

BOSCH PURCHASE ORDER TERMS AND CONDITIONS FOR PURCHASE OF INDIRECT MATERIALS/ GOODS/MACHINERY

1. DEFINITIONS

- a. **"Supplier"** shall mean an entity/person/group of persons to whom a purchase order is issued by Bosch for supply of Materials/Goods/Machinery.
- b. **"Bosch Terms and Conditions/BTC/POTC"** shall mean these terms and conditions mentioned below, which shall apply (in addition to any other agreement signed between Bosch and the Supplier) to all Suppliers who undertake any kind of supply with regard to the Goods/Materials/Machinery in pursuance to a purchase order issued by Bosch. These terms and conditions form an integral part of all purchase orders issues by Bosch to a Supplier.
- c. **"Goods"** shall mean any product(s) including but not limited to, office stationary, mobile phones, computers, computer accessories, electronic gadgets, accessories, office equipments and all products not covered under the definition of Materials and Machinery. ordered for under a purchase order issued by Bosch to the Supplier;
- d. **"Materials"** shall mean and include but not be limited to raw materials required for manufacture or to enable manufacture like steel, plastic, rubber, LPG, CNG.
- e. **"Machinery"** shall mean shall mean any capital goods, machinery or parts thereof used by Bosch for carrying out its business viz. manufacturing purposes/ research and development/ testing.
- f. **"Services"** shall include only the services required to be performed by the Supplier in relation to Goods/Materials/Machinery (hereinafter collectively referred to as **"Items"**), whether for ensuring performance or functioning or installation or commissioning of the Goods/Materials/Machinery and or after sales services, maintenance or warranty related services and does not include independent manpower services.

2. Bosch Terms and Conditions for purchase of the Items and related Services apply **exclusively** for all Items supplied and Services connected therewith provided by the Supplier in furtherance to a purchase order issued by Bosch. None of the terms and conditions of the Supplier shall be applicable to the business contemplated hereunder, irrespective of it being attached to any documents to be provided to Bosch and which is signed by Bosch only as proof of receipt of such documents and not acceptance of the terms and conditions contained thereunder.

Bosch's acceptance or payment for the Items and Services supplied by the Supplier neither constitutes a waiver of liability of the Supplier for any defective Items and Services provided to Bosch nor an agreement, even if the acceptance or payment is made with knowledge of conflicting or supplementary terms and conditions of contract of the Supplier. Similarly, any terms and conditions of contract of the Supplier previously agreed upon that conflict with or supplement these Terms and Conditions of Purchase shall no longer be recognized.

It being further clarified that in the event a separate binding agreement is executed between Bosch and the Supplier prior to and or after the issuance of a purchase order, along with these Bosch Terms and Conditions, such separate agreement terms and conditions may override these Bosch Terms and Conditions only to the extent provided under such agreement. However, the rest of the Bosch Terms and Conditions along with other documents with regard to quality, safety etc. being a part of these Bosch Terms

and Conditions shall automatically be deemed to be part of such separate agreement. IN the event of there being similar terms and conditions under these Bosch Terms and Conditions and the separate agreement, the terms and conditions more beneficial and elaborate shall override the other similar terms and conditions.

3. ISSUANCE, CONFIRMATION AND MODIFICATIONS OF PURCHASE ORDERS

3.1 Any orders as well as modifications and supplements thereto shall be binding only if placed and made in writing by Bosch through a purchase order or a written separate agreement and or both.

3.2 Cost estimates which is provided by the Supplier to Bosch and agreed subsequently "as is" quoted by Supplier and or reduced by mutual written agreement thereafter, , shall be binding on the parties till the purchase order survives. In view of the above stipulation, escalations in cost during the currency of the purchase order shall not be compensated unless otherwise expressly agreed to by Bosch prior to supply of Items or undertaking any Services in connection thereof. The Supplier shall not request this as a matter of right. This condition shall not enable the Supplier to stop supplies for Items based on the rates already agreed by both Supplier and Bosch for the period of currency of the purchase order. Non-supply would amount to breach and would entitle Bosch to procure the items from a third party and charge differential amounts along with any others damages to the Supplier.

3.3 In the event the Supplier does not return a copy of approved purchase order /confirmation through email, within **7** days, it shall be deemed that the Supplier has accepted the purchase order along with the terms and conditions contained therein.

In addition to the above, it is clarified that if the Supplier supplies the Items and performs any Services in furtherance to a purchase order issued by Bosch without confirming the same, then such Items and Services shall be accepted upon the understanding that it is based on the BTC alone.

Notwithstanding anything contained above, Bosch shall, however, before the written acceptance (either via email or through regular post) of the purchase order and before the expiry of the above stipulated time for deemed acceptance of the purchase order, be entitled to cancel a purchase order without any liability of any nature for any kind of consequences arising from such termination or cancellation .

3.4 Bosch shall not be liable or bound to receive supplies of the Items under a purchase order if the Supplier fails to confirm acceptance of such purchase order in the manner and within the time period prescribed above or if the Supplier reverts within the above mentioned period with new conditions, in addition to and or in deviation to the Bosch Terms and Conditions. However, without any obligation to do so and without prejudice to any of its rights in future, if Bosch does accept delivery of the Items or Services, then such acceptance shall be subject to the clear understanding (without there being the need to mention the same to the Supplier in any written form) that such acceptance is subject only to the conditions enumerated under the Bosch Terms and Conditions alone , irrespective of deviations or modifications suggested by the Supplier. Hence, acceptance of the Items without confirmation shall not imply acceptance of the deviations.

