , any and/or all the following

when applicable according to the "S" scope of supply , faulty design, materials or manufacture . The Guarantee period shall be Thirty Six (36) months as of the delivery date and twenty four (24) months as of the date of commissioning and start up whichever is later. As a result, the "S" agrees to rectify , repair or replace the Supply in its environment at his own expense (including any staff travel expenses and dismantling and re-assembly costs) whenever a Supply defect/malfunction is observed by =S= or its own customer, so that the Supply functions in full conformity with the provisions of the Contract/Purchase Order, for the use for which it is intended

b. When called upon to implement the guarantee, should the "S" fail to take effective action within 7 calendar days, =S= reserves the right to take action or have a third party take action in place of the "S" and at the "S"'s expense

c. All services carried out and/or parts replaced/rectified/repared in accordance with the guarantee shall themselves be guaranteed within the period of the Thirty Six (36) months in accordance with the terms stipulated above. Only those parts/services whose normal lifespan is less than Thirty Six (36) consecutive months of use are excluded from the scope of the operating guarantee.

#### **18.2 Supply of spare parts**

The "S" shall supply all spare parts for a period of ten (10) years as of the delivery/acceptance of the Supply

#### **19. Intellectual property**

a. S= shall have exclusive ownership of all studies (both the results and the various elements included therein, such as drawings, diagrams, models, prototypes, etc.) carried out by or for the "S" in the framework of the Contract/Purchase Order. As a result, the "S" agrees not to use/exploit (or allow others to do so) such study results/elements for purposes other than the performance of the Contract/Purchase Order.

b. If special software packages are supplied for implementation of the Contract/Purchase Order, acceptance of the Contract/Purchase Order shall imply transfer by the "S" to =S= of exclusive rights to use / exploit / market such software. The "S" also agrees to transmit to =S=, when first requested by =S= to do so, the source and object programmes of such software as well as the related documentation.

#### **20. Confidentiality - Publicity**

a. The "S" shall consider as strictly confidential all information, of any nature whatsoever (technical and commercial), and the material transmitted to the "S", or to which the "S" has access in the framework of the Contract/Purchase Order, and shall use it exclusively for performance of the Contract/Purchase Order, barring all other use.

B. In addition, unless specific prior agreement is given by =S=, the "S" agrees not to disclose to third parties the existence of his commercial relations with =S=, nor to disclose all or part of supplies produced based on documents or technical specifications that are =S='s property.

#### **21. Insurance**

The "S" agrees to communicate to =S=, when first requested by =S= to do so, a copy of his insurance policies and/or all certificates issued by his insurance agents and to take out, at his own expense, the additional coverage regarded by =S= as being reasonably necessary in view of the risks involved in the performance of the Contract/Purchase Order.

#### **22. Termination**

=S= has full rights to terminate the Contract/Purchase Order unilaterally in the following circumstance, without the "S" being able to claim any compensation whatsoever:

a. 15 days after the sending of a written notice which is not acted upon regarding the "S"'s failure to carry out any of his obligations as stipulated in the Contract/Purchase Order

b. termination shall take effect immediately in the event of:

i. breaking up or winding-up (by court decision or out of court). Termination thereof shall take place immediately without the need to obtain a ruling from the judiciary

ii. force majeure situations, the effects of which persist for a period of more than six (6) weeks

iii. failure to meet contractual deadlines to the extent that the penalties for late delivery ceiling are reached.

#### **23. Sustainable development**

a. =S= undertakes to abide by the OECD guidelines concerning sustainable development and the rules defined in ISO standard 14001, in particular those pertaining to environmental protection.

b. "S" shall supply =S= with Supplies free from any of the hazardous substances referred to in articles 4 and 6 of the European Directive 2002/95/EC and more generally shall systematically comply with the European laws and regulations as well as with the laws and regulations of the country of delivery mentioned in the Contract/Purchase Order, relating to the restriction or forbidding of the use of certain products or substances. "S" shall indemnify and hold =S= harmless from and against any losses, costs, expenses and damages of any nature whatsoever (« Losses and Damages ») suffered by =S=, including any Damages that may be awarded against =S= as the consequence of a claim from a third party, in connection with and/or arising from the presence in the Supply of hazardous or forbidden substances or products.

c. "S" declares to be fully aware of the guidelines, rules, laws and regulations mentioned in points 23.a and 23.b above and undertakes to respect them and implement all the industrial and human resources necessary (notably through their environmental and human resources policies) to ensure the said guidelines, rules, laws and regulations are properly applied. "S" Further undertakes to provide =S= with evidence of their implementation immediately upon =S= demand.

#### **24. Process/Product Change management**

The "S" shall notify to =S= in writing any major change which includes all process changes, supply changes for key components, design changes, geographical relocation of manufacturing site, that affect the agreed specifications, the mechanical form or fit, packaging, environmental compatibility, life, reliability or quality of the Products. The "S" shall notify =S= in writing nine(9) months in advance of the planned implementation date for such a major change. =S= may refuse any such major change. The "S" remains in any case fully accountable and responsible for any major change applied to the Products delivered to =S= or its Assembly Subcontractors. In all cases, such changes will be at no cost for =S=. The "S" shall reimburse =S= of any costs incurred by =S= in connection with the Product and/ or Component change qualification.

#### **25. Disputes - applicable law**

In case of disputes, if an amicable arrangement is failed to be reached , the agreement shall be governed by the Law in force in Egypt in front of Cairo North Court

**26. Language Prevailing:** These General Terms and Conditions have been drafted in English and Arabic Languages whenever a contradiction is observed, the Arabic Language shall be the prevailing language.

The Supplier hereby accepts and acknowledges all the aforementioned General Terms and Conditions

The Supplier:

Name:

Signature

Title:

