

Document Title:- Standard Conditions of Purchase for Goods and Services. Version 1.3, Dated 20th April 2009

Rio Tinto Procurement

Document Ref:- RTPUK / SCPGS / 01

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Revision:- 0
Issue Date:- 20th April 2009

Alcan Aluminium UK Limited
STANDARD CONDITIONS OF PURCHASE FOR GOODS AND SERVICES

1. Definition

- 1.1. For the purpose of these conditions:
 - 1.1.1. the "Company" shall mean Alcan Aluminium UK Limited The "Purchase Order" shall mean the official order form or the official facsimile format of the Company, which will be embodiment of the Contract for the supply of goods and/or services, of which these Standard Conditions of Purchase form part.
 - 1.1.2. The "Supplier" shall mean the company, organisation or persons to whom the official Purchase Order is addressed.
 - 1.1.3. The "Goods" means the goods or any part of thereof described on the face of the Purchase Order.
 - 1.1.4. The "Services" mean all or part of the Services performed by the Supplier in relation to the Purchase Order description or Goods supplied in respect of the Purchase Order description.
 - 1.1.5. The "Purchase Price" shall mean the sum of money agreed to be paid by the Company to the Supplier in consideration of the Goods and /or Services to be provided by the Supplier in respect of the Purchase Order.
- 1.2. For the purposes of these conditions the "official facsimile format" communication sent via electronic data transmission shall be deemed to be a "Purchase Order".
- 1.3. For the purposes of these conditions the terms "Purchase Order" and "Contract" shall both be deemed the legal commercial agreement between the Supplier and the Company.

2. Basis of Purchase

- 2.1. These Standard Conditions of Purchase for Goods and Services and any further terms on the face of the order are (save in so far as they are expressly and specifically varied in writing by the Company) the sale terms of the Contract. They shall override any conflicting conditions that the Supplier may seek to impose and shall supersede any terms arising from any previous course of business with the Supplier.
- 2.2. The Supplier may only accept orders for the supply of Goods and/or Services placed on the Company's Official Purchase Order Form or the official recognised facsimile format. The Company accepts no liability for any costs incurred by the Supplier where no such official documentation has been received by the Supplier.

3. Acceptance

- 3.1. The Supplier agrees to supply the Goods and/or Services as provided in the Purchase Order and upon these Terms and Conditions of Supply.
- 3.2. Save as expressly stated upon the face of the order these conditions of Purchase are part of the Contract and neither the Supplier nor the Company shall be bound by any other terms express or implied in relation to the Contract except as otherwise agreed by both parties in writing and signed on their behalf.

4. Price

- 4.1. The price shall be that stated on the face of the Purchase Order and shall not be subject to any variation without the prior written consent of the Company.
- 4.2. Unless otherwise agreed in writing by the Company, the price shall include:
 - 4.2.1. secure and proper packaging acceptable to the Company and;
 - 4.2.2. the cost of delivery to and unloading at the address specified on the face of the Purchase Order
 - 4.2.3. all import taxes or duties or other duties or charges levied by the Seller.
- 4.3. Where applicable, VAT shall be paid by the Company at the rate ruling at the time of supply.

5. Terms of Payment

- 5.1. Unless otherwise agreed in writing the Supplier shall not invoice the Company until performance of the Contract has been completed.
- 5.2. The Invoice shall contain the Company's Purchase Order Number and all other details requested by the Company. The Company shall not be responsible for late payment where details are not provided and will accept no liability for any costs incurred by the Supplier where invoices have not been submitted correctly.
- 5.3. The Company reserves the right to set off against any liability that it has to the Supplier any sums in respect of which the Supplier may be indebted or in default to the Company whether or not in connection with the sale or supply of Goods and/or Services.

- 5.4. Unless otherwise agreed in writing the Terms of Payment of all correctly submitted Invoices by the Supplier shall be "Nett Monthly Account plus 30 days".