3.5 The agreement on quality, occupational health and safety, environmental protection and social responsibility for suppliers (Quality Assurance Agreement), the logistics manual and the delivery and packaging specifications of Bosch shall form an integral part of the contract for supply and be read along with these Bosch Terms and Conditions. The execution of the above agreements is essential for business with Supplier. The Supplier shall within 7 days of confirmation of the purchase order(s) execute the above

agreements without any deviations. Violation of the same shall entitle Bosch to terminate the orders immediately without any compensation of any nature as per the conditions contained under the termination clause and notwithstanding anything contained under this clause 3.

Notwithstanding anything contained above, Bosch, without prejudice or waiver of any of its rights against the Supplier, may accept the Items or Services on a case to case basis. In the event it does so, any liability on the Supplier with regard to warranty on quality, health and safety shall be to the extent available under law.

- 3.6 Applicability of the above agreements on the Supplier shall, however, be based on a case to case basis, at the sole discretion of Bosch.
- 3.7 It being clarified that Bosch shall, during the currency of a purchase order, have the right to modify/reduce/ suspend/cancel its requirements under an existing purchase order during its currency. If, however, there is a cost implication due to modification of a purchase order (only applicable for enlargement of scope of work or requirements) the rates for such requirements shall be at the same rates as enumerated under the original purchase order. A new amended purchase order (along with additional amounts) shall be issued by Bosch to incorporate such change in requirements.
- 3.8 Bosch shall have the right to reduce scope of supply or Services and or suspension or cancellation of pending orders under a purchase order during the currency of a purchase order. No compensation of any kind shall be payable to the supplier for reduction in the scope of supply of Items or Services.
- 3.9 IN the event of a cancellation (whether in part or in full) which is made after the confirmation of the purchase order by the Supplier, both the parties shall discuss and arrive at a mutually acceptable business model for compensation in the event of cancellation. However, if orders are suspended, then the Parties shall mutually discuss an acceptable business model by which all Items and Services ordered under a purchase order which is suspended in part or in full, shall again be re-ordered by Bosch. If, however, such reorder does not occur within a period of 6 months, then such Items or Services shall not be purchased by Bosch. IN good faith, Bosch shall be obliged to refund to Supplier all of the costs arising as a result of such suspension and the resultant cancellation. However, the compensation payable, either for cancellation or suspension, shall not exceed the actual price of the Items at which it is sold to Bosch.
It being clarified that the above provision shall not apply for cancellation or suspension of Services. It shall only be applicable for Items ordered. It shall further only apply if the Supplier can provide documentary evidence that the Items have already been procured in furtherance of the purchase order issues by Bosch.

4. GENERAL PROVISIONS

- 4.1 Supplier shall guarantee compliance with the characteristics agreed in the purchase orders. The Items supplied and its performance shall be free of defects, in particular with respect to design and execution, substances and to the proper and professional processing of all materials. Notwithstanding this, it shall comply with the technical performance data of the technical specifications on which the Items are based.
- 4.2 Deliveries of Items by the Supplier deviating from Bosch's purchase orders conditions are only admissible if prior written approval is received from Bosch. Acceptance of such Items by Bosch in deviation shall not imply the waiver of right of Bosch with regard to any claims against the Supplier for breach.
- 4.3 Deliveries shall be in the make, quality and brand requested by Bosch under the purchase order, namely with regard to the Items which are traded or marketed by the Supplier.

- 4.4 Items must be supplied / dispatched within the time and in the manner specified in the purchase order. The time and date of delivery stipulated in a purchase order shall be deemed to be of essence of the contract and delivery shall be completed no later than the date specified therein unless allowed by Bosch to do so specifically in writing.

Since the "**time is the essence**" of the contract, no dispute with Bosch shall in any manner entitle the Supplier to interrupt and or completely stop supplies during any dispute resolution.

Should the Supplier fail to deliver the Items within the period prescribed for such delivery after acceptance of the purchase order, Bosch shall be entitled to purchase elsewhere with notice to Supplier at the Supplier's risk and cost. Supplier shall be liable for any loss which Bosch may sustain due to the above breach.

- 4.5 If the Supplier is required to set-up or install any of the Items supplied viz. Machinery, such set up and installation shall be made at no additional costs to Bosch, as such costs are already factored under the cost of the Items, unless agreed to the contrary under the purchase order or under a separate agreement. Bosch shall not be liable to bear any costs of travel, transportation of personnel, allowances etc that may be incurred by the Supplier, unless otherwise agreed to under the purchase order or under a separate agreement.
- 4.6 If the Supplier anticipates difficulties with respect to production / compliance with the delivery period or similar circumstances that could interfere with Supplier's ability to deliver punctually or to deliver the Items as per agreed quality, the Supplier must immediately notify the concerned contact person at Bosch.
- 4.7 The acceptance of a delayed delivery or extension of completion time for Service does not constitute a waiver of claims to which Bosch is entitled due to the delayed delivery or Service;
- 4.8 Partial deliveries are inadmissible unless Bosch expressly agrees to them in writing;
- 4.9 All airway/railway/lorry receipts must be made in the name of Bosch and not in the Supplier's name. The excise gate pass, delivery note where applicable should accompany the consignment along with other relevant documents.
- 4.10 The acceptance of Items is subject to inspection or clearance by Bosch upon arrival at the delivery destination provided under a purchase order. This shall, however, only be a preliminary acceptance based on initial verification of Items for visible damage during delivery and shall not include checks on workability of the Items for its intended use. If any defects are found during any stage of manufacture or use, Bosch shall have the right to reject such Items anytime, at the sole cost of the Supplier and the Supplier shall be bound by the warranty terms for such Items, in addition to replacements for the same immediately.
- 4.11 Unless otherwise agreed between the Parties in writing through a separate agreement, replacement of the Items, as and when requested by Bosch, shall be made by the Supplier within a period of 2 days from the date of issuance of notice by Bosch for replacement. If, however, the Supplier is unable to replace the same within the above mentioned period, then Bosch shall have the right to procure the same from a third party and recover all costs and damages from the Supplier.
- 4.12 Supplier is obliged to supply complete Items containing all parts necessary for contractual use and in compliance with the agreed characteristics, even if the parts necessary for this are/may not specified in full in the text of the purchase order. Any additional

