

TERMS AND CONDITIONS FOR PURCHASE'S VIA PURCHASE ORDER

These General Purchase Conditions apply to and form integral part of all requests for proposal, quotations and Purchase Orders. Buyer expressly rejects the applicability of any other general terms and conditions or stipulations of Supplier.

1. Raw Materials/ Goods/ Ingredients/ Product/ Goods/ Merchandize/ Material/ Machine/ Spares/ Capital Goods /Equipment/Lab Equipment/Packing Material/Services ordered ("Product" for short):

ACCEPTANCE:

- The receipt and acceptance of this Purchase Order/Contract/Sales Agreement/Purchase Agreement/Agreement ("PO" for short) shall be communicated to the Buyer/Purchaser/Customer/Consignee/Importer ("Buyer" for short, buyer referred as **Salvi**) in writing 3 days of receipt of such PO failing, which this PO & its conditions shall be deemed to be accepted by the Supplier/Seller/Manufacturer/Distributor/Shipper/Exporter ("**Supplier**" for short) for the delivery of any Product hereunder by the Buyer. Performing of any part of a PO by Supplier will operate as Supplier's unconditional acceptance thereof

DOCUMENTS:

- All sales documents including Tax Invoice, Commercial Invoice, Packing list, Certificate of Analysis/Analysis Report/Test report (**CoA** for short), Delivery Challan, Bill of Lading/LR, Insurance etc...should have our PO No,
- Product should be supplied/delivered along with above documents including Certificate of Analysis/Test Report & MSDS in mandatory.

PACKING:

- Outer side of each package in which the product is packed should be properly marked/labeled with name of manufacturer, name of product, batch/lot no., mfg dt, exp dt, net wt, tare wt, gross wt, storage conditions, hazard info (if any) etc...,
- If the product is in powder form then the secondary packing should have 2 polythene liners, if the product is in liquid form then suitable packing should be used so as to avoid leakage/breakage during receipt,
- No leak/damage/opened package will be accepted. Standard suitable safe packaging material used for packing product and the same should be new & clearly labeled, any damage caused to the product due to improper packing will be debited or returned to the Suppliers account. The cost of packing is included in the price of the product and no extra cost will be payable by the Buyer unless otherwise stated in the PO,
- If it is mentioned Neutral packing than mfgs/supplier name shouldn't be mentioned anywhere on the pckg, drum seal, no printed drum/bag/pckg, strip, label, cellotape etc., nor any marking should be inside or outside. Pckg should be new,
- Refer below point no.3 for more details.
- Delivery shall be effected in adequate packaging. Costly and re-usable packaging shall be taken back by Supplier at their cost.
- Supplier shall timely provide Buyer with (copies of) all applicable licenses, documents, information, specifications and instructions necessary for safe and proper transport, use, treatment, process and storage of the Product and with all certificates of analysis/conformity as customarily supplied. If applicable, stored Buyer's Product will be redelivered in the original quantity, state and condition.

QUALITY:

- Supplied quality should be as per standard grade or ordered specification or of Food grade,
- The product must comply in all respects with the specifications or any modifications thereto that have been agreed to in writing. Wherever applications, the product must be supplied with adequate instructions as to use

and use by date, fit for the purpose for which they are intended, certification of quality/coa and free from defects in design, material and workmanship,

- If the supplied quality is lower in potency than the goods will be rejected, if the same are used it will be at the insistence of the Supplier, the percentage of any such material having lower potency than its minimum limit that much percentage will be deducted from the invoice value of such supplied product,
- Product should be free from any black particle or foreign particle and/or any un-dissolved particles,
- Product should remain stable during its shelf life, if it doesn't not than it may affect the quality of our final product for which supplier will be responsible for all the claims arising out of this,
- Product should be of fresh batch/lot, we can accept product with not older than 3 months from date of mfg.

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QUANTITY:

- Unless otherwise stipulated weight/volume recorded at our premises shall be deemed as final, any quantity received in short will be debited to suppliers account. Ordered quantity should be received at one time or as per schedule given by buyer. If quantity is not received as per required schedule than supplier will be responsible to pay the extra costs.

