**1.0 Purpose & Applicability**

The Liquidated Damages Letter Template is to be utilized in accordance with Work Instruction Vendor Liquidated Damages – QW-SS-GLO-SOU-003 Rev 1.0. All liquidated damages letter shall be created and stored in pdf format on GE headed paper to the appropriate legal entity, detailed in Appendix 1.

To be issued on GE Letterhead

Enter in Full Legal Entity Name of GE of Entity Issuing the Letter

Full Address of GE Legal Entity as per embedded file in Appendix 1

Date, Month, Year

Mode of Delivery: Email

Supplier Name

Address line 1

Address line 2

Address line 3

Address line 4

Attn: For the attention of Supplier contact name

Email address: supplier contact email

**Re: Damages for Delay in the Delivery (is) under Purchase Order(s) detailed below**

Dear Supplier:

We write with reference to the Ppurchase Order(s) (the “PO(s)”), detailed in this letter and issued to you by our Company for the purchase of certain goods/services. Following the issue of your scorecard for [Enter in Site Name] and your acceptance of the data, your Company failed to comply with the delivery date(s) set forth in the PO(s) resulting in a delay for the provision of the goods/services. Such delay has caused damages to our Company and, per the express terms of the PO(s), including the terms of purchase applicable thereto, our Company is entitled to the following amount of liquidated damages (the “Delay Amount”):

**LD Amount in Figures (LD Amount in Words)**

The Delay Amount is calculated based on late deliveries on the following PO and PO line numbers:

|  |  |  |  |
| --- | --- | --- | --- |
| **Po No** | **PO Line No** | **Release(for Nailsea only)** | **LD AMOUNT** |
| PO number | Line | Release | LD amount |
| PO number | Line | Release | LD amount |
| ….. | …. | …. | …. |

Please be informed that you are requested to issue a credit note for the Delay amount within 7 (calendar) days from electronic receipt of this letter making reference to PO number and PO lines and any invoice number(s) applicable. Credit notes are to be sent electronically to the following email address for processing SubseaSystems.Sourcing@ge.com. In the event there are no amounts owed to your Company, or if such amounts are not sufficient, you are instructed to promptly remit the Delay Amount, or the difference between the Delay Amount and any amounts owed to your Company, to the following bank accounts

Beneficiary: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Bank (Receiving Agent): \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Swift code: \_\_\_\_\_\_\_\_\_\_\_\_\_

IBAN: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Bank Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Bank Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_ **please refer to Finance for current bank account details**

We take this opportunity to remind you that we expect our suppliers to comply strictly with the contractual terms agreed upon in our orders and take very seriously these and other contract breaches. It is understood that the payment of the Delay Amount will not discharge your Company from any other current or future liabilities in connection with the PO(s) or otherwise.

This letter is without prejudice to any and all of our Company’s rights at law, contract and/or equity, which rights are hereby expressly reserved. This letter interrupts the statute of limitation.

As the Delay Amount is considered damages it is excluded from the application of VAT in the UK and, therefore, this letter shall be valid for all accounting purposes.

Please do not hesitate to contact me should you have any questions or concerns. Thank you very much for your cooperation.

Best regards,

[ENTER NAME AND TITLE HERE]

**Appendix 1 – Legal Entity Names for Liquidated Damages Letter**

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|  |  |
| --- | --- |
| Tite: | Vendor Liquidated Damages Letter Template |
| Reference: | QTEM-SS-GLO0SOU-003a |
| Revision: | 1.0 |
| Application Date: | 06/06/2013 |
| Expiration Date: |  |
| Author: | Wendy Mottram |
| External References: |  |