

GENERAL PURCHASING TERMS AND CONDITIONS OF PURCHASE ORDER

1. Interpretation:

- 1.1 **"Purchaser"**, **"we"**, **"our"**, **"us"**, **"NDPL"** shall refer to NORD Drivesystems Private Limited having its registered office at 282/2, 283/2, Plot No. 15, Mauje Village Mann, Adj. Hinjewadi MIDC Phase II, Taluka Mulshi, Pune 411057, Maharashtra, India
- 1.2 **"Supplier"** shall refer to the person, firm or company on whom Purchaser intends to or has placed an order.
- 1.3 **"Party"** shall refer to NDPL or the Supplier and **"Parties"** shall mean both, NDPL and the Supplier.
- 1.4 **"Product"**, **"Material"**, **"Goods"** shall refer to any goods subject of the order placed with the Supplier
- 1.5 **"Conditions"** refer to these terms and conditions which will govern the supply of Products and Services
- 1.6 **"Purchase Order"** shall refer to the order placed by the Purchaser with the Supplier for the supply of the Product.

2. Purchase Order:

- 2.1 Purchase Orders are made exclusively according to our General Purchasing Conditions and shall be read with Special Purchasing Conditions mentioned on the purchase order, if any.
- 2.2 Where any portion of the general purchasing conditions is repugnant to or variance with any provision of the special purchasing condition, the special purchasing condition shall prevail to that extent.
- 2.3 The preparation of offer is free of charge to us and is not binding.
- 2.4 Only written orders are deemed to be valid. Verbal agreements must be confirmed in writing. In all cases, we expect a written confirmation of the order.
- 2.5 Purchaser reserves the rights to amend at any time part / full purchase order. The subsequent amended purchase order will be the agreed document between Supplier and Purchaser.
- 2.6 No change in or modification of the items, specifications, terms, conditions and prices appearing in the Purchase Order shall be binding upon Purchaser unless expressly agreed in writing by Purchaser. Supplier shall promptly notify Purchaser in the event that any goods of the purchase order are affected by changes in drawings, specifications or design, but Supplier shall not without prior written consent of Purchaser incorporate any changes in the order.

3. Term and Termination:

- 3.1 The Purchase Order will remain in effect until it is terminated or the Product is delivered and accepted.

4. Prices:

- 4.1 Unless otherwise agreed, the prices are deemed to be door delivery to Purchaser's factory situated at Hinjewadi, Pune and valid till the complete execution of the order.
- 4.2 Price increases subsequent to the offers are deemed to be valid by Purchaser after written communication stating the reasons and final acceptance by Purchaser.

5. Inspection and Acceptance:

- 5.1 Supplier shall be responsible for ensuring that all inspections and testing of the goods are properly and adequately performed.

- 5.2 Supplier shall ensure that Purchaser or third party appointed by him, has the opportunity to inspect and witness any testing of the Goods at any time at Suppliers workplace. Or at any other places where such Goods may be.
- 5.3 Such inspection or testing including the witnessing thereof shall not relieve Supplier from any of its responsibilities and liabilities under the Purchase Order.
- 5.4 The Goods will be subject to final inspection and acceptance or rejection upon arrival at their destination as specified in the Purchase Order.
- 5.5 If any of the Products are defective or otherwise not in requirements of the Purchase order or Purchaser's designs and quality, Purchaser in addition to its other rights may reject the same for full credit or may rework the same at Supplier's expense or may require prompt correction or replacement thereof by Supplier at Supplier's expense.
- 5.6 Any goods rejected by the Purchaser shall be at Seller's risk and expense and shall thereafter be not tendered for acceptance without Purchaser's written consent.

6. Delivery:

- 6.1 The agreed delivery times are binding and delivery dates are deemed to be fixed deadline.
- 6.2 The Supplier is obliged to compensate for all damages due to delayed delivery. The acceptance of delayed delivery does not constitute a waiving of claims for compensation
- 6.3 If Purchaser receives any shipment more than three working days prior to the Delivery date, Purchaser may return the Goods or delay processing the corresponding invoice until the Delivery date.
- 6.4 In case of delays to delivery, Purchaser has an option to charge an all-inclusive compensation for delay to the amount of 1% of the value of the delivery for each complete week of delay or part thereof and/or cancel the order in part or in full.
- 6.5 In the event of any Product being rejected by the Purchaser, all such rejections shall be at the Supplier's risk and expense, including storage charges, while waiting Supplier's returns shipping instructions. Supplier will, moreover, bear all return shipping charges. Purchaser may, in its sole discretion, destroy or sell at public or private sale any rejected Product for which Purchaser does not receive return shipping instructions within a reasonable time, and apply the proceeds, if any, first toward any storage charges.
- 6.6 Purchaser's consent is essential for partial deliveries or over deliveries or under deliveries.
- 6.7 Goods supplied against this order must be suitably and properly packed conforming to special conditions.
- 6.8 Delivery to be arranged through reputed and reliable transporter.

