



Group of Companies

KING VEHICLE ENGINEERING LIMITED

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**TERMS AND CONDITIONS OF PURCHASE**

These general conditions together with the terms and special conditions appearing on this Order are the only express conditions on which King Trailers Ltd / King Highway Products Ltd ("KT"), the Purchaser, procures goods and work specified on the order from the person to whom the order is addressed ("Supplier")

1. This order shall not be binding upon KT until accepted by the supplier (by written acknowledgement). KT reserves the right to reject any acceptance which is received by KT more than 14 working days after the date of the Order. The delivery of the goods if accepted by KT shall constitute acceptance so as to create a contract upon the terms herein. The term 'goods' shall be deemed to include work done or the services supplied to KT by the Supplier and 'delivery' shall be construed accordingly. KT shall not be liable for any goods supplied unless supplied or done in accordance with an Order duly signed on its' behalf by an authorised employee of KT. All notices or instructions to be served upon the Supplier shall be deemed to be properly served if sent by post to the address given on the Order.
2. All prices, unless otherwise indicated on this Order, shall include the cost of packing and delivery to the destination requested by KT. The Supplier shall ensure that the packaging is adequate to protect the goods whilst they are in transit against damage including but not limited to pilferage, distortion, corrosion or contamination. Until delivery to the destination requested by KT the goods will be at the Suppliers risk in all respects. The property and risk in the goods shall pass to KT after the goods have been unloaded at the destination requested but without prejudice to any right of rejection KT may have. Packages are to be clearly marked with KT's name, address, Purchase Order Number and Part Number (where applicable). Unless otherwise stated provided in the Order all containers and packing materials supplied by the Supplier shall be considered non-returnable.
3. Unless specifically agreed otherwise in writing by KT all prices shall be fixed firm and not subject to any form of surcharge or variation. Terms shall be 60 days from end of month of invoice.
4. This Order is placed on the condition that the delivery as set out is maintained and time is of the essence of this Order. Without prejudice to any other remedy and failure to deliver a part or the whole of the goods comprised in this Order shall give KT the right partially or wholly, as the case may be, to cancel the Order without any payment whatsoever in respect of the goods cancelled and to claim damages against the Supplier. Any waiver by KT of its rights to cancel wholly or in part shall not prejudice or affect such rights in respect of other cases of later delivery.  
  