6. Performance

- 6.1. The Supplier shall supply the Goods or Services specified in the Purchase Order. The Goods shall be delivered carriage paid to the delivery address specified on the Purchase Order and/or the Services performed on or by the date specified on the face of the Purchase Order. In the absence of any specified time for performance, performance shall be made within a reasonable time of the date of the Purchase Order provided that the Company may at any time give notice to the Supplier requiring the Supplier to perform the Contract by a specified date save always that the period between the date of the order and the date specified in the notice represents a reasonable period within which to expect performance of the Contract.
- 6.2. Failure to perform the Contract within any time limit that may be applicable pursuant to Clause 6.1 shall entitle the Company to terminate the Contract without compensation to the Supplier. Notwithstanding any past indulgence granted by the Company in respect thereof, it shall be entitled to exercise its rights of termination without allowing the Supplier any further time in which to remedy the breach
- 6.3. A priced delivery note (goods received) must accompany the Goods upon delivery. If Goods are incorrectly delivered the Supplier will be held responsible for any additional expense incurred in delivering the correct Goods to the correct destination. Goods may be returned at the Supplier's expense if they do not correspond with the Purchase Order or Contract or if they are damaged.
- 6.4. Goods shall be properly packaged and secured in such a manner so that they arrive in good condition.

7. Entry

- 7.1. The Company shall at all reasonable times be entitled to access the Supplier's premises to inspect and/or collect the Goods or Purchaser's materials.
- 7.2. Where it is reasonable for the Suppliers, its employees or agents to enter the Company's site for the purpose of supply Goods or performing Services the Supplier and its employees and agents shall comply with all site requirements relating to safety and security and in addition shall observe the provisions of any applicable statute or regulation, including the Health and Safety at Work etc. Act 1974 and Environment Protection (Duty of Care) Act 1990 as updated and as amended from time to time.
- 7.3. Subject to any different sums quoted in Alcan Aluminium UK Ltd specifications for on-site works (Lynemouth doc ref. No. LPS GS001 (LW1) Rev B3 / Lochaber doc ref Contractors Handbook) the Supplier shall produce prior to its intended visit to the Company's site to perform the Services in pursuant of the Contract an Insurance cover note or other written evidence certificated by the Supplier's designated insurance company of its Public Liability Insurance of not less than one million pounds sterling for any one incident, Contractor's All-Risk Insurance for not less than the Contract Price and Employer's Liability Insurance. The Company shall be entitled to withhold access to the Site without liability in the absence of insurance cover to the Company's satisfaction. Where there is conflict between this clause and the Alcan Aluminium UK Ltd specifications for on-site works (Lynemouth doc ref. No. LPS GS001 (LW1) Rev B3 / Lochaber doc ref Contractors Handbook) then the latter shall apply.

8. Intellectual Property

- 8.1. Any specifications, plans, drawings, designs or other technical information supplied by the Company to the Supplier in connection with the Contract shall remain at all times the property of the Company and shall be treated as confidential and shall not be published or disclosed to any third party or used by the Supplier save with the consent in writing of the Company.
- 8.2. All rights to copyright inventions, know-how or other protected rights produced as a result of supplying the Goods and/or Services shall vest solely in the Company and the Supplier will upon demand take such other steps as may be necessary to confirm the Company's title thereto.

9. Materials Supplied

- 9.1. The Supplier shall be responsible for any loss and/or damage to any Company material, equipment or property whilst in the Supplier's possession for the purpose of the Contract.

10. Termination

- 10.1. Without prejudice to any specific rights conferred upon the Company by any other provision of the Contract, the Company shall be entitled to terminate the Contract or any part thereof by reason of any breach of this Contract on the part of the Supplier irrespective of whether:-
- 10.1.1. that breach substantially affects the nature of the performance received or to be received by the Company

and/or:

10.1.2. the Company has accepted the Goods or (as the case may be) used or had any benefit from the Services.

10.2. The Company shall be entitled to terminate the Contract or any part thereof by written notice if the Supplier being an individual (or if a partnership, a partner) has any application made against him under the Insolvency Act 1986 or he makes a composition with his creditors, or if incorporated becomes insolvent, goes into liquidation or has a receiver or administrator appointed over the whole or part of its undertaking or assets.

10.3. Termination of the Contract shall not affect the rights of the party that have accrued prior thereto.

11. Cancellation

11.1. The Company shall be entitled at any time to terminate the Contract or any part thereof by written notice to the Supplier provided always that the Company shall in such circumstances pay to the Supplier a fair and reasonable sum for work done and goods and material supplied under the Contract but shall not be liable for any loss of profit, use of trading revenue and the sum payable in any event shall not exceed the Contract Price.