expenditure necessary for preliminary acceptance, trial operation and/or evidence of the agreed characteristics shall be borne by Supplier.

- 4.13 Items which are supplied to Bosch but are not functional until installation and commissioning is completed shall remain at the risk of the Supplier within the premises of Bosch. Without being liable for any kind of compensation, Bosch shall ensure safety of such Items to the best of its ability. The risk shall pass on to Bosch only after the same has been commissioned and certified by Bosch as completed. Till then the risk of loss or damage remains with the Supplier.
- 4.14 All installation, commissioning and completion certificates for the Items and related Services shall be as per the conditions enumerated under a purchase order and or as mutually agreed between the Parties under any separate document, which could also include emails. If they are not separately agreed, then it shall be as per the conditions under this BTC.
- 4.15 Design approval process (DAP) to be done by the Supplier with Bosch before initiation of manufacturing process of the machinery.
- 4.16 All details regarding the use of components, Services, norms etc must be finalized during DAP including pre-acceptance parameters;
- 4.17 Preliminary acceptance (pre acceptance) must be concluded for Machinery at the Supplier's place before dispatch. The requirements as per the requirements specification, in particular the quality and performance data, must be proven during preliminary acceptance or are the basis for final acceptance. Preliminary acceptance is issued with electrical connected loads in accordance with the final destination country;
- 4.18 Verification of the availability of a type as per VDI 3423 (Uninterrupted run)
- 4.19 Successful preliminary acceptance is essentially a prerequisite for delivery;
- 4.20 Defective Items shall not be repaired but replaced with new Items viz. in the event of supply of defective Items.
- 4.21 If the Items supplied are defective in more than two occasions continuously, then Bosch shall have the right to purchase the same from a third party and claim all costs and damages from the Supplier.
- 4.22 The Supplier shall maintain ready supplies of spare parts of all Items especially during the warranty for the Items in order to ensure uninterrupted Services as and when requested by Bosch;
- 4.23 Unless otherwise mentioned under a purchase order or under any kind of written document, the transit insurance during transportation of the Items to the place of desired supply mentioned by Bosch shall be the responsibility of the Supplier;

4A. DELIVERY, ACCEPTANCE AND REJECTION OF SERVICES

- 4A1. The Services shall be carried out in the manner enumerated under a purchase order to the satisfaction of Bosch;
- 4A2. The Services to be provided shall be within the period prescribed and or agreed between the parties either under a purchase order or under a separate document for each kind of Services on a case to case basis.
- 4A3. Services provided shall be approved and certified by Bosch once the same is completed to the satisfaction of Bosch;

- 4A4. Without prejudice to the other rights enumerated under this BTC, if Bosch is not satisfied with the Services provided by the Supplier and the Supplier fails to rectify the Services to the standards expected by Bosch with a period of 2 days from the date of notice by Bosch, then Bosch shall have the right to hire third party service providers at the cost of the Supplier.
- 4A5. No additional payment shall be made for services to be rendered in under this BTC unless the same is agreed to in writing by Bosch.
- 4A6. Response for the Services shall be within 4 hours on weekdays and 8 hours on Saturdays and Sundays from the time of issue of notice for services by Bosch. In the event of non performance of the Services within the time specified above, Bosch shall have the right to get the Services undertaken by a third party and recover the costs from the Supplier in the manner enumerated under this BTC.
- 4A7. Irrespective of any terms and conditions of the Supplier for carrying out Services for annual maintenance, which is attached to any document provided to Bosch, this BTC or the subsequent purchase order and any other document mutually agreed between the Parties for carrying out such Services shall prevail over the Supplier terms and conditions at all times.
- 4A8. The Supplier shall, during the period of Services within the premises of Bosch, ensure that the Services are provided in the manner expected and ensures that no damage of any kind within the vicinity of the area wherein the Services are provided occurs or to the Items wherein the Services are being provided. In the event of any damage to the property of Bosch by the Supplier and or its employees, the Supplier shall be liable for all damages.
- 4A9. While providing the Services if the Items are damaged by the Supplier for any reason whatsoever and renders the Items, then the Supplier shall replace the same within a period of 2 days. If the Supplier breaches this condition then Bosch shall have the liberty to procure the same from a third party and recover all costs and damages from the Supplier.
- 4A10. Bosch shall have the implied unrestricted right in terms of time and territory to use software belonging to the scope of delivery, including the software documentation, duplication, loading and running the software, and further sublicensing, renting and every other form of passing the software on to affiliates of Bosch, to a legally permissible extent.
- 4A11. The supplementary Terms and Conditions of Purchase for Software of Bosch Limited apply to software (can be viewed in the download area of Purchasing and Logistics at www.boschindia.com).
- 4A12. The supplier shall be obliged to inform us about any applicable (re-)export licence requirements or restrictions for the Products under Indian, German, European, US or any other applicable export control law and customs regulations as well as the export control law and customs regulations of the country of origin of the Products in its business documents and to send the following information on Products subject to licence requirements to Bosch and the concerned contact persons in good time prior to the first delivery:
- Bosch material number
 - Product description
 - All applicable export list numbers including the Export Control Classification Number pursuant to the U.S. Commerce Control List (ECCN)
 - Country of origin of the Products under commercial policy
 - HS Code of the Products
 - A contact person in its organisation to resolve any inquiries.