KT may at its absolute discretion cancel, reduce, delay or defer all or any part of this Order at any time by giving written notice to the Supplier and if KT exercises this right for any reason other than default by the Supplier then KT shall pay reasonable price in respect of goods already completed but shall otherwise be free from any liability.
5. Where any work covered by the Order is carried out on KT's premises the Supplier agrees to indemnify KT against any claim being made against KT and to reimburse KT in respect of any loss or damage to property and/or death or injury to persons resulting from the execution of this order and the Supplier undertakes to comply fully with the provisions of the Health and Safety at Works Regulations and any other specific requirements as may be required by KT.
6. KT reserves the right at any time after delivery, to reject any goods which are proved to be faulty in design, quality or workmanship, do not conform in whole or part with any Order Condition or which do not come up to sample or standard specified. Where goods are so rejected the Supplier shall collect the goods at the Supplier's expense wherever the goods may be. KT also reserves to itself or its agents the right to visit the Supplier's Works at any time to check the work in progress. Where applicable the Supplier shall manufacture and supply the goods in accordance with the provisions of ISO9000 or and other latest superior standards.
7. Without prejudice to any other remedy, in the case of breakdown or failure of any description due to defective material or workmanship KT shall have the option either to replace the goods or to require replacement by the Supplier in either case entirely at the Supplier's cost including all cost to KT. At the option of KT the Supplier will carry out such rectification work as is deemed necessary by KT at KT's or KT's customer's premises. Where KT carries out any rectification work or replaces defective material or workmanship which the Supplier has supplied, the Supplier agrees to reimburse KT the full, labour inclusive, commercial value of the work undertaken by KT.
8. Where the Order is a sub-contract to a Government Contract.
  - a) The Supplier shall in all cases be bound by the conditions of the original Contract between KT and the Government Department concerned. Copies of the relevant Conditions are available on request.
  - b) The Contract shall be deemed to include all associated specifications (whether supplied by KT or not) applicable to the materials or parts, sub assemblies and components ordered. Copies of the relevant associated specifications are available on request.
  - c) This Order may be subject to quality assurance activity at your Works by the MOD QAR who will advise you accordingly.
9. Where this Order is a sub-contract to a main Manufacturer, it is also subject to the Terms and Conditions of the Main Manufacturer, which shall have precedence where applicable. A copy of the Main Manufacturer's Terms and Conditions is available on request.
10. All release Documents, Advice Notes and Invoices must bear the Order number of this Order. Release Documents must be sent with the goods. Advice notes and Invoices must be sent not later than twenty-four hours after the despatch of the goods. KT may deduct the amount of any bona-fide contra accounts or other claims which KT may have against the Supplier from any payments due to the Supplier under any contract.
11. All drawings, specifications, jigs tools patterns, dies, materials, information and the like furnished by KT or obtained by the Supplier with the written approval of KT for and at the cost of KT for the purpose of this Order shall remain KT's property but shall be at the Supplier's risk. They shall be kept in good condition by the Supplier without expense to KT, except that changes authorised by KT due to KT's change of design or specification shall be paid for by KT. Their use shall be confined to the Suppliers own premises. They shall be used solely for the purpose of manufacturing the goods to be supplied under this Order and for no other purpose without KT's prior written consent. No copies shall be made without the Purchase's prior written consent and on completion of the Order the originals and any copies shall be disposed of, as KT shall direct. The particulars contained in the property furnished by KT or obtained by the Supplier and in all copies thereof shall be treated as confidential and shall not be disclosed to any third party.
12. If any allegation is made or any claim asserted against KT that any act done by KT in relation to either Goods or any article or material on which Work has been carried out constitutes a violation of infringement of any intellectual property rights held by a third party, the Supplier will indemnify KT against and save KT harmless from any loss or damage arising out of such allegation or claim unless the allegation or claim is the direct result of the Supplier following a design or process originated and furnished or imposed by KT.
13. The supplier shall not assign or transfer this Order or sub-contract any of the work or goods without KT's written consent. Any such purported assignment will be null and void.
14. Without prejudice to any other remedy available to KT it may cancel this Order summarily by written notice and without compensation if the Supplier becomes bankrupt, has a receiving or administration order made against him/her or makes a composition or arrangements with his/her or for his/her creditors or, being a Company, passes a resolution that the Company be wound up or if circumstances occur entitling a person or the court to appoint a Manager of Receiver to make a winding up order as the case may be. The Supplier agrees that it will release KT from its obligations to accept and pay for goods in the event of force majeure, strikes and civil disturbances.
15. The Supplier warrants that the goods supplied under this Order will comply in all respects with any statute, statutory rule, order or other instrument having the force of law applicable when the goods are supplied. The supplier further undertakes to supply all information necessary for the goods to be handled and used safely. When reference is made to a standard unless stated otherwise, the latest current issue of the standard shall apply.
16. If any payment in whole or part is made for the goods by KT prior to delivery then ownership of the goods shall then pass to KT but risk in the goods shall remain with the supplier until after the goods have been unloaded at the destination requested by KT.
17. Deliveries and shipments shall be made as directed by KT in its absolute discretion and the goods may be incorporated in any products or subjected to further process of manufacture or sold by KT or any subsidiary company or associated company or its or their suppliers or sub-contractors or any customer or any other person as it or they may elect and in no event shall any claim for royalty or other additional compensation be made by the Supplier by reason of such use, manufacture or sale.
18. All patterns and drawings supplied by KT will remain its property and must be returned in good order and condition with the goods on completion of order. In the event of any inconsistency or inaccuracy in KT's drawings or if, in the opinion of the Supplier, any details should be modified, the Supplier is to notify KT immediately in writing.
19. Any goods released into the custody of the Supplier under cover of this Order shall at all times remain KT's property and the Supplier undertakes to indemnify KT against loss, damage or deterioration to KT's property covered by this order whilst in the Suppliers custody or against any claims against KT arising in connection with such property whilst it is in the supplier's custody.
20. It is a condition of this Order and the Supplier guarantees that the sale or use of the goods or services in any part of the world will not infringe any patent Registered Design, Industrial Design, Trade Mark or Trade Name Copyright or any other protected right. The Supplier hereby grants to KT, a non-exclusive, royalty-free, irrevocable license to repair or have repaired, to reconstruct or have reconstructed the goods ordered hereunder. The Supplier hereby assigns to KT all right, title, interest in and to copyrights in any copyright material created or produced for KT under this Order.





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21. The Supplier shall not without first obtaining the written consent of KT, in any manner advertise or publish the fact that the Supplier has contracted to furnish KT with the goods or services.
22. For the purposes of this Order Year 2000 Compliance shall mean that the goods and the associated systems used by the Supplier to design, manufacture and deliver the goods shall comply entirely with the requirements of the BSI's DISC PD 2000-1, a definition of Year 2000 conformity and shall therefore remain unaffected and the goods will remain fit for purpose without modification or amendment after the year 2000 and into the foreseeable future. If, in the opinion of KT, there is failure of breakdown or delay in delivery of goods caused by non Year 2000 Compliance this will be treated as a breach of Supplier's obligations under this Order and the terms of clause 7 hereof shall apply. The Supplier also accepts liability for any consequential losses KT may suffer as a result of failure on the Supplier's part to comply with this clause.  
Waiver
23. No waiver or indulgence granted by KT to the supplier of any breach by the supplier of these terms and conditions shall be deemed to release the Supplier from its liability arising out of the said breach unless KT shall specifically release the Supplier there in writing.  
Should KT allow the Supplier the opportunity to remedy the breach KT shall retain such rights as existed at the time the breach first became known to them until and unless a written release is given by KT to the Supplier.  
Severance of Contract Terms
24. If any clause or condition or part of a clause or condition of these terms and conditions is held or agreed to be invalid or then unenforceable it shall be treated as served from the body of the terms and conditions without affecting the validity or enforceability of the remaining terms and conditions.  
Arbitration
25. Any dispute between KT and the Supplier may at the option of KT be referred to a single arbitrator to be mutually agreed or failing agreement to be nominated by the president for the time being of the British Mechanical Engineering Federation and the Arbitration Acts in England for the time being in force shall apply.
25. This Order shall be governed by the Law of England and subject to the exclusive jurisdiction of the English Courts.