

Standard terms & conditions of purchase

07.2016

1. This Purchase Order (hereinafter referred to as 'PO') is an offer by the company (hereinafter referred to as 'FPMIPL') for the purchase of the goods and/or services specified hereunder, from the party to whom the PO is addressed to (hereinafter referred to as 'Supplier'), in accordance with and subject to these terms and conditions (the 'Terms' together with the terms and conditions on the face of the PO)
2. This PO will be deemed accepted by the Supplier upon the first of the following to occur: (a) Supplier making, signing, or delivering to FPMIPL any letter, form, or other writing or instrument acknowledging acceptance; (b) any performance by Supplier under the Order; or (c) the passage of three (3) working days after Supplier's receipt of the Order without written notice to Buyer that Supplier does not accept the Order. The Supplier shall send a response to FPMIPL, regarding the specifications, quantity, prices, and terms of payment and delivery schedules indicated in the PO within 3 days of its receipt, failing which, the Supplier shall be deemed to have accepted the PO and the dates mentioned in the PO shall be considered as the committed delivery dates. Once the Supplier has accepted the PO, the Supplier is not entitled to change the price, specifications, quantity or delivery schedule indicated in the PO.
3. This PO constitutes the entire agreement between the parties with respect to the products, material/equipment and/or services described herein and supersedes all prior oral and written communications relating thereto.
4. Original DC with our security gate stamp & original invoice are necessary for accounting and payment. Payment due date will be considered from the date of receipt of all above original documents.
5. The PO number, item code number, and batch number mentioned in this PO must appear on all invoices, challan and packing slips sent by the Supplier.
6. The property in and title to the products, material/equipment passes to FPMIPL only upon delivery thereof in good condition, in accordance with the terms and conditions herein and after due acceptance of the products, material/equipment by FPMIPL.
- 7. The Supplier warrants as follows:**
 - (a) That all the products/material/equipment supplied by the Supplier will be free from any defect arising from faulty material, design or workmanship and that the same will be fit for the purposes expressed or implied in the PO and will perform as per the specifications provided in the PO for the Guarantee Period, as applicable. 'Guarantee Period' means the longer of twelve (12) months from the date of delivery or the Supplier's usual guarantee period.
 - (b) During the Guarantee Period, if any defects develop arising from faulty material, design or workmanship, the Supplier shall remedy such defects at its own cost including transportation, insurance and other direct or indirect costs and consequential loss. If it becomes necessary, the Supplier will replace any defective portion of the products or replace the material/equipment as a whole.
 - (c) All the products/material/equipment supplied will comply with all applicable statutory requirements & regulations including, in particular, any relating to health and safety.
 - (d) The Supplier shall provide any services specified in this PO or connected with the delivery of the product/material/equipment through appropriately qualified and trained personnel using all reasonable skill and care and to the satisfaction of FPMIPL. The Supplier shall promptly replace any personnel, with whose performance FPMIPL has reason to be dissatisfied.
8. Dispatches are to be made only through the transporters whose name is given in this PO or as agreed upon between FPMIPL and Supplier in writing. In case dispatches are made otherwise, the expenses incurred in collecting such products, material/equipment will be realized from the Supplier.
9. Dispatches should be made only after thorough inspection of products, material/equipment by the Supplier. In case, the products, materials/equipment is found to be defective, FPMIPL may reject the same at its own discretion. Rejected products, material/equipment will be returned to the Supplier at the Supplier's cost with to and fro transportation.
10. In case Excise duty is payable on any products, material/equipment, the proper excise Gate Pass should be provided to enable FPMIPL to claim "CENVAT".
11. The Supplier shall send the bill(s)/ document(s) for the products, material/equipment supplied under this PO in Quadruplicate along with Challan (duly acknowledged by FPMIPL representative) and GR/FWB to FPMIPL Stores in charge. The Supplier shall also send a copy of this PO and original set of documents to FPMIPL Purchase Department for advance intimation at the FPMIPL Work address.
- 12. The Supplier represents and warrants that**
 - (a) The prices for the products, material/equipment and /or service provided hereunder are the lowest prices at which the Supplier has sold or is willing to sell such products, material/equipment and/or Services taking into account any differences in quantities, schedule and other substantive terms.
 - (b) FPMIPL shall be entitled to any price reduction which the Supplier makes to others for comparable products,

material/equipment or services as on (i) the Delivery Date for the products material/equipment and/or the date upon which supplier is to begin performing the services hereunder, or (ii) the date an acceptable invoice for the products, material/equipment and/or services is received by FPMIPL, whichever is later.