DELIVERY/TRANSPORTATION:

- Product should be delivered to required delivery address at the cost of supplier unless it is specified that this is buyer responsibility,
- If the product is not supplied on time for any reason or rejected and if we have production loss than the same will be claimed from supplier with damages, if we have to buy on spot basis from other supplier then the difference in cost, freight, will also be claimed from supplier,
- Delivering undamaged product is responsible of supplier and if any damage package is received then it will be sole responsibility of supplier and this cost will be deducted from the payment of supplier,
- If the supply is under LC and if the goods are not shipped/supplied on time and if supplier requires amendment then the same will be to their cost. Cost of confirmed LC will also be to suppliers account.

DELAYS:

- Supplier guarantees that it will supply Product without any delay and interruption. Supplier shall immediately notify Buyer of any foreseeable delay and have written acceptance from Buyer for accepting delivery after specified time/date.
- If the Supplier fails to make deliveries within the time specified, the Buyer may terminate the PO of such part or parts thereof. The Buyer also reserves the right to itself to purchase the product from the open market and to charge the Supplier with any loss incurred and charge price difference as a result thereof or the Buyer will deduct 10% of invoice value with each week delay or debit the cost for loss of production or both.

CLAIM:

- Any amount of claim/damage/cost/loss/penalty ("**Claim**" for short) arising out of the delay or failure in supply and/or due to inferior quality which will directly or indirectly result in delay of production/dispatch of final product by buyer to its customer, will be the sole responsibility of supplier and buyer will be compensated for the same and/or deduct such claim amount from the payment of supplier.

INSURANCE:

- Product should be insured at the cost of supplier unless it is specified that this is buyer responsibility.

ORIGIN OF GOODS:

- Product should be in its original packing with original seal if the same is not manufactured by the supplier and CoA should be provided of original manufacturer of product supplied.

INSPECTION:

- All product supplied against this PO shall be subject to our inspection and approval at any time within 30 days of the date of receipt and/or use whichever is late. If product is rejected in quality or any conditions of this PO are not followed then the Supplier will take steps to replace, if not then freight, loading, unloading and production losses will be to suppliers account, if the freight and cost of product is paid by us then before handing over such rejected product these cost should be paid by supplier to buyer. Supplier should replace such Product within 7 days from the date of notice and/or can draw sample from supplied product and test the same at their cost until then payment will not be due nor payable.

- Supplier ensures that Buyer or its nominee has the opportunity to inspect the Products or the manufacturing process of the Product and/or any place where the Services or part thereof may be carried out.

- Supplier diligently and continuously controls and tests the quality of the Product and Services as well as the operations during manufacturing, storage and delivery. Supplier shall ensure that Buyer, or its nominee, has the opportunity to attend tests and/or inspect the Product at any time.

- Inspection and/or testing does not relieve Supplier of any obligation or liability under the PO.

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TERMINATION & SUSPENSION:

- The buyer reserves the right to cancel this PO or any part thereof orally or in writing if there is any sort of delay in delivery of the product from the specified delivery date. And/or if the price of the ordered goods have gone down than supplier is obliged to supply material at prevailing market price and automatically amendment of PO comes into existence or the order automatically stands cancelled by buyer if supplier do not fulfill this obligation,

- Any person who has done annual contract or sent open PO and is not working with buyer anymore at the time of supply of Product than the rights to fulfill such annual contract/agreement/statements/confirmation/open PO/PO is on buyer part.

- Buyer is entitled to suspend the performance of its obligations in whole or in part or terminate the Agreement with immediate effect, without prejudice to its right to claim damages and without any compensation to or indemnification of Supplier (i) in case Supplier has been declared bankrupt, is in a state of liquidation, has ceased or suspended whole or substantial part of its business, is subject of a court order or preventative legal scheme of settlement, (ii) in case of non-compliance with the Compliance Requirements or the provisions of safety, health, environment and security. After such termination Buyer may return received Product and/or Services in whole or partly against repayment and retransfer of ownership therein to Supplier.

REJECTION:

- Buyer is entitled to reject any Product, which are delivered (i) not at the agreed time, (ii) not in the agreed volume and/or quantity, (iii) in inappropriate or damaged packaging or (iv) with other defect(s), for risk and account of Supplier and without prejudice to Buyer's right to compensation for the losses and damages suffered as a result of Supplier's non-compliance.

