

1. DEFINITIONS

- (a) "The Commission" shall mean the Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization acting as buyer.
- (b) "Goods" shall mean all goods, equipment, materials and/or other supplies including its packaging to be provided by the Seller under a Purchase Order.
- (c) "Seller" shall mean the provider of the Goods as specified in the Purchase Order, having the legal status of an independent contractor vis-à-vis the Commission.
- (d) "Taxes" shall mean all direct and indirect taxes (including value added tax, general sales tax or goods and services tax), assessments, fees, customs duties, liens and charges in as much as they are levied in conclusion or implementation of the Contract, including customs restrictions and charges of similar nature in respect of articles imported or exported for the Commission's official use.

2. WARRANTY

- (a) The Seller warrants that the Goods are new, free from defect and fit for its purpose.
- (b) This warranty shall remain valid for twenty-four (24) months after the Goods have been delivered and accepted. If the Commission transfers the title of the Goods to a third party during the warranty period, the right to enjoy the warranty shall be transferable to the new title holder.
- (c) If, during the warranty period mentioned in Sub-clause 2(b) above, the Goods are found to be defective or not in conformity with the specifications under the Purchase Order, the Seller shall, upon notification, promptly and at its own expense correct them. If it cannot be corrected, the Commission shall have the right, at the Seller's expense, to either demand replacement of the defective item, or receive appropriate reimbursement, or have the defective item repaired or otherwise procured from a third party.

3. PACKING

The Seller shall comply with the packing instructions listed in the Purchase Order.

4. INSURANCE

- (a) All Goods shall be fully insured in a currency acceptable to the Commission, against lost or damage incidental to manufacture or acquisition, transportation, storage and delivery. It shall cover 110 percent of the cost of the Goods, and from the date and place of shipment to the date and place of delivery, unless otherwise specified in the Purchase Order.
- (b) The Seller shall arrange and pay for the insurance, naming the Commission and the Seller as beneficiaries.

5. DELIVERY, TRANSPORTATION AND TAKEOVER/HANDOVER

- (a) Delivery of the Goods shall be made by the Seller in accordance with the terms of the Purchase Order, and the Goods shall remain at the risk of the Seller until delivery has been completed.
- (b) Transport of the Goods to the port of discharge or such other point in the country of destination and/or forwarding to the consignee, if any, door-to-door specified in the Purchase Order shall be arranged and paid for by the Seller.
- (c) Upon successful completion of delivery or of installation and a testing and evaluation period, as specified in the Purchase Order, responsibility for the Goods will be handed over to the consignee or other designated entity.

6. SPARE PARTS

If in accordance with the Purchase Order, the Seller is required to provide spare parts, in the event of termination of production of those after delivery of the Goods, the Seller is also required:

- (a) to give advance notification to the Commission of the pending termination, in sufficient time to permit the Commission to place a final order; and
- (b) following such termination, to furnish at no cost to the Commission, the blueprints, drawings and specifications of the spare parts, if and when requested.

7. INSPECTIONS AND TESTS

- (a) The Commission and/or its designees shall have the right to inspect and/or to test the Goods to confirm their conformity to the technical specifications.
- (b) The inspections and tests may be conducted on the premises of the Seller, at a point of delivery designated by the Commission and/or at the Goods' final destination. The Seller shall give at no charge all reasonable facilities and assistance to the Commission and/or its designees.
- (c) Should any inspected or tested Goods fail to conform to the technical specifications, the Commission reserves the right to reject them and the Seller shall either replace them or make all alterations necessary to meet specification requirements free of cost to the Commission.
- (d) The Commission and/or its designees' right to inspect, test and reject at the point of delivery shall not be waived by reason of the Goods having previously been inspected, tested and passed by the Commission.

Nothing stated in this Clause shall release the Seller from any warranty under the Purchase Order.

8. FAILURE TO PERFORM

If the Seller fails to perform any of its obligations, the Commission may inform in writing of the nature of the failure and declare the Purchase Order void, or provide an

additional period for the Seller to perform its obligations. In that case, if the Seller has not remedied the failure within the given time, the Commission may, by written notice, declare the Purchase Order void.

9. LIQUIDATED DAMAGES

Without prejudice to Clause 14 below, if the Seller fails to deliver any or all of the goods within the time period specified in the Purchase Order, the Buyer may, without prejudice to any other rights and remedies, deduct from the contractual price a sum equivalent to 0.2 percent of the contractual price for each day until delivery, up to a maximum of 60 days.

10. INDEMNIFICATION

The Seller shall indemnify, hold and save harmless and defend at its own expenses the Commission from and against all suits, claims, demands and liability of any kind, including costs and expenses, arising out of acts or omissions of the Seller.

The Seller declares that it does not know of any proprietary or intellectual property rights of third parties, which might be infringing in the execution of the Purchase Order. The Seller shall also indemnify according to this Clause should, contrary to the Seller's expectations, claims be raised against the Commission charging it with infringement of intellectual property rights.

The obligations of this Clause shall not lapse upon termination of the Purchase Order.

11. PUBLICITY

The Seller shall not advertise, make public the fact that it is providing or has provided Goods for the Commission or use the name, emblem or official seal of the Commission or any abbreviation of the name of the Commission.

12. EXPORT LICENCES

The Seller shall obtain an export licence or other governmental authorization if required for the Goods. In the event of failure to obtain such a licence or authorization, the Commission may declare the Purchase Order void.

13. ASSIGNMENT OR SUBCONTRACTING

The Seller shall not assign, transfer, pledge, subcontract or make other disposition of the Purchase Order or any part thereof, except with the prior written consent of the Commission.

14. FORCE MAJEURE

In the event of force majeure, the Seller shall give immediate notice in writing to the Commission, if the Seller is thereby rendered unable, wholly or in part, to perform its obligations under the Purchase Order. On receipt of the notice, the Commission shall at its sole discretion grant the Seller a reasonable extension of time in which to perform its obligations or terminate the Purchase Order on the same terms as are provided for in Clause 16 "Termination", except that the period of notice shall be seven (7) days instead of thirty (30) days.

15. INSOLVENCY AND BANKRUPTCY

Should the Seller be insolvent, adjudged bankrupt, or make a general assignment for the benefit of its creditors, or should a receiver be appointed on account of the Seller's insolvency, the Commission may, without prejudice to any other right under the Purchase Order, terminate it by giving the Seller written notice of such termination.

16. TERMINATION

The Commission may terminate the Purchase Order in whole or in part, and at any time, upon thirty (30) days' notice of termination to the Seller.

17. ARBITRATION

(a) In the event of any dispute arising out of the interpretation or application of the terms of the Purchase Order or any breach thereof it shall be settled in accordance with the arbitration rules established by UNCITRAL as at present in force. The number of arbitrators shall be one. The arbitration shall be in Vienna, Austria, and it shall be conducted in the English language. The governing law of the Purchase Order is the United Nations Convention on Contracts for International Sales of Goods (Vienna, 1980).

(b) The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute.

18. PRIVILEGES AND IMMUNITIES

Nothing in or relating to the Purchase Order shall be deemed a waiver of any of the privileges and immunities of the Commission and its employees.

19. TAX EXEMPTION

In principle, the Commission is exempt from all Taxes. Since the arrangement under which such exemption is respected varies from country-to-country, the Contractor shall collaborate with the Commission to achieve Tax exemption at source or to pursue reimbursement of Taxes paid by the Commission, as the case may be.