12. Supplier's Property

12.1. If the Supplier brings any property onto the Company's Site, the Company shall be entitled to retain possession of such property until performance of the Contract has been completed in full by the Supplier.

13. Assignment

13.1. This Contract is personal to the Supplier and the Supplier shall not without the prior written consent of the Company use the services of any agent or sub-contractor nor will the Supplier assign, transfer or charge any of its rights or obligation under the Contract.

13.2. Where with the prior written consent of the Company, the Supplier engages agents or sub-contractors the Supplier shall nevertheless be at all times responsible for the act and omissions of those parties.

14. Force Majeure

14.1. Neither party shall be liable to the other for any failure to perform or delay in performance of its obligations caused by any circumstances beyond its reasonable control PROVIDED THAT the party unable to perform exercised due diligence in promptly notifying the other party in writing of any known or anticipated delay and removing of the obstruction and recommencing of performance immediately after cessation of the failure or delay.

14.2. Where the contract is temporarily suspended by events beyond the Supplier's reasonable control as clause 14.1 above, the Company shall be entitled upon written notice to the Supplier to obtain the Goods and/or Services any third party without incurring additional cost and expense. The Supplier shall indemnify the Purchaser in respect of any additional costs reasonably incurred.

15. Publicity

15.1. The Supplier shall not make public, without the Company's prior written consent, the fact that it supplies Goods and/or Services for the Company.

16. Severance

16.1. Any provision of these conditions of purchase held to be unenforceable, illegal or otherwise invalid shall not affect any other provision of these conditions.

17. Governing Law

17.1. The Contract shall in all respects be construed and governed by the Law of England and the Supplier shall submit exclusive to the jurisdiction of the Courts of England.

18. Delivery

18.1. Deliveries shall be made between 0830-1700 hours Monday to Friday inclusive. No deliveries will be accepted outside these hours and at no time on Saturdays, Sundays or on any public holiday unless otherwise agreed with the Company.

18.2. The Supplier shall promptly notify the Company as soon as it is aware that it is unable to meet its delivery obligations in whole or in part.

18.3. The Company reserves the right to adjust any specified rate of delivery at any time and may suspend for such period as it thinks fit delivery of all or part of the Goods.

- 18.4. The Supplier shall not, without the prior written consent of the Company:
- 18.4.1. delivery quantities more or less than those specified in any delivery schedule: or
 - 18.4.2. make delivery in instalments

19. Acceptance of Goods

- 19.1. The Company shall not have deemed to have accepted the Goods until it has had reasonable opportunity to examine the same. The Company reserves the right to reject the Goods after inspection if the Goods or any part thereof are found to be damaged or defective or otherwise not in conformity with the Purchase Order.
- 19.2. It is the Supplier's sole responsibility to ensure that a signature from the Company's duly authorised recipient of goods is obtained for proof of delivery purposes.
- 19.3. The mere fact that the Company has accepted the Goods shall not prejudice its right to rescind the Contract at any later stage.

20. Title and Risk

- 20.1. Risk in the Goods shall pass to the Company upon completion of delivery in accordance with the provisions of the Contract.
- 20.2. Title in any of the Goods (or any components to be included in any Goods) shall pass to the Company as soon as they are appropriated to the Contract by the Supplier. In the event that Goods to be supplied have been paid for and are held by the Supplier pending delivery the Goods shall be clearly marked within the Supplier's premises as being the property of the Company.
- 20.3. The Supplier shall, no later than the date of delivery, provide the Company with all documents necessary to vest title in the Goods in the Company.

21. Quality

- 21.1. All goods supplied shall comply in all respects with the specification, any express or implied warranties or representations made by the Supplier and any terms or conditions implied into the Contract by law. Any exclusion or limitation of such provision or of the Supplier's liability for breach thereof is hereby expressly rejected by the Company.
- 21.2. The Supplier shall satisfy itself that it understands the Company's requirements in order to comply with the obligations contained in Clause 21.1. The cost of any modification necessary to meet the special requirements stated on the face of the Purchase Order, if any, shall be borne by the Supplier which shall in addition compensate the Company for any loss suffered by the Company as a result of any delay whilst such modifications are made.
- 21.3. For the purpose of satisfying the Company that the obligations contained herein are being observed the Supplier shall at all times allow persons duly authorised by the Company to make any such inspections or tests which the Company may require and shall afford all reasonable facilities and assistance free of cost to the Company.
- 21.4. The Supplier warrants to the Company that the Goods will be:
- 21.4.1. of satisfactory quality and fit for the purpose held out by the Supplier or made known to the Company at the time the Contract is placed, and
 - 21.4.2. will be free from defects in design, material and workmanship, and
 - 21.4.3. will not (unless specifically stated by the Company) either contain or possess any element of ionising radiation, and
 - 21.4.4. will correspond with any relevant specification or sample, and
 - 21.4.5. will comply with all statutory requirements and regulations relating to the sale of Goods, and
 - 21.4.6. will be fit for the purpose made known to the Supplier by the Company.