- Rejected Product should be picked up by the Supplier within 3 days of receipt of verbal or written intimation from Buyer at suppliers expense, thereafter the same will be disposed/destroyed/scraped without further notice or information at the cost of supplier,

- If the product contains black particle then material will be rejected,

- If the product contains foreign particle which is noticed during our use in final product and if our batch fails then we will reject the product and claim damages and cost of loss of batch from supplier,

- If the product is not supplied on time for any reason or rejected and if we have production loss than the same will be paid by supplier with damages, if buyer have to buy on spot basis from other supplier then the difference in cost, freight, will also be paid by supplier,
- If the supply is under LC and if the goods are not shipped/supplied on time and if supplier requires amendment then the same will be to their cost. Cost of confirmed LC will also be to suppliers account,
- The Supplier shall repay any amount received in advance along with interest, transportation charges, unloading & loading cost, production loss, price difference and any other costs involved, to the Buyer. Supplier will be responsible for all and any claim incurred by Buyer.

AMENDMENT:

- Once the PO is confirmed/accepted by supplier than the same cannot be amended for any reason and the supplier is responsible to supply product as ordered unless if the amendment is required/authorized from Buyers side.

ESCALATION:

- In the case of annual contract the contracted price continues to rule for a period of 12 months thereafter negotiations should be made in writing for revision of price, if necessary until then escalation in price or any other term of contract will not be accepted.

CHANGES:

- The Buyer may at any time make changes in the drawings, designs and/or price, specifications of product applicable to the supplies covered by the PO. Refer below point nos.2 & 3 for more details.

BLUE PRINTS / BLOCKS / PACKING MATERIAL / DESIGNS & DRAWINGS:

- All blue print, blocks, material, designs and drawings on any materials supplied by the Buyer to the Suppliers are the property of the Buyer and are on returnable basis to Buyer upon demand by the Buyer.

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PAYMENT:

- The payment will be made as per the terms of the PO subject to receipt of documents required by the Bill Payment Section and on approval of the same by the inspection Department. The Buyer will not be responsible for delay in making the payment due to non-receipt of proper documents in time or due to any other fault of the Supplier or any discrepancy in the product quality. If the goods are rejected then no payment is to be paid to supplier. In case of delay in payment for any reason, Supplier cannot claim any interest from the Buyer.
- If supplier is given LC and if he wants buyer to sign Bill of Exchange in advance than in this case supplier will have to send security cheque of equivalent amount in favor of buyer which will be returned to supplier once the material is received, if supplier delays the dispatch for any reason and/or ultimately do not supply material than in this case buyer will claim for damages and debit the cost of difference in price from other supplier and/or claim production loss or both. If any debit note/claim for damages and/or production loss and any claim is raised by buyer on supplier for any particular transaction of past or present purchase than it will be adjusted in the current outstanding payable by buyer to supplier.
- If the supplier has not filled their any statutory returns due to which buyer cannot get credit or anyother benefit then such pyt will be deducted from the suppliers pyt and will be refunded to supplier if n when such regulation is met but within the limit frame.

- Unless explicitly otherwise agreed, Buyer shall pay the amount invoiced by Supplier for Product by bank transfer on due date after the end of the month of the date of receipt of invoice, provided and to the extent that the invoice is correct and not under dispute.
- Fulfilling all and any statutory requirement as directed or changed/amended by the Govt. of India from time to time is the sole responsibility of Supplier, if due to non-compliance there is any penalty on Buyer then the same will be deducted from Suppliers pyt.

COMPLIANCE:

- Supplier complies with all applicable laws, rules and regulations, standards and orders in connection with the performance of the Agreement, including, but not limited to, all regulations relating to (i) anti-bribery and anti-corruption and (ii) international trade, such as, but not limited to embargos, import and export control and sanctioned party lists ("**Compliance Requirements**").
- Supplier expressly warrants that employees, agents and subcontractors of the Supplier shall not directly or indirectly (i) accept, promise, offer or provide any improper advantage to or (ii) enter into an agreement (a) with any entity or person - including officials of a government or a government-controlled entity -, or (b) relating to a product, which would constitute an offence or infringement of applicable Compliance Requirements.
- Supplier expressly warrants that it has good and marketable title to the Goods and deliverables of the Services supplied, including right to grant Buyer intellectual property right(s). Supplier holds any and all licenses, permits, end- user statements and any other documents, which are required in the country of origin, of transit and of destination to perform its obligation and will immediately notify Buyer of any legal restrictions.
- Any PO issued by Buyer & its conditions are not **transferrable** in name of other company/person. Any product transferred/supplier by Supplier without the knowledge or having written confirmation from Buyer, Buyer will not be responsible to make product for such invoices.

