

General Conditions of Purchase



Effective: May 2025

1. Scope

These Conditions of Purchase apply to all purchases of goods, services, and subcontracted work by Industrial Power Units for Industry LLC (IPU SA). They govern all agreements unless explicitly modified in writing by IPU SA.

2. Order Acceptance

- All purchase orders must be accepted in writing.
- Any modification or deviation must be approved in writing by IPU SA.
- Silence or performance shall not constitute acceptance of terms that differ from this document.

3. Price & Payment Terms

- Prices are fixed and not subject to increase unless agreed in writing.
- Invoices must reference the official IPU SA PO number and be submitted with delivery documentation.
- Payment terms are typically net 30 days from date of invoice unless otherwise stated.

4. Delivery & Late Penalties

- Time is of the essence. Delays must be reported immediately.
- IPU SA reserves the right to impose liquidated damages or reject goods for late delivery.
- Deliveries must be complete and according to specification, unless partial shipments are authorized.

5. Inspection & Acceptance

- All goods/services are subject to inspection by IPU SA.
- IPU SA may reject non-conforming or defective goods at no cost.
- Acceptance does not waive warranty or relieve the supplier of liability.

6. Warranties

- Supplier warrants that goods/services are free from defects, new, conform to specs, and are suitable for intended purpose.
- Warranty period is minimum **12 months** from delivery or **18 months** from production, unless agreed otherwise.
- IPU SA reserves the right to claim latent defects for up to **10 years**, per contract or legal allowance.

7. Intellectual Property & Confidentiality

- All documentation, designs, drawings, and materials provided by IPU SA remain its exclusive property.
- Suppliers may not reproduce or share confidential information without written approval.

8. Compliance & Ethics

- Suppliers must comply with applicable labor, environmental, and safety laws.
- No use of child labor, forced labor, or unethical practices will be tolerated.
- IPU SA has the right to audit or terminate cooperation for violations of compliance standards.

9. Change Orders

- Changes to specifications, quantities, or delivery must be agreed in writing.
- Price or schedule adjustments will only be accepted if justified and approved in advance.

10. Force Majeure

- Neither party is liable for failure to perform due to events beyond reasonable control (e.g. natural disasters, war, government restrictions).

11. Indemnity & Liability

- Supplier shall indemnify IPU SA from all claims, damages, or losses arising from defective goods, safety violations, or IP infringement.
- Supplier is liable for direct damages and costs of rectification.

12. Governing Law & Dispute Resolution

- These terms are governed by the laws of the **Kingdom of Saudi Arabia**.
- Disputes shall be resolved in Saudi courts, unless otherwise agreed in writing.

13. Language

- English shall govern in the event of inconsistency with translated documents.