

TERMS AND CONDITIONS FOR PURCHASE'S VIA PURCHASE ORDER

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.

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.

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 then 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:

- If the Supplier fails to make deliveries within the time specified, the Buyer may terminate the PO of such part or parts thereof to without giving prior notices, 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.

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TERMINATION:

- 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.

REJECTION:

- Rejected goods 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 contact 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, then 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.

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.

WARRANTIES:

- Standard clause would apply.

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:

- 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) 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.

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.

NOTE:

- All purchases handled are subject to Salvi's General Terms and Conditions having Reference No.SCIL/PURCHASE/01/01/2014, a copy of which can be made available upon request or can be reviewed from our website i.e. www.salvichem.com.
- Buyers other and complete Terms and Conditions of Purchase shall apply solely to any pending PO, which this company may change from time-to-time without giving prior notice.