CHILD LABOUR:

- The Supplier does not/shall not employ, engage or otherwise use any child labor in circumstances such that the task performed by any such child labor could reasonably be foreseen to cause either physical or emotional impairment to the development of such child in all countries in which it operates or process goods.

PRODUCT LIABILITY:

- Even if the supplied product passes its standards tests or is as per the specifications of Supplier at the time of initial testing, but any quality disputes arise (such as unstability of product, foreign particles, etc..) out of such supplied products, then in such case entire cost will be recovered from Supplier. If the supplied product contains any foreign particle which is not noticed during initial QC testing and is found during or after the use in our final product and because of this if our final product is contaminated then the cost of our such final product and damages will be responsibility of supplier. The Supplier shall indemnify the Buyer against any liability, damage, claim cost, loss, expense whatsoever incurred by the Buyer arising from any defect in the goods or service or on account of any breach by the Supplier of its obligation hereunder or under any statute, or for any act or omission on the part of the Suppliers employees, agents or sub-contractors. This is part of quality supply.

CONTROLLED CHANGES:

- The implementation of any and all changes of and/or improvements related to the Product and/or (performance of the) Services including (business) processes, (raw) materials (including supply source) and/or any other changes that might affect the specifications of the Product and/or the Services require the prior written approval of Buyer. Supplier will inform Buyer well in advance of such changes and will enable Buyer to control and test the Product.

WARRANTIES:

- Standard clause would apply.
- Supplier warrants the proper functioning of the Product and warrants that the Product will be in conformity with the specifications and requirements, be unused, of good materials and workmanship, free from any and all defects and from any and all liens and encumbrances, pledge or right of retention and suitable for the intended

purpose. These warranties shall not be deemed to exclude warranties and/or rights that Buyer may have or obtain and shall extend to Buyer and its Buyers.

- Supplier shall promptly repair or replace any and all Product within a period of 2 years after the date of acceptance or the date of first operational use or within the original warranty period, whichever date is later. Repaired or replaced Product or parts will be warranted for another period of 2 years from the repair or replacement date. If requested, Supplier shall as far as possible leave these goods in free use with its user until Supplier has delivered Goods in replacement. The warranty period shall be extended by any period(s) during which the Product have been out of operation.

- Inspection, testing, acceptance or payment does not release Supplier from its obligations and warranties

- Supplier warrants the quality and the results of the Product. Supplier shall perform the Product in accordance with the requirements and specifications of the PO, observing due skill and care, using proper and well maintained materials and employing sufficiently qualified staff. Supplier shall properly and timely instruct Buyer of any special use or treatment regarding the Services. Only written confirmation of acceptance shall constitute acceptance of the Product/Services performed.

SUB-CONTRACTING:

- If the supplier is manufacturer then they should supply product which is produced in their facility only. If this will not be the case then the supplier should inform well in advance about this because we have to audit this facility and follow standard working norms.

COURIER:

- If the product is shipped by courier using any national or international courier company (Fedex, DHL, UPS, TNT etc...) and if for any reason the shipment is delayed at any stage and/or not delivered to Buyer on time and to the proper location than the Claim arising out of this delay we will responsibility of the courier company or the Supplier and they we will have to pay/bear such claim amount.

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FORCE MAJEURE/Fire/Liability:

- Neither party shall be liable to the other party for any failure or delay in receiving delivery of product caused due to (a) acts of God, (b) typhoons, floods or other unusually severe weather conditions, (c) acts of war (whether declared or undeclared invasion or civil unrest) , (d) pandemic, epidemics or quarantine restrictions, earthquakes, explosions, fire and accidents,

- If the product is received by buyer and if such force majeure may take place than buyer will not pay to supplier for such product/quantity supplied.

- Supplier shall be liable and hold SALVI and Buyer and their directors and employees ("Indemnified Parties"), harmless from and indemnify them against any and all actual or contingent damage, loss, injury/death, costs and claims suffered by or brought against Indemnified Parties, resulting from or connected with the PO, the use and/or sale of Supplier's Product by Indemnified Parties or any third party, the performance of the Services and the deployment of Supplier's Services by Indemnified Parties or any third party, except to the extent that this is caused by Buyer's willful misconduct or gross negligence.

