

ANNEX AA – WARRANTY CLAUSE

The following warranty clause shall be applied in accordance with Clause 1.15 of the Terms and Conditions.

1.1 The Authority shall upon receipt examine the Article and without undue delay notify the Contractor in writing of any nonconformity discovered. The Contractor shall have no responsibility for any nonconformity which should have been notified to the Contractor as a result of the Authority's examination.

1.2 The Contractor shall at its own cost through repair or replacement remedy any defect in the Article resulting from faulty design, material or workmanship during a warranty period of twelve (12) months starting from delivery of the Article.

1.3 Articles that have been replaced by the Contractor under this clause 1 shall be subject to a new warranty period in accordance with clause 1.2. The warranty period for Articles that have been repaired by the Contractor shall be extended for a period equal to the time the Articles have been out of use. However, the Contractor shall in any event have no further liability for repaired or replaced parts hereunder after eighteen (18) months from the original delivery. Articles which are replaced during the warranty period shall become the property of the Contractor.

1.4 The Authority shall notify the Contractor in writing of any defect including a description of the defect without undue delay after its appearance and under no circumstances later than two (2) weeks after the expiry of the warranty period. Where the defect is such that it may cause damage, the notice shall be given immediately after its identification.

1.5 If the Authority fails to notify the Contractor in accordance with clause 1.4, the Contractor shall have no responsibility to remedy the defect and shall have no liability to the Authority in relation to such defect.

1.6 If the Authority has notified the Contractor of a defect, and no defect is found for which the Contractor is liable, the Contractor shall be entitled to reasonable compensation for the costs it has incurred as a result of the notice and the inspection of the product.

1.7 The Contractor decides how and where to remedy a warranty defect. If the Contractor decides that the Article or defective part thereof shall be returned to the Contractor, then transportation from the Authority shall be at the risk and expense of the Authority and the return transportation to the Authority shall be at the risk and expense of the Contractor. The Contractor shall have no liability for the costs of dismantling, re-assembly and re-installation of any parts affected under this warranty. These costs shall be borne by the Authority or reimbursed to the Contractor on presentation of its invoice.

1.8 If the Contractor does not remedy the defect within a reasonable time, the Authority may by notice in writing to the Contractor specify a final time for the remedy of the defect. The notice shall be given at least four (4) weeks before such final time. If the Contractor fails to remedy the defect within such final time, the Authority may itself undertake or employ a third party to undertake the necessary remedial work. Where the Authority or a third party has undertaken successful remedial work, reimbursement by the Contractor of the reasonable costs incurred by the Authority shall constitute full settlement of the Contractor's liability for the defect.

1.9 The Contractor is not liable for defects that are caused by (i) misuse or neglect by the Authority or by someone for which the Authority is responsible, (ii) faulty maintenance or repair, incorrect assembly or installation or by alterations carried out without the Contractor's consent in writing, (iii) accidental damages, (iv) improper or unexpected storage or working

conditions (v) design, material or processes prescribed by the Authority or (vi) normal wear and tear. Nor does the warranty cover defects caused by accidents or damages incurred in war (whether declared or not), armed conflict, terrorist activity or insurrection.