22. Defective Goods

- 22.1. If, on inspection or in manufacture or use, it is found that any Goods do not comply with Clause 21 above, the Company may at its option and within a reasonable period of time following discovery of the defect:
- 22.1.1. reject the whole or part of the Goods: or
 - 22.1.2. require the Supplier at its own cost to replace the Goods found to be defective: or
 - 22.1.3. require the Supplier at its own cost to rectify the defective Goods.
- 22.2. If the Company elects to exercise its rights under Clause 22.1 and the Purchase Price in respect of those Goods has already been paid, the Supplier shall forthwith repay to the Company an amount equal to the Purchase Price of the Goods rejected less a reasonable amount in respect of the use that the Company has had of the Goods in question. The Company shall be entitled (without prejudice to any other rights that it may have) to retain the Goods until the full amount due hereunder has been paid.

22.3. In addition to its remedy under Clauses 22.1 and 22.2 the Company shall be indemnified by the Supplier against all loss of whatsoever kind (including any claims by third parties, loss of profit and loss of business) arising by reason of any failure of the Goods to comply with 21 or otherwise caused by any negligence on the part of the Supplier (or its servants, agent or contractors) in performance of this Contract.

22.4. If called upon to do so the Supplier shall as soon as reasonably practicable repair or replace all Goods which are or become defective during the period of warranty or in accordance with the Sale of Goods Act (as amended).

23. Health and Safety

23.1. The attention of the Supplier is drawn to the obligation imposed by the Health and Safety at Work, etc. Act 1974 as amended, on designers, manufacturers, Importers, suppliers, installers and erectors of articles for use at work to ensure so far as is reasonably practicable that such articles are so designed, constructed, installed and erected as to be safe and without risks to health when properly used.

23.2. Where the Supplier has carried out or arranged for the carrying out of testing and examinations of Goods to be purchased for the purpose of ensuring that they are safe and without risks to health when properly used or has relied upon any such tests or examinations carried out by another the Supplier shall provide the Company on or before delivery of the Goods with proper documented results of such tests or examinations or, in default thereof, certificates issued by a duly qualified and authorised person that test and examination proved satisfactory.

23.3. In addition, on or before delivery of the Goods to the Company, the Supplier shall make available to the Company adequate information about use for which the Goods have been supplied and tested and about any conditions necessary to ensure that when put to use at work the Goods will be safe and without risk to health.

24. Intellectual Property Rights

24.1. The Supplier warrants that the sale of the Goods by it and the further sale or use of the Goods by the Company does not and will not infringe any British or foreign patent, trade mark, trade name or registered design (in all of which cases, whether granted at the date of the Contract or not) and further that such conduct will not infringe any rights or copyright or confidentiality. In the event of any breach of the warranty, the Company may at its option and irrespective of whether the Goods have been accepted:

24.1.1. reject the Goods or any part thereof: and/or cancel the Contract without making any payment whatsoever to the Supplier: or

24.1.2. require the Supplier at its own cost to make such modifications to the Goods as may be necessary to end the infringement: or

24.1.3. require the Supplier at its own cost to replace the Goods with non-infringing comparable Goods in addition the Supplier shall indemnify the Company against all loss of whatsoever nature suffered by the Company by reason of any such breach (including all claims by the person to whom such rights belong, all claims by other third party, any loss of profit or loss of business).

24.2. If the Company elects to exercise its rights under Clause 24.1 and the Purchase Price in respect of those Goods has already been paid, the Supplier shall forthwith repay the Company an amount equal to the Purchase of the Goods rejected less a reasonable amount in respect of the use that the Company has had of the Goods in question. The Company shall be entitled (without prejudice to any other rights that it may have) to retain the Goods until the full amount due hereunder has been paid.

