

THIS ORDER IS SUBJECT TO FOLLOWING TERMS & CONDITIONS

1. AGREEMENT

These General Terms & Conditions along with Conditions stated in ANNEXURES are part of the Purchase Order issued by Sterling Tools Limited ("STL/BUYER") and the persons, firm or Company named in the Purchase Order ("SUPPLIER") supplying the products mentioned therein the ("Product") to the BUYER placing Order of the Product, the SUPPLIER agrees to these Terms & Conditions.

2. ORDER:

- 2.1 Condition of this Purchase Order shall supersede all conditions of sale as stated in the SUPPLIER acceptance letter or any other documents exchanged between the Parties.
- 2.2 The Purchase Order number must be quoted on all correspondence, advice notes, challans and invoices.
- 2.3 The SUPPLIER shall acknowledge the Purchase Order within 7 days of receipt of Purchase Order. If no acknowledgement is received within 7 days of receipt of this Purchase Order, the SUPPLIER is deemed to have made Supplies on the terms & conditions of this Purchase Order.

3. QUALITY PARAMETERS:

- 3.1 The SUPPLIER at its expense, shall supply Products in accordance with good manufacturing practices and in compliance with BUYER specifications and drawings and quality assurance requirements as provided by the Buyer to the Supplier. The Products shall be accepted by the Buyer are subject to inspection and acceptance at BUYER's location not withstanding any prior payment made by the Buyer for the Products. The Rejected Products shall be held or returned at Supplier's risk and expenses. The Supplier specifically agrees to pay the BUYER all such costs related to rejection of Products restricted to Products supplied by SUPPLIER. The SUPPLIER agrees to provide the Buyer with advance written notice of any product or process change or of any change in production site and shall not implement such change until approved in writing by BUYER. The SUPPLIER shall also inform the Buyer of any deviations in the product and shall not deliver such product before prior written approval from the Buyer. The Buyer or its affiliates may, from time to time inspect and audit the operations of SUPPLIER or its subcontractors.
- 3.2 Test certificate/inspection approval report is to be furnished by the SUPPLIER for each Product / lot as well as with initial sample.
- 3.3 Wherever necessary, the BUYER's representative shall be afforded the right to verify at source that the product conforms to the specified requirements of the Buyer. Verification by the BUYER shall not absolve the SUPPLIER of the responsibility to provide acceptable Products nor shall it preclude subsequent rejection. When the BUYER's representative elects to carry out verification at the SUPPLIER's plant, such verification shall not be used by the SUPPLIER as evidence of effective control of quality.
- 3.4 If the Product supplied is not as per the BUYER's specification and quality requirements and due to urgency, the product is rectified by the Buyer as in the works as covered by the inspection report, then rectification / all other charges incurred for rectification of the Product by the BUYER shall be recovered from the SUPPLIER. The BUYER shall be sole judge for deciding the rectification charges.
- 3.5 The Product used by the SUPPLIER for the manufacture must confirm to be chemical composition of these specification and also be capable of giving the required mechanical properties.

4. DELIVERY OF PRODUCT:

- 4.1 Delivery as per the schedule agreed to between the BUYER & the SUPPLIER is the essence of the Purchase Order. Failure on the part of the SUPPLIER to deliver the Product in time may entail cancellation of this Purchase Order without any liability on the part of the BUYER and the BUYER shall have the option of buying the product from any other source at the sole risk & liability of the SUPPLIER who failed to supply in time as per the schedule agreed and SUPPLIER shall pay/compensate the difference amount to BUYER which BUYER has incurred on account of such failure on part of SUPPLIER.
- 4.2 The Supplier shall be responsible for delivery on schedule CIF terms, therefore, shall be responsible for any related damages and delays upto CIF delivery point. SUPPLIER shall be accountable for any costs of non-delivery, delay, cover, shortage, and overage or line interruption. All Products shall be delivered in the quantities, to the location(s) and on the date(s), and when applicable, the time communicated to SUPPLIER by the BUYER. Products received in advance may be held or returned at SUPPLIER's risk and expense. If Product is held, BUYER's obligations shall run from scheduled delivery dates. SUPPLIER shall immediately notify BUYER of any anticipated failure to timely deliver Products and the BUYER may cancel or reschedule such order(s).
- 4.3 Delivery of the Product to the BUYER shall always be deemed as subject to approval by the BUYER.
- 4.4 Product delivered in excess of the quantities ordered & scheduled by the BUYER will not be accepted and all charges in respect of the same will be borne by the Buyer at the risk & responsibility of the SUPPLIER.

5. PACKING:

The Product must be securely packed in order to prevent any damage what-so-ever in transit and must be delivered strictly in accordance with delivery and dispatch instructions given by the BUYER on the face of Purchase Order and shall describe, mark, pack and ship Products to protect them, in accordance with BUYER packing and shipping requirements. Price shall include packaging that conforms to Buyer's requirements. Each box or crate shall be marked with BUYER's order number, shipping address, SUPPLIER's Name & Address, BUYER's part number, description and quantity. A delivery note shall be sent to BUYER with the shipment.

6. ACCEPTANCE/REJECTION OF PRODUCT:

- 6.1 If the Product are not approved by the BUYER in part or incomplete or as full supplies, the same will be treated as rejected and will be at the risk and account of the SUPPLIER. The decision in this regard shall be at the discretion of the BUYER whose decision shall be final and binding on the SUPPLIER.
- 6.2 Removal of rejected Product from the BUYER's works shall be the responsibility of the SUPPLIER. The rejected product shall be otherwise buyer will not be responsible for the rejected product. The BUYER shall endeavor to notify the rejection within the shortest possible time, but does not accept any stipulation of the time limit for the same as there may be rejection from initial inspection, from stock or from work in progress.
- 6.3 The Rejected Product must be replaced within the delivery schedule and will be invoiced separately and not as replacements.