- 4A13. The supplier shall be obliged to inform us without undue delay of any changes to the licence requirements applying to the Products it supplied to us, as a result of technical changes, changes to the law or governmental determinations.

5. INSTALLATION AND INITIAL TESTING OF THE MACHINERY

5.1 The first installation of the Machinery, i.e. the first time the Machinery is switched on by BOSCH at the site under the supervision of Supplier and the initial testing shall be effected at the BOSCH factory by BOSCH personnel in accordance with instructions given by Supplier and under the guidance of Supplier. The initial testing shall be conducted immediately after the end of the installation, by the supplier within the stipulated time as agreed by Bosch in PO or as agreed specifically in writing

The initial testing (as enumerated under this BTC) must produce evidence of fitness for operation and must be effected without fundamental malfunctions. If there is a fundamental malfunction, then the initial testing shall be recommenced after the defect has been remedied. In the event that the trial operation is repeated for reasons for which Supplier is accountable, the Supplier is liable to reimburse costs incurred by BOSCH (e.g. working time of personnel, costs of additional raw materials and consumables, transport costs for special journeys).

- 5.2 The system documentation/drawings must be submitted in full along with Machinery and process parameters (tool and cutting data), environmental conditions (KSS and room temperature, operator influences etc.), parameters and type of cooling lubricant, Measuring equipment/gauges used, evidence of measuring technology credentials of the measuring equipment and gauges supplied – or as agreed by Bosch during DAP;

6 EVIDENCE OF THE AGREED CHARACTERISTICS OF THE MACHINERY

- 6.1 After conclusion of a faultless initial testing and directly after the Machinery is completed as ready for operation, evidence of the agreed characteristics shall be established at the installation site of the respective BOSCH factory - as a rule in the presence of both parties; the time of commencement of establishing such evidence shall be specified jointly. Any pre-trials arranged by Supplier are not decisive with regard to evidence of the agreed characteristics or acceptance.
- 6.2 Following satisfactory testing, the proof of warranties shall (generally in the presence of both parties) take place in the plant concerned immediately after the Items are ready for operation in order to establish the start of the warranty period. Any preliminary trials that Supplier may have performed may not be considered as proof of warranties and acceptance. Proof of warranties is deemed to be furnished when the guaranteed functions and features have been demonstrated over an uninterrupted, fault-free operation (1 shift) of 2 working days or as agreed. If the proof of warranties fails initially, then Supplier will modify the Items to the extent necessary, followed by another attempt to furnish proof of warranties, without delay. Supplier shall bear all direct costs incurred by BOSCH due to the required modifications and the repeated proof of warranties or due to repeated preliminary acceptance.
- 6.3 If the proof of warranties has not been furnished successfully within 3 months after completion of the assembly (commissioning of the Items at the location), BOSCH shall be entitled – notwithstanding its statutory rights - to cancel the complete individual order without notice or any kind of liability for compensation but with a right for claiming compensation against the Supplier, unless Bosch is responsible for the delay.
- 6.4 Without prejudice to any of its rights under this BTC, even in case BOSCH had agreed to further attempts of Supplier to furnish the proof of warranties beyond the above deadline, BOSCH shall be entitled to cancel the individual order without notice, if the additional attempt also fails. In this case, Supplier shall bear any additional costs, such as dismantling, packaging and return transport.
- 6.5 Successful furnishing proof of warranties is prerequisite for final acceptance of Items. However, it does not exempt Supplier from the obligation to rectify any defects in future.

7. ACCEPTANCE

- 7.1 Title to the Machinery passes to BOSCH after finalization and acceptance of all the exercise enumerated under clause 5 and 6 above and further subject to the following preconditions have been met:
- i. Installation,
 - ii. Fault-free initial testing
 - iii. Evidence of the agreed characteristics / test plan / tryout plan
 - iv. Compliance with the acceptance conditions pursuant to BOSCH Norm N51M M20 and
all other technical regulations agreed upon
 - v. Handover to BOSCH of the complete documentation pursuant to BOSCH Norm N51M M20.
 - vi. Submission of a quotation for wear parts and spare parts recommended by Supplier.

 - vii. Adherence to delivery instructions from the following BOSCH standards:
 - N2580 "Prohibition and declaration of substances"

- N51 M20 "Delivery instructions for machinery, installation and production equipment"
- N51 M23 "Delivery instructions for electrical equipment of machines, installations and production equipment"
- N51 M24 "Delivery instructions for ESD-adjusted production components"
- N51 M25 "Delivery instructions for hydraulic equipment of machinery and production equipment (MAE)"
- N51 M26 "Delivery instructions for pneumatic equipment of machinery and production equipment (MAE)"
- For special machines, Bosch standard N54 "Control engineering electrics-electronics" must also be observed.
- N93 "Occupational, fire and environmental protection"
- Bosch TPM standards, standards regarding leak free Machinery etc or other standards specified during DAP

Further norms related to the above can be found in the following link

<http://purchasing.bosch.com/en/de/info/download/downloads.html>

Look under: Delivery Instructions for Machinery and prohibition and declaration of substances

Payment or installation of the Machinery do not constitute acceptance. Claims by BOSCH on the basis of defects in the Machinery shall remain unaffected by acceptance.