7. Packing:

- 7.1 Supplier shall handle and pack the Goods so as to protect the Goods from any loss or damage, in conformance with good commercial practice, Purchaser's specifications, Government regulations (including those applicable to chemicals and hazardous materials) and other applicable requirements. Without limiting the generality of the foregoing sentence, Supplier shall use packaging materials, including pallets, that are free of pests and comply with all applicable regulations regarding Solid Wood Packing Materials; Supplier shall use recycled or reusable packaging materials and minimize the number of different types of packaging materials whenever possible; and Supplier shall comply with all applicable regarding packaging, recycling re-use and return, and furnish to Purchaser, upon request, information or documentation of Supplier's compliance regarding environmental friendly packing.
- 7.2 Supplier shall be responsible for any such loss or damage due to its failure to handle, pack and package the Goods in a proper and lawful manner; Purchaser shall not be required to file any claims for such loss or damage against carrier involved.

- 7.3 In each shipment, Supplier shall include a packing list that contains the following: (a) Purchase Order Number; (b) Purchaser's Part Number; (c) Quantity Shipped; (d) Date of Shipment; and (e) Net and Gross Weight and / or Volume.
- 7.4 The information on the packing list must agree with the information on Tax Invoice.

8. Warranty:

- 8.1 Purchaser's descriptions, drawings or samples are exclusively definitive for the design and quality of the product. The Supplier undertakes a guarantee of proper material quality and workmanship and the fault-free function of the components for 18 months from the date of commissioning or 24 months from the date of purchase whichever is earlier. This is our standard terms and any special additional Warranty terms mentioned in the Purchase order is applicable.
- 8.2 The Supplier shall be liable for all direct or indirect damages as expenses incurred by us as a result of defects of goods and repair or replace the components at his own cost.

9. Input Tax Credit:

- 9.1 Relevant copies of the Invoice i.e. meant for availing Input Tax credit of GST is always sent along with the consignment with the transporter.
- 9.2 In case of Input Tax credit loss due to not filing of correct GST returns in time by supplier/ service provider, NDPL shall debit the tax amount and interest to Supplier/Service provider.

10. Assignment and Subcontracting:

- 10.1 Supplier may not assign any of its rights or delegate any of its obligations under the Purchase Order without Purchaser's written consent, which Purchaser shall not unreasonably withhold. Purchaser may, at its option, void any attempted assignment or delegation undertaken without Purchaser's prior consent
- 10.2 Supplier may not subcontract any of its rights or obligations under the Purchase Order without Purchaser's prior written consent. If Purchaser consents to the use of a Subcontractor, Supplier will: i) guarantee and will remain liable for the performance of all subcontracted obligations; ii) indemnify Purchaser for all damages and costs of any kind incurred by Purchaser or any third party and caused by the acts and omissions of Supplier's Subcontractors and make all payments to its Subcontractors.
- 10.3 If Supplier fails to timely pay a Subcontractor for work performed, Purchaser will have the right, but not obligation to pay the Subcontractor any amount due to the Supplier by any amount paid to the Subcontractor. Supplier will defend, indemnify and hold Purchaser harmless for all damages and costs of any kind, without limitation, incurred by Purchaser and caused by Supplier's failure to pay a Subcontractor.

11. Terms of payment:

- 11.1 Payment shall be made as per agreed payment terms mentioned in purchase order against receipt of the goods and undisputed invoices. An undisputed invoice must include the Purchase Order number along with supporting documents such as Transporter Invoice copy, LR copy, packing list, test reports etc as applicable.
- 11.2 The term for payment commences on the date of receipt of the invoice and the goods. If the Supplier has issued an incorrect invoice, in particular with regard to the agreed price, the period for discount commences with the receipt of the correct invoice.

12. Confidentiality / Information:

- 12.1 The Supplier shall keep confidential any information which we provide, such as drawings, documents, know-how, samples, means of production, models, data carriers etc. and not to make this available to third parties (including sub-Suppliers) without our written consent and

shall not utilize this for any purpose other than in pursuant of the terms and conditions of this Agreement.

- 12.2 The Supplier may not use our business relationship for advertising purposes without our prior consent.
- 12.3 We reserve ownership and all other rights (e.g. copyright) to the information which we provide. Copies may only be made with our prior written consent.
- 12.4 The Supplier must carefully safeguard the documents and objects provided to Supplier, as well as any copies thereof at the Supplier's own expense.
- 12.5 Any violation of the confidentiality commitments will attract contractual penalty determined by court of law of appropriate jurisdiction.