- Supplier is fully liable for the correct and timely payment of all taxes and levies indebted in connection to the performance of the PO and will indemnify Indemnified Parties against all claims and damages relating to its obligations concerning taxes, contributions and any claims of third parties, including the Government.

- In no event shall Buyer be liable for any direct and indirect damages (including but not limited to lost revenue, lost profits or other consequential or incidental damages) based upon the PO.

PATENTS:

- It is supplier's responsibility that non-patent products are supplied to Buyer.

JURISDICTION:

- It is specially understood and agreed that the Law Courts in Mumbai, India only shall have jurisdiction to settle all and any dispute arising in relation to this PO and its supplies.

2. Machinery/Lab Equipment/Spares/Capital Goods ("Machine" for short), apart from above, following will apply:

- All and any machine to be supplied to us should be thoroughly inspected prior to dispatch to our factory,
- Guarantee/Warranty of min 12 months from the date of receipt of machine at our factory or date of satisfactory installation whichever is late will apply, AMC will be included and provided by supplier till this time,
- If upon or after delivery or at the time of installation damage/fault is found than the machine will be rejected and should be replaced free of cost at suppliers expense,
- Old machine will be handed over to the supplier after receipt of replacement machine,
- Whatever necessary safe packing is required to pack the machine is the responsibility of supplier,
- If the delivery period is missed then penalty of 10% of invoice value on weekly basis will apply and/or production loss or both. Further, if our production or sales are affected due to this then damages and losses will be claimed,
- Successful/satisfactory installation of machine shall be responsibility of supplier, cost for the same will be to suppliers account,
- Transport and Insurance will be to supplier account,
- Spare used to make this machine should be of standard quality and tested and supported with all documents,
- All and any machine related documents should be sent along with delivery like drawing/layout, DQ/IQ/PQ/OQ, Operation and Maintenance manual,
- Delivering undamaged machine is responsibility of supplier, if due to delay in receiving machine there is delay in production/dispatch of final product than supplier will be responsible for it and costs.
- All other terms and conditions/notes as mentioned above will apply to this too.

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3. Packaging Material ("PM" for short), apart from above, following will apply:

- If the ordered PM is **FIBER DRUM** than it should be export worthy quality and have 10 layers of ply and GSM should be 250 to withstand the handling, stacking on one above the other during storage/transit of approx 60 days till it reaches the customer. Drum should be laminated from outside so it is easy to clean,
- If the ordered PM is **PLASTIC DRUM (HDPE)** than it should be export worthy quality and have 2 kgs of tare weight of each empty drum,
- If the ordered PM is **PAPER BAG** than it should be export worthy quality and GSM should be 250 and each bag should be laminated from both inside and outside to withstand the handling, stacking on one above the other during storage/transit of approx 60 days till it reaches the customer. Paper bag should be laminated from outside so it is easy to clean,

- If the ordered PM is **POLYTHENE LINER** than it should be export worthy and food grade quality and each liner should be is ordered Gage and Size to withstand the product, handling, stacking on one above the other during storage/transit of approx 60 days till it reaches the customer,
- Wooden Pallets, Ply and any other wooden material supplied should be marked with ISPM and fumigated and free from any insect. Wrapping Roll, Strips, Drum Seals, Stitching thread, Cello tape, label, etc.. should be of Food Grade quality, new and/or as per required standards,
- Delivering undamaged package is responsibility of supplier, if any damaged pckg is received then buyer will not pay for such damage goods, if due to delay in receiving package dispatch of final product is delayed than supplier will be responsible for it and costs,
- All other terms and conditions/notes as mentioned above will apply to this too.