25. Labelling, Warning and Instructions

25.1. The Supplier warrants that the design, construction, quality and labelling of the Goods shall comply in all respects with any requirements of any statute, order or other instrument having the force of law, which applies in the United Kingdom at the time when the Goods are to be supplied.

25.2. When required by the Company the Supplier shall mark the Goods in accordance with the reasonable instructions of the Company.

25.3. Hazardous Goods shall have prominent warnings in English on all packing and documents and the Supplier shall provide safety data sheets relating to the Goods to enable the Company to comply in full with the Control of Substances Hazardous to Health Regulations 1988 as amended from time to time. Transport and other documents must include declaration of the hazard and name of the material in English.

26. Alterations

26.1. The Supplier shall not vary the Contract or make alterations in the design, materials or method of manufacture of the Goods, nor substitute other parts or fitments for any proprietary or special parts or fitments ordered by the Company without prior written consent of the Company.

26.2. If the Company is entitled to and refuses to give its consent under Clause 26.1 and the Supplier is for any reason unable to perform the Contract without making the alterations or substitution requested the Company may terminate

the Contract forthwith (without compensation to the Supplier by giving written notice to the Supplier).

26.3. Where the Contract is terminated under Clause 26.2 any deposit and/or any instalments of the Purchase Price already paid shall be returned to the Company and the Company shall be entitled to recover from the Supplier any loss suffered by the Company as a consequence of the Supplier's failure to perform the Contract.

27. Access and Site Instructions

27.1. Site Work/Services which involve Suppliers labour/plant on Company's Site or premises will be subject to the Company's "Terms and Conditions" as appropriate. These will be indicated on the body of the Purchase Order and attached as necessary.

27.2. Safety Regulations for site work, work services as Clause 27.1 will be subject to the Company's current Safety Regulations. These will be indicated on the body of the Purchase Order and will either be attached as necessary or advised by the "Site Contact" designated on the face of the Purchase Order.

28. Quality of Workmanship

28.1. The Supplier shall perform the Services in accordance with the Purchase Order.

28.2. The Supplier warrants to the Company that the Services will be performed by appropriately qualified and trained personnel, with all due skill, care and diligence and to such a standard of quality as it is reasonable for the Company to expect and in accordance with all legislative and statutory requirements.

28.3. Any exclusion or limitation of the above or of the Supplier's liability for breach thereof is expressly rejected by the Company.

29. Performance of Service

29.1. If the performance of the Service is not carried out with due diligence and expedition, the Company may, at its absolute discretion:-

29.1.1. remedy the defect: or

29.1.2. require the Supplier to remedy the defect without delay: or

29.1.3. procure the defect to be remedied by a third party: or

29.1.4. reject the Services in whole or in part, in all cases at the cost and risk of the Supplier.

29.2. If the Company elects to exercise its rights under Clause 29.1 and the Purchase Price in respect of those Services has already been paid, the Supplier shall forthwith repay to the Company an amount equal to the Purchase Price of the Services in question. The Company shall be entitled (without prejudice to any other right that it may have) to retain any work produced by the Supplier until the full amount due hereunder has been paid in full.

29.3. In addition to its remedy under Clause 29 the Company shall be indemnified by the Supplier against all loss of whatsoever kind (including any claims by third parties, loss of profit and loss of business) arising by reason of any failure of the Supplier to comply with Clause 27 or otherwise caused by any negligence on the part of the Supplier (or its servants, agents or sub-contractors) in performing the Services.

INTERNAL PACKAGING

30. No expanded polystyrene packaging should be used for the internal packing of boxes etc. Where this is not possible the Supplier should be prepared to take packaging back. (Shredded paper, wood chips, newspaper etc. are acceptable alternatives).

31. Moulded foam is approved for delicate instruments, etc. Plastic bags, shrink wrap, bubble packs are satisfactory where it is necessary to prevent damage of the products or the goods require specialist packaging for ease of handling and storage.

EXTERNAL PACKAGING

32. Plastic/polythene must only be used where it is necessary for the storage /handling /transportation of Goods. Wherever possible bio-degradable materials should be used. Pallets, wooden boxes etc., must also of sufficient quality to ensure the safe handling, transportation and storage of the Goods. The use of damaged pallets etc. is NOT acceptable.

THE ABOVE CONDITIONS MUST BE ADHERED TO