- 7.2** Final acceptance of the systems by Bosch will be performed following commissioning at the destination site, a problem-free test run, receipt of evidence of the agreed conditions, fulfillment of the acceptance conditions in accordance with BOSCH standard N51M M20 and all other technical regulations agreed and following receipt of the complete documentation in line with BOSCH standards.

As part of final acceptance, the scopes of delivery, availability of the equipment, energy requirements and other consumptions are measured and compared with the values submitted by you. Once all criteria have been fulfilled, acceptance is completed and the warranty period begins.

The acceptance log must be compiled jointly.

Documentation with regard to the machinery to be in accordance with BOSCH standard N51M M20 point 10 "Documentation".

The documentation also covers the instrument software including the user interface and any available software applications.

8. PACKING

Items should be securely packed and protected against loss, damage, handling or corrosion in transit. Packing shall conform to Bosch specifications. Any breakage, damage and/or pilferage in transit arising from faulty packing shall be borne by the Supplier.

Each box/packing/bundle/reel must be plainly marked with Bosch's purchase order no and address along with position of the Items and special instructions wherever necessary.

Packaging for traded Items which are supplied by the Supplier viz. Items should be delivered with original packaging from the original manufacturer without any kind of traces of forced damage of any kind. If the packaging is opened prior to delivery than, notwithstanding anything contained under any of the conditions under this BTC, the Items shall be rejected without liability for any kind of compensation. If, however, the ITEMS are accepted due to oversight, it shall not imply the waiver by Bosch of its right

to return the Item and the obligation of Supplier to deliver a fresh Item which is sealed and packed properly without any kind of additional costs and within a period of 2 days from the date of notice by Bosch.

If the Supplier fails to deliver the same with the specified period above, Bosch shall have the right to get the same from a third party and recover the additional costs from the Supplier

9. DELIVERY AND INVOICE

Every delivery of Items and or any Services connected therewith, by the Supplier shall be accompanied by an invoice or copy of invoice bearing the invoice number as well as other relevant allocation details at the respective place of delivery. In the event that the invoice is not accompanying the Items or Services in physical form, it must be sent via email to the concerned Bosch email address at the time of delivery.

Invoices must strictly confirm to the descriptions of purchase orders in terms of quality and quantity of the Items and Services.

10. PASSING OF RISK

Unless otherwise agreed by the Parties in writing, the Supplier bears all risks of loss or of damage to the Items until the Items are received by Bosch at the location to which they are to be delivered and further subject to the conditions enumerated under these Bosch Terms and Conditions.

11. PAYMENT TERMS

Payment shall be as per the terms mentioned in the purchase order.

It being clarified that payment does not negate Bosch's right to reject and claim damages if Items and Services do not meet the specified requirement of Bosch.

For the above instances, Bosch shall have the right to either set off such claims against payments from current or future purchase orders.

If any kind of advance payments are to be made to the Supplier at its request and which is made a part of the purchase order then such payment shall be subject to the Supplier providing a bank guarantee in the format provided by Bosch for the equivalent amount.

11A. WITHHOLDING OF PAYMENTS

In the event of breach by the Supplier of any of these Bosch Terms and Conditions and or any separate agreement, purchase order etc. then Bosch shall have the right to withhold all monies payable to the Supplier and in the event of the breach being proved, deduct whatever amounts due to Bosch as per the provisions enumerated under these Bosch Terms and Conditions from any amounts due to the Supplier from any purchase order. Such purchase order includes all purchase orders issued by Bosch (whether already performed or yet to be performed) to the Supplier which may or may not include the Items or Services which are under dispute but which are also simultaneously existing along with the purchase order which includes the Items and Services under dispute

It being clarified that in the event the disputes between Bosch and the Supplier are settled and the payments which were being withheld are released to the Supplier, then such released amount shall not attract any kind of interest.

12. CLAIMS BASED ON DEFECTS

- 12.1 Acceptance is effected subject to the reservation of an examination for faultlessness, in particular also including accuracy and completeness, insofar and as soon as this is pertinent in the ordinary course of business. Bosch will give notice of any defects found without undue delay after their discovery. To this extent the Supplier waives the objection to delayed notification of defects.
- 12.2 In principle Bosch shall have the right to select the type of supplementary performance. The Supplier may refuse the type of supplementary performance Bosch selected if it is only possible at disproportionate expense.
- 12.3 Maintenance of and repair work to the Machinery supplied shall be effected on the installation site at competitive prices for the duration of its average life expectancy (at least 10 years after delivery).
- 12.4 Even after expiration of the limitation period for defects as to quality, qualified specialist personnel and wear parts and spare parts will be available at BOSCH factories 48 hours after a request by BOSCH, in order to remedy malfunctions in operations.
- 12.5 The provisions of above paragraph shall apply if the request is received by Supplier from Monday to Friday between 08:00 a.m. and 05:00 p.m. If a request is made outside the above hours, the aforementioned time period shall start to run at 08:00 a.m. on the next following working day.
- 12.6 In the event that the Supplier does not commence rectifying the defect immediately after request for remedy has been made by Bosch, in urgent cases, especially to ward off acute danger or to prevent greater damage, Bosch shall be entitled to undertake such rectification itself or to have it undertaken by a third party at the expense of the Supplier.
- 12.7 If the Supplier in performance of its obligation replaces any defective Items, the warranty for such Items shall run afresh from the date of replacement.
- 12.8 Should Bosch incur expenses as a result of the defective delivery of the Items, in particular transport, carriage, labour costs, assembly and disassembly costs, costs of material or costs of incoming Items control exceeding the normal scope of the control, such costs shall be borne by the Supplier.