7. DOCUMENTATION:

- 7.1 The SUPPLIER shall furnish the following documents to the purchaser:
(A) Transporter Copy for claiming CENVAT (B) Copy of Original invoice for making PAYMENT (C) Any other Document as may be specifically instructed from time to time or in this Purchase Order.
(D) Original GR Copy (E) Insurance Certificate
- 7.2 In the case of late receipt of dispatch documents if any demurrage or other expenses have to be incurred these will be borne by Supplier. In case original documents routed through bank, a copy of the invoice giving full dispatch particulars shall be sent directly to the Purchase Department of the Buyer.

8. PRICING, BILLING & PAYMENT:

- 8.1 The prices mentioned on the Purchase Order are fixed and not subject to any of the SUPPLIER's Escalation Clauses.
- 8.2 The prices can be revised with mutual negotiation and such revised prices will be notified in writing by the BUYER under its procedures.
- 8.3 No charges towards carriage, packing & forwarding etc. will be accepted/paid by the BUYER.
- 8.4 Invoice and Advice Note must be posted on the same day as Product are dispatched and should state order number, GST particulars, part no., descriptions, quantity, weight and the route by which Product are sent.
- 8.5 A duplicate copy of the invoice must also be sent with the Product.
- 8.6 Unless otherwise stated under terms of payment, the payment will be considered good by the Supplier and BUYER. The BUYER's will be considered final & decisive on the point.
- 8.7 Excise duty will be paid only as reimbursement and will be subject to production of relevant excise gate pass in acceptable form.
- 8.8 Accounts Reconciliation as a routine, the Buyer would reconcile all accounts in terms of bills raised by SUPPLIER versus payment made and debit/credit note raised by SUPPLIER on quarterly basis. The same details in the form of statement should be sent to our Corporate Office in the last week of the quarter without fail. On receipt of the statement of account the same would be reconciled by our Accounts Department and the comments would be forwarded to you. This exercise will be repeated every quarter.

9. FALL CLAUSE:

IF the SUPPLIER quote or give better terms to any person, firm or BUYER for PRODUCT of similar quality & quantity, the BUYER shall have the option to purchase on the same Terms and the benefit of any such reduction is to be retrospective to the date of lower quotation or the first supply at lower price whichever is earlier.

10. The BUYER may cancel and postpone any order at any time and SUPPLIER agrees with the cancellation or postponement of the order.

11. INDEMNIFICATION:

The SUPPLIER shall indemnify, defend and hold harmless BUYER, its parents, affiliates, subsidiaries and their respective officers, directors, employees, successor, assigns, insurers, customers and agents { "Indemnified Persons"}, against any and all claims, demands, actions, causes of action, liability, losses, damages, costs, expenses and reasonable attorney's fees, which an Indemnified Person may incur in any way related to the Product, SUPPLIER's performance or negligent acts or omissions, including without limitation claims for personal injury, breach of warranty, infringement, strict liability, property damage, defect or based on warning, instructions or Government action. The SUPPLIER agrees that its obligations herein shall survive the termination of this Purchase Order provided the said claim is proven to be attributable to the manufacturing defect in the Product supplied by the SUPPLIER.

12. TRANSIT RISK/INSURANCE:

All types of transit risk, including transit insurance, of product upto the factory gate of the BUYER shall be that of the SUPPLIER.

13. SECRECY:

The SUPPLIER on no account should disclose any manufacturing information or part with blue prints of drawings, which may be furnished to them, to any third party without the written consent of the BUYER.

14. GENERAL:

- 14.1 The SUPPLIER guarantees that the sale or use of his product will not infringe any Indian or foreign trade mark, trade name or registered design and undertake to indemnify and keep the BUYER indemnified against all Acts, judgements, decrees, costs, claims, demands & expenses resulting from an actual or alleged infringement or undertakes at his own expense to defend or assist in the defense of any suit or action that may be brought in this connection.
- 14.2 Nothing in the terms of these conditions shall make or be construed as creating the Supplier, the Agent of the BUYER.
- 14.3 The SUPPLIER Shall not assign or subcontract any of its rights, duties or obligations hereunder without the BUYER's prior written consent. Such consent shall not relieve SUPPLIER of its obligations under the Agreement.
- 14.4 STL is an ISO 14001 Certified Organisation. It is obligatory on the part of the BUYER to promote environmental friendly practices with all its associates. Therefore the SUPPLIER is requested to develop and follow environment friendly businesses manufacturing processes and comply with all statutory requirement applicable to the trade.

15. FORCE MAJEURE:

The BUYER shall not be in any way liable for non-performance either in whole or in part of the contract or for any delay in performance thereof in consequence of strike, lock-out, fire, act of God or other circumstances beyond the BUYER's control.

16. ARBITRATION:

Unless and otherwise specified in all cases of dispute which cannot be settled by mutual negotiations, the matter shall be referred for Arbitration in accordance with the Arbitration and Conciliation (Amendment) Act 2015. However work under the contract shall be continued by the supplier during Arbitration proceeding unless otherwise directed by the purchaser.

17. JURISDICTION:

Performance against this purchase order shall be considered due in Faridabad for place of Jurisdiction and Courts at Faridabad shall have exclusive jurisdiction over all disputes which may arise.