13. Patent Indemnity:

- 13.1 Supplier shall protect, indemnify and hold harmless Purchaser and it's personal, against any and all liability, loss or expense by reason of any claim, action or litigation in respect of any patent copyright or trademark, foreign or domestic, resultant from the use or resale of goods.

14. Force Majeure:

- 14.1 Force majeure occurring within the agreed delivery terms, the delivery date may be extended by us on receipt of application from the Supplier without imposition of liquidated damages.
- 14.2 Only those causes, which depend on natural calamities, civil wars, national strikes, which have a duration of more than seven consecutive calendar days, are considered as a causes of "Force Majeure".
- 14.3 The Supplier must advise to us by a registered letter duly certified by the local chamber of commerce or statutory authorities, the beginning and the end of the cause/s of delay immediately.

15. Liability:

- 14.1 NOTWITHSTANDING ANYTHING ELSE IN THE PURCHASE ORDER OR OTHERWISE, PURCHASER WILL NOT BE LIABLE TO SUPPLIER WITH RESPECT TO THE SUBJECT MATTER OF THE PURCHASE ORDER UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR ANY AMOUNTS IN EXCESS IN THE AMOUNT PURCHASER PAID TO SUPPLIER IN THE SIX MONTHS PRECEDING THE EVENT OR CIRCUMSTANCE GIVING RISE TO SUCH LIABILITY.
- 14.2 IN NO EVENT WILL PURCHASER BE LIABLE TO SUPPLIER FOR ANY INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL DAMAGES OR LOSS OF PROFITS ARISING OUT OF, OR IN CONNECTION WITH, THE PURCHASE ORDER, WHETHER OR NOT PURCHASER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.
- 14.3 THE LIMITATIONS WILL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY PROVIDED HEREIN. NOTHING IN THE PURCHASE ORDER LIMITS EITHER PARTY'S LIABILITY FOR BODILY INJURY OF A PERSON, DEATH, OR PHYSICAL DAMAGE TO PROPERTY OR ANY LIABILITY WHICH CANNOT BE EXCLUDED UNDER APPLICABLE LAW.

16. Code of Conduct / Social Responsibilities:

- 16.1 The Supplier shall not explicitly either passively or actively undertake any form of bribery, infringement of the fundamental right of his employees or utilization of child labour.
- 16.2 The Supplier is responsible for the health and safety of his employees at the workplace, shall observe environmental protection laws and shall demand compliance with these principles from his own Suppliers.

17. Place of Jurisdiction:

- 17.1 The contract made through purchase order shall be interpreted in accordance with an in all respect be subjected to Indian Law.

- 17.2 All disputes arising out of this transaction shall be subject to jurisdiction of PUNE.
Any dispute in relation to or concerning the terms of this Agreement shall be referred first resolved by negotiations or mediation. Failing such negotiation or mediation, the dispute shall be referred to arbitration, to be presided over by a panel of three arbitrators, with one arbitrator being appointed by each party. The language of Arbitration shall be English and the Arbitrators award shall be final and binding on the Partners.

18. Miscellaneous Legal Terms:

- 18.1 Entire Agreement and Amendments: This Agreement is the entire agreement between the Partners and supersedes all earlier and simultaneous agreements regarding the subject matter. This Agreement may be amended only by means of a written document, signed by all Partners.
- 18.2 Waivers and Modifications: No waiver or modification of any provision of this Agreement shall be effective unless it is in writing and signed by all Partners. No waiver by any Partner of any provision of this Agreement shall be construed as a waiver of any other provision of this Agreement, and no such waiver shall operate as or be construed as a waiver of such provision respecting any future event or circumstance.
- 18.3 Governing Law and Forum: All claims regarding this Agreement are governed by and construed in accordance with the laws of India, and the courts of Pune, Maharashtra shall have the exclusive jurisdiction for all disputes pertaining to this Agreement.
- 18.4 Severability: If any portion of this Agreement is held to be unenforceable, the unenforceable portion must be construed as nearly as possible to reflect the original intent of the Parties. The remaining portions remain in full force and effect.
- 18.5 Notices: All notices including notice to terminate this Agreement and notices of address changes, under this Agreement must be sent by to the address set forth in the preamble of this Agreement.
- 18.6 Captions and Plural Terms: All captions are for purposes of convenience only and are not to be used in interpretation or enforcement of this Agreement. Terms defined in the singular have the same meaning in the plural and vice versa.