Subject to the above conditions, at the sole option of Bosch, if the defective Item are not rectifiable, shall be removed by the Supplier at its expense within a period of 7 days from the date of receipt notice by Bosch. If Supplier fails to do so, then Bosch shall arrange to dispatch the materials to the Supplier at the sole risk and cost of the Supplier. Such costs shall include but not be limited to expenses towards packing, forwarding, freight etc. If there is any damage to the Items during the period of transit, Bosch shall not under any circumstances be responsible and liable for any consequences arising therefrom.

- 12.9 Supplier shall submit to BOSCH, together with the contractual documentation pursuant to BOSCH Norm N51M M20, item 10, an offer for the wear parts and spare parts recommended by Supplier. Thereafter the parties shall agree upon holding stocks of parts at a facility of Supplier or factory of BOSCH.
- 12.10 The supplier is accountable for the fault of its sub-suppliers as it is for its own fault.

13. WARRANTY

- 13.1 Warranty shall be applicable as follows in case of the Machinery purchased:

For machinery, equipments, tools, chemicals and consumables, instruments, office and factory devices, supplier shall replace free of charge if any parts found to be defective in

quality, finish, colour, design material and workmanship or in the event of failure or indication of failure within 12 months from the date of receipt, unless specifically agreed to in writing for a period higher than what is enumerated under this condition or normally provided by the original manufacturer of the Items, whichever is higher.

- 13.2 If the Items are not conforming to given specifications and rejected, they shall be returned to the Supplier by sea/air/freight as the case may be, on freight pay basis, either on receipt of Supplier's credit note and remittance for the CIF value plus the incidental charges or on receipt of free replacement of goods and acceptance.
- 13.3 Notwithstanding anything contained under clause 13.1, warranty for the Items shall be as agreed between the Parties which shall not be less than.....years from the date of transfer of title or the Items and or as provided by the original manufacturer of the Items, whichever is higher.
- 13.3 All after sales services with regard to the Items, to the extent the such Items are not manufactured by the Supplier, shall be the sole responsibility of the Supplier as if it was the manufacturer of such Items. Services shall be carried out by the Supplier in the many enumerated under these Bosch Terms and Conditions and or under any warranty process accompanying an Item manufactured by the original manufacturer. It shall be the duty of the Supplier to co-ordinate with the original manufacturer and ensure that Bosch gets the benefit of all after sales Services either provided by the original manufacturer as standard warranty and or as available to Bosch under law.

14. RIGHTS OF WITHDRAWAL AND TERMINATION

- 14.1 Bosch shall have the right to withdraw from or terminate the contract with immediate effect and without being liable for any kind of compensation if (i) the Supplier defaults in supplying any Items for a continuous period of 4 weeks; (ii) defaults in carrying out its obligation as per any one of these Bosch Terms and Conditions and fails to rectify such default within a period of 7 days from the date of issuance of notice by Bosch; (iii) there is or threatens to be a fundamental deterioration to the financial circumstances of the Supplier and as a result of this the performance of a supply obligation to Bosch is in jeopardy; (iv) the Supplier meets the criteria for insolvency or over-indebtedness.
- 14.2 Bosch shall also have the right to withdraw from or terminate the contract if the Supplier files an application for insolvency or comparable debt settlement proceedings to be initiated with respect to its assets.
- 14.3 Notwithstanding anything contained above, all obligations of the Supplier which existed prior to termination of relationship shall continue to be in force unless it is fulfilled in totality. To such extent, these Bosch Terms and Conditions of purchase along with all other documents mentioned under this document shall be effective until such obligations of the Supplier have been fulfilled in totality.

15. CONDUCTING WORK

All employees of the Supplier who carry out work on Bosch factory premises in fulfillment of the contract must observe the respective plant regulations. The liability for accidents suffered by these employees on Bosch factory premises is excluded, except to the extent caused by willful breach of duty by Bosch's legal representatives or persons employed in the performance of Bosch's obligations.