4. Terms and Conditions for CHA/Forwarder/Clearing Agent/Custom Agent ("Agent" for short):

- Agent should not send any letter from your office using our letterhead to Custom department without buyers knowledge/confirmation. Any document/letter required by Customs will be issued only by buyers office in original on buyers company letterhead with signature of our authorized personal. For letters issued by Agent on buyers letterhead without buyers knowledge/confirmation than Agent will be responsible for the cost and consequences,
- Agent should inform buyer when the vessel arrives at Indian port and when material reaches at nominated cfs,
- Agent should inform buyer how many days detention is free when they receive the copy documents,
- Agent should inform buyer if any permission or noc or special clearance license is required to be taken from department when they receive the copy documents. This procedure should be completed much before the goods arrive at port if any delay in clearance caused due to delay on Agents part then Agent will be responsible for such costs,
- Agent should take instructions from buyer whether to file the B/E under Adv.Lic or we have to clear the goods by paying regular import duty,
- Agent should complete all import clearance procedure before arrival of goods at port,
- Agent should take instructions from buyer regarding delivery address for sending delivery of goods,
- Agent will not hold any of our original documents whether it maybe of import consignment, adv.lic or anything related to clearance of goods for any reason. Agent will send the same along with your invoice once you have cleared that particular consignment,
- Agent is responsible of all costs and consequences if incurred by us due to your negligence or delay.

Ownership and intellectual property:

- Any and all information, property or materials disclosed to Supplier remains the property of Buyer. Supplier is not entitled to make use of or refer to any trademark, trade name, domain name, patent, design, copyright, or other intellectual property right of Buyer or any of its Affiliates, unless prior obtained written consent of Buyer. Any authorized use shall be strictly in accordance with the instructions and for the purposes specified.
- Supplier warrants that the Goods and/or Services, alone or in combination, will not result in or give rise to any infringement or misappropriation of any intellectual property right of a third party.
- Supplier hereby assigns by way of present and future assignment all intellectual property rights, know-how, copyrights and other rights developed by or on behalf of Supplier explicitly for or on instructions of Buyer.
- All intellectual property rights to software, including source code, sub-software and documentation, developed explicitly for Buyer or on Buyer's instructions shall rest with or be transferred to Buyer. Intellectual property rights to other software shall remain with Supplier and Supplier shall grant Buyer a non-exclusive, non-transferable, irrevocable, perpetual license not limited to specific equipment or location. Buyer is allowed to provide sub-licenses to other SALVI Group companies.

Confidentiality:

- Any and all information provided by or on behalf of Buyer shall be treated as confidential and shall only be used by Supplier for the purpose of this PO. Disclosing information is only allowed to any of its employees or a third party on a strict need-to-know basis, except in case Supplier is required to disclose the information by virtue of a court order or statutory duty, provided that the Supplier shall immediately inform Buyer. Supplier shall upon demand promptly return to Buyer all such information. Supplier shall not retain a copy thereof. Supplier shall treat the existence of the PO as confidential. Supplier or its employees will sign a confidentiality agreement at request.

Sustainability, SHE and Security:

- Supplier complies with and acts in accordance with all applicable safety, health and environmental instructions, avoid pollution of the soil and the groundwater, limit air and noise pollution on the Buyer site, comply with site and site access regulations as well as Salvi security regulations. Supplier must arrange for proper and safe transport and equipment, as well as skilled and qualified staff, able to speak the local languages of the Buyer and/or English, to work in a safe, healthy and environmentally responsible manner. Buyer may audit these aspects of this Agreement. Supplier shall report any irregularity with respect to safety, health and environment and security. In case of an incident Supplier shall, under supervision of Salvi, immediately take all measures to clean up, isolate or prevent pollution resulting from such incident.
- The Triple P (People, Planet, Profit) values, as determined in the Salvi Code of Conduct, are essential to Salvi in creating sustainable value. Supplier agrees to comply with the Code of Conduct which can be found below:

People, Planet and Profit: Salvi Suppliers Code of Conduct

Mission and core value

SALVI's mission is to create brighter lives for people today and for generations to come. Our mission is supported by our core value that everything we do should contribute to a more sustainable world. To us, being sustainable means simultaneously creating value along three dimensions: human, environmental and economic. At SALVI we call this our commitment to meeting the triple bottom line of People, Planet and Profit. Sustainability guides us in all our actions and also forms the basis for our Supplier Code of Conduct, which defines how we choose to do business and interact with our suppliers.

Implementation

SALVI believes that sustainability implies a responsibility to involve our Direct and Indirect (production-related and non-production-related) suppliers, contractors and agents in our pursuit for economic performance, environmental quality and social responsibility in our own company as well as in our value chains. We therefore expect suppliers and contractors to express their willingness and intent, also on behalf of their subsidiaries, to globally and/or locally comply with this code and to ask their suppliers to comply as well. Through dialogue with our suppliers, and training if required, we aspire to achieve an adequate implementation of the Supplier Code of Conduct, to continuously improve business conduct and to discover our suppliers' unique competences that contribute to People, Planet and Profit.