16. LABOUR REGULATIONS

- 16.1 The Supplier shall, for all its employees deputed to carry out work on Bosch factory premises in fulfillment of the conditions enumerated under these Bosch Terms and Conditions and the purchase order and or any other agreement in connection with the Items and Services, observe the all applicable statutory labour law provisions including but not limited to to the provisions of the Contract Labour Regulation and Abolition Act, 1970, Provident Fund, ESI, Minimum Wages Act, etc. In this regard Service Provider agrees to furnish copies of such compliances, from time to time. It is specifically provided that the Service Provider shall arrange to obtain a requisite license under Contractors' Labor (R & A) Act and have it renewed from time to time, as applicable.
- 16.2 Supplier shall always ensure that its employees are paid at a rate not less than minimum wages prescribed under law of the Republic of India and amended from time to time and also ensure that all legal provisions are complied with, in not only letter but also the spirit. Specifically, further provided that all employees of the Supplier shall be meticulously covered under the ESI & PF Act as applicable. Any violation of labor law shall be viewed seriously and the Supplier shall be held liable for damages and consequences.
- 16.3 It being understood that Bosch shall not be responsible for death, injury or accidents to Supplier's employees, which may arise out of or in the course their duties at the premises/factory or Bosch (wherein any kind of work is carried out in pursuance to a purchase order) due to reasons attributable to the Supplier. In the event of Bosch becoming liable to pay any damages or compensation in respect of such employee, Supplier shall pay Bosch for all such compensations paid by Bosch without any protest or demur, unless the accident is due to reasons attributable to Bosch;
- 16.4. Supplier is aware and agrees and acknowledges that the Services to be undertaken under this BTC requires specialization and prior experience and thereby undertakes to provide only qualified and trained personnel, along with supervisors, competent to carry out the Services.
- 16.5. All such employees employed by the Supplier and deputed to work at the sites shall be the employees of Supplier and they will be supervised personally by a supervisor appointed by the Supplier who shall be at the sites. Supervisor appointed by the Supplier may receive instructions only from Supplier and execute the activities and tasks assigned to the complete satisfaction of Bosch. Supplier has further assured and undertakes that his employees shall perform the tasks and activities, under the overall guidance, directions and responsibilities of supervisor of the Supplier stationed at the site.
- 16.6. While performing the Services the Supplier and the supervisor appointed by it and all its employees shall take all precautionary and safety measures to ensure no untoward incident or accident takes place at site with respect to the employees of the Supplier and as well as the employees of Bosch and or its customers or representatives present at the site. In this regard the Supplier agrees to ensure that its supervisor and staff are always kept fully informed of all the hygiene, healthcare and safety norms, rules & regulations prescribed by Bosch and under any statute, and agree that they will follow it in both letter & spirit.
- 16.7. Bosch will not in any manner be responsible for any act, omission or commission of deputed employees of the Supplier at the site and no claim in this respect will lie against Bosch from any third party. If any such claim is made against Bosch, by any employee or his heirs engaged/employed by Supplier or any third party, which Bosch is obliged to discharge by virtue of any statute or any provisions of law and rules due to mere fact of the workers of Supplier working at the site or otherwise, Supplier shall indemnify/reimburse Bosch all the money paid and expenses incurred by Bosch.

- 16.8. Bosch shall not be liable for the thefts of any articles of Supplier or deployed employees of the Supplier while rendering the Services at the site for any reason whatsoever.
- 16.9. Supplier further agrees to be fully liable for any thefts committed by its employees while at the site and further agrees to indemnify and keep indemnified Bosch for all the losses and damages incurred in this regard.

17. DOCUMENTATION AND CONFIDENTIALITY

- 17.1 The Supplier shall keep confidential with respect to third parties all business and technical information made available by Bosch (including features which may be derived from objects, documents or software provided and any other knowledge or experience) as long and to the extent that it is not proven public knowledge, and it may only be made available to those persons in the supplier's business facility who necessarily need to be involved in the use thereof for the purpose of delivery to Bosch and who are also committed to confidentiality; the information remains Bosch's exclusive property. Without Bosch's prior written consent, such information must not be duplicated or exploited commercially – except for deliveries to Bosch. At Bosch's request, all information originating from Bosch (if appropriate also including any copies or records made) and loaned items, if any, must be, without undue delay, returned to Bosch in full or destroyed. Bosch reserves all rights to such information (including copyright and the right to file for industrial property rights such as patents, utility models, semiconductor protection, etc.). In the event this is provided to Bosch by third parties, the reservation of rights also applies for the benefit of such third parties.
- 17.2 Further, it is mutually understood and agreed between the Parties that patterns, tools dies if supplied or paid for by Bosch for the manufacture of any parts in relation to the Items shall always be Bosch's property and are for its sole use and are to be returned in good order and condition at any time upon demand or at the time of completion of order as required by Bosch.
- 17.3 Further, in case the drawings, blueprints, jigs, moulds, fixtures, samples, technical data or non-technical data are supplied to the Supplier by Bosch (which is also confidential and proprietary to Bosch), they shall be kept as secret and shall not be used in any manner contrary to the interest of Bosch and same shall be immediately returned to Bosch as and when demanded and definitely on termination of this agreement.

18. INTELLECTUAL PROPERTY

- 18.1 All intellectual property belonging to Bosch and shared with the Supplier in order to enable the Supplier to purchase/manufacture/ supply the Items, shall remain its property at all times.
- 18.2 The Items bought from the Supplier have been brought under the assumption that (a) the Item's design was an original design effort by Supplier, and that it is not a reproduction or copy, in whole or in part, of any other materials, goods, products or articles in violation of any patent, trademark or copyright laws of India (b) the packaging, labeling and logos used for the Items were not copied from the packaging, labels or logos of any other materials, goods, products or articles and were not designed to look like the packaging, labels and logos of any other materials, goods, products or articles; and (c) none of the goods infringe any patent, copyright or trademark of any third party. Supplier shall be liable to defend and indemnify Bosch against any direct loss, damages or expense that Bosch suffers or incurs, as a direct result of a breach of third party's intellectual property rights by the Supplier.
- 18.3 The Supplier shall, in addition to its obligations enumerated under clause 18.2 above, shall also undertake the following in the event of an infringement of any intellectual property rights of third parties by the Supplier:

- (i) acquire necessary rights over such intellectual property rights of the third parties which are the subject matter of violation; or
- (ii) undertake re-designing and development of the existing Items to ensure that they do not violate any existing intellectual property rights of third parties.

Provided that in the event the Supplier undertakes re-designing and development in terms of Article 18.3(ii) then such redesign and development by the Supplier shall be at no cost to Bosch and the re-design and development will be done within a mutually agreed time frame to meet the prompt time lines of Bosch

All of the above shall be without prejudice to any other rights of Bosch available under law for the time being in force.

19. PLACE OF PERFORMANCE

The place of performance is the place to which the Items are to be delivered or where the Service is to be rendered in accordance with the purchase order to be issued by Bosch.

20. COMPLIANCE

The Supplier shall remain in compliance with all the laws applicable within the territory of India. The Supplier will in particular not, and nor will any of its officers, employees, shareholders, representatives or other persons acting for the Supplier ("Associated Parties"), directly or indirectly, either in private business dealings or in dealings with the public sector, accept, offer, give or agree to accept, to offer or to give (either itself or in agreement with others) any payment, gift or other advantage which would violate (i) any anti-corruption laws or regulations applicable to either party, (ii) India- Prevention of Corruption Act, 1988 or (iii) which a reasonable person would otherwise consider to be illegal, improper, or unethical.

The Bosch Code of Business Conduct ("CoBC"), a copy of which is available at www.bosch.com. The Supplier will make best efforts to observe these provisions. The Supplier shall comply with the respective statutory provisions governing the treatment of employees, environmental protection and health and safety at work and to work on reducing the adverse effects of its activities on human beings and the environment. In this respect the Supplier shall set up and further develop a management system (if required by Bosch) in accordance with ISO 14001 within the realms of its possibilities. Further the Supplier shall comply with the principles of the UN Global Compact Initiative relating broadly to the protection of international human rights, the right to collective bargaining, the abolition of forced labor and child labor, the elimination of discrimination when personnel is engaged and employed, the responsibility for the environment and the prevention of corruption.

The Supplier agrees to notify Bosch immediately in writing if, at any time, it becomes aware that any of the representations set out above are no longer correct. The Supplier shall promptly disclose to Bosch any known or suspected violation of this section if it might have an adverse effect on Bosch. Bosch may, notwithstanding anything contained under the termination provisions under this BTC, terminate any existing purchase order upon written notice if it is proven that the Supplier has violated the provisions of this section. This shall not apply if the Supplier provides evidence within reasonable period that no violation occurred or that the violation was remedied to the satisfaction of Bosch."

21. MISCELLANEOUS

- 21.1 If one of the provisions of these Bosch Terms and Conditions and or of additional agreements reached should be or become ineffective, this shall not affect the validity of

the Bosch Terms and Conditions in other respects. The parties hereto are obliged to agree upon a provision to replace the ineffective provision that approximates as closely as possible the economic intent of the ineffective provision.

- 21.2 The contractual relationships shall be governed exclusively under Indian Law and the courts of Bangalore shall have exclusive jurisdiction.
- 21.3 In the event of any dispute or difference arising at any time between the parties hereto as to the construction, meaning or effect of this Agreement or any clause or thing contained herein or the rights, duties, liabilities and obligations of the Parties hereto in relation to the premises the same shall be referred to a single arbitrator, in case the parties can agree upon one (1), within a period of thirty days upon being called by a party to do so and failing such agreement to three (3) arbitrators one (1) each to be appointed by Bosch and the Supplier and the third to be appointed by the two arbitrators so appointed. All such arbitration proceedings shall be held in Bangalore in accordance with the Arbitration and Conciliation Act, 1996 as amended from time to time.
- 21.4 These Bosch Terms and Conditions along with the other agreements executed subsequently, supersedes and replaces any and all prior agreements, understandings or arrangements, whether oral or written made between the Supplier and Bosch and constitutes the entire understanding with respect to the subject matter of these Bosch Terms and Conditions. These Bosch Terms and Conditions may be modified, changed, altered or amended from time to time without prior notification to the Supplier.
- 21.5 No waiver by Bosch of a breach of or a default by the Supplier under any of the provisions of these Bosch Terms and Conditions or under any other agreement, nor the failure by Bosch, on one or more occasions, to enforce any of the provisions of these Bosch Terms and Conditions to exercise any right or privilege hereunder will thereafter be construed as a waiver of any subsequent breach or default of a similar nature, or as a waiver of any such provisions, rights, or privileges hereunder.
- 21.6 The Supplier shall indemnify and keep Bosch indemnified from and against all claims, demands, actions, suits and proceedings, whatsoever that may be brought or made against Bosch on behalf of any person, body, authority whomsoever and whatsoever and all duties penalties, levies, taxes, losses, damages, cost, charges and expenses and all other liabilities of whatsoever nature which Bosch may now or thereafter be liable to pay incur or sustain by virtue of or as a result of the non performance or non-observance by the Supplier of any of the Terms and Conditions contained hereunder and the additional agreements mentioned herein. Without prejudice to Bosch's other rights under law or under these Bosch Terms and Conditions, purchase order, any other agreement executed between the Parties, Bosch will be entitled to deduct from any compensation or other dues payable to the Supplier (either under a purchase order wherein a dispute arises and or under any other purchase order which may not be the subject matter of the dispute), the amount payable by Bosch as a consequence of any claims, demands, cost, charges and expenses.
- 21.7 The Supplier shall not sub-contract any and or all part of the works contemplated either under these Bosch Terms and Conditions contained hereunder or under a particular purchase order to any third party, firm or company without prior express written permission of Bosch.

Without being obligated to do so, if Bosch gives permission for subcontract, it would be under the express understanding that in the event of breach by the sub-contractors of any of the BTC, then the Supplier shall be solely liable.