Compliance

We expect suppliers to use a proactive approach in establishing and maintaining the standards set forth in the Code, including the collection and evaluation of adequate and timely information, the establishment of relevant, measurable objectives and targets, and the regular monitoring and verification of progress. This includes the implementation of a proper resource and organizational set up for this task. SALVI's employees are expected to report to their management any practices in dealings with business partners that are in violation of the Code.

In the following paragraphs we present the SALVI Supplier Code of Conduct along the three sustainability dimensions of People, Planet and Profit.

People: the human dimension

- **Non-discrimination** - suppliers do not discriminate in any manner on the basis of race, ethnic background, nationality, age, religion, gender, sexual orientation or disability.
- **Forced labor and child labor** - suppliers do not use forced labor or child labor
- **Health and safety** - with respect to health and safety, suppliers implement strict policies with the aim of creating an incident- and injury- free work environment and of preventing the occurrence of occupational illness and health problems associated with its activities. At all levels, suppliers play an active role in identifying and rectifying unsafe situations, and they work on continuous improvement of the health situation of employees.
- **Freedom of association** - suppliers respect the right of their employees to freedom of association and collective bargaining.
- **Fair remuneration** - suppliers pursue a fair remuneration policy with due recognition for performance.

Planet: the environmental dimension updated with latest technology as changed from time to time

- **Eco footprint** - suppliers ensure and demonstrate continuous environmental improvements, including a reduction in raw materials, energy, emissions, discharges, noise, waste and reliance on natural resources and hazardous substances by means of clear targets and improvement policies.
- **Product stewardship** - in accordance with the principles of product stewardship, suppliers identify the risks and environmental impact attached to their products during the production, distribution and transportation process as well as their entire lifecycle and look for opportunities to reduce these. In this context, suppliers share relevant knowledge, expertise and experience with their own suppliers, Buyers and other parties.
- **Continuous improvement** - suppliers continually evaluate and improve their products, working methods, production processes and services. Suppliers ensure that these changes are executed in a controlled way and are acceptable to their Buyers and stakeholders.
- **Waste** - suppliers have in place or shall establish a procedure for the safe handling, storage, transportation, utilization and disposal of waste in accordance with the applicable legislation.
- **Information** - suppliers provide Buyers and the general public with clear information about the environmental and safety aspects of their products and production processes.
- **Safety and health risks for local residents** - suppliers shall systematically and regularly evaluate, or shall employ the services of an external party to evaluate, the impact of their activities on local residents, for example safety aspects, emissions, and waste from regular activity. The results are documented.
- **Emergency response** - suppliers make a reasonable and practicable effort to implement an emergency response program that addresses the most likely anticipated emergencies.

Profit: the economic dimension

- **Laws and regulations** - suppliers operate in full compliance with international, national and local laws and regulations that are applicable to their business operations, and obtain all the necessary permits from Govt. Local industry standards prevail in cases where these are more stringent than local legal requirements.
- **Free and fair competition** - suppliers value free and fair competition throughout the world, and therefore comply with competition laws in all areas in which they operate and have implemented strict policies in this respect.

- **Embargoes and trade law** - suppliers respect the applicable trade laws and restrictions as imposed by the United Nations or other national or supranational bodies or governments, and have implemented strict policies to ensure compliance therewith.
- **Bribery** - suppliers refrain from any form of corruption including extortion and active or passive bribery.
- **Gifts** - suppliers respect that Salvi employees do not give or accept any gift or favor that could compromise or raise doubts about the neutrality of the decisions made by Salvi or the supplier. Suppliers are aware of and adhere to our requirements.
- **Conflicts of interest** - suppliers disclose to Salvi all available information about conflict of interest including financial interests of a Salvi employee in any of suppliers' businesses.
- **Confidentiality** - suppliers protect all confidential information provided by Salvi and its respective business partners.
- **Transparent accounting** - suppliers' accounting records and supporting documents show a true, fair and complete picture and reflect the nature of the underlying transactions.
- **Business continuity** - suppliers strive to maintain policies and plans that mitigate exposure to terrorism, crime, threats, pandemics, natural disasters and related major accidents.

Email communication:

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