13. Time is of the essence to this contract.

- (a) The Supplier shall immediately notify FPMIPL in the event that the Supplier's timely performance under this PO is delayed or likely to be delayed, in whole or in part, and the Supplier shall provide FPMIPL with all available information regarding the reasons for such delay. Such notice shall not constitute a waiver by FPMIPL of any of the Supplier's obligations hereunder. Unless authorized by FPMIPL, in writing, partial dispatches/delivery of the products, material/equipment is not allowed. The Delivery schedule given by FPMIPL must be strictly followed.
 - (b) If the products, material/equipment is not delivered strictly within the stipulated time in this PO, FPMIPL may accept/reject the material/equipment at its sole discretion. In the event of delay the Supplier shall be liable to pay damages of 1% of the order value for every week's delay in the delivery of products, material/equipment, subject however, to a maximum of 10% of the total order value. This is notwithstanding FPMIPL's right to reject the products, material/equipment received beyond the delivery date mentioned above.
 - (c) FPMIPL may also at its discretion, increase the time period for payment of invoices by three (3) days for every day of delay in delivery of the products, material/equipment beyond the scheduled date. In the event of that the material/equipment is found to be defective on delivery or if the proper documentation is not provided by the Supplier, FPMIPL shall be entitled to increase the time period for payment of the invoice by one (1) week.
14. The Supplier shall obtain an insurance policy which covers all direct and indirect material, capital items, Raw material and Packing material which is the subject of the PO.
15. FPMIPL shall not pay Sales Tax due on the products, material/equipment unless the Supplier's Sales Tax Registration number is mentioned on the Supplier's documents including the invoice, and has been specifically agreed as payable separately (in addition to the PO value).
16. All material/equipment, on their arrival at FPMIPL's factory/ stores, will be subject to inspection by FPMIPL. Inspection Department and their decision in the matter will be considered final. FPMIPL may reject all or part of the material/equipment if they do not comply with Clause 5. FPMIPL shall specify the reasons for rejection and return the rejected products, material/equipment to the Supplier at the Supplier's risk and expense. The Supplier shall, within the time for delivery stated in the PO or such time as FPMIPL may agree in writing, replace such rejected material/equipment with material/equipment which are in all respects in accordance with the PO. Without

prejudice to any other rights and remedies, any moneys paid by FPMIPL to the Supplier in respect of any rejected material/equipment not replaced by the Supplier within the time specified by FPMIPL together with any additional expenditure reasonably incurred by FPMIPL in obtaining other goods in replacement shall be paid by the Supplier to FPMIPL .

17. In the event of strike, accident, natural disasters and/ or other unforeseen contingencies causing, stoppage of production at FPMIPL's factory, FPMIPL reserves the right to cancel and/ or modify the PO without liability to compensation and/or claim of any description.
18. FPMIPL shall be entitled to appropriate and recover from the payments required to be made to the Supplier any outstanding dues therefrom.
19. FPMIPL shall not be liable for any failure or delays in meeting any of its obligations under this PO which are due to causes and circumstances beyond its reasonable control including but not limited to war, famine and acts of God, or other Force Majeure events.
20. This PO including the terms and conditions stated herein shall be governed by the Laws of India and the parties hereby submit to the exclusive jurisdiction of the Chennai Courts.
21. The PO may be terminated at any time by FPMIPL by notice to the Supplier, who shall forthwith cease work on the PO and at FPMIPL's sole discretion deliver all materials and components to FPMIPL as instructed. FPMIPL shall pay a fair and reasonable price for all work performed up to the time of termination. FPMIPL may (without prejudice to any other action or remedy) terminate the PO forthwith by written notice to the Supplier if the Supplier shall commit a breach of any of its obligations under the PO and shall not have remedied such breach within seven days of receiving written notice of the breach, or if the Supplier has a winding up petition presented or enters into liquidation whether compulsorily or voluntarily (otherwise than for the purposes of amalgamation or reconstruction without insolvency) or makes an arrangement with its creditors or petitions for an administration order or has a receiver or manager appointed over any of its assets or generally becomes unable to pay its debts.
22. The Supplier agrees that any data, design, specification, drawings, documents, and all other business, product technical and financial information including this PO and its contents, that it obtains from FPMIPL are the confidential property of FPMIPL ("Confidential Information"). Except as expressly and unambiguously allowed by FPMIPL in writing the Supplier will hold in confidence and not use or disclose any Confidential Information without FPMIPL's prior written consent and shall similarly bind its employees, consultants or subcontractors of the Supplier who have a legitimate need to know. The Supplier's nondisclosure obligation hereunder shall not apply to information which it can document, is generally available to the public or was rightfully disclosed to the Supplier by a third party without restriction. All intellectual property rights in and to the Confidential

Information shall remain the property of FPMIPL and upon FPMIPL's request, or upon termination of this PO, Supplier shall promptly return all Confidential Information and any copies thereof to FPMIPL.

23. The material/equipment supplied shall be tested by the Supplier before dispatch, as applicable, and test certificate for such tests shall be sent for every dispatch.
24. The Supplier shall be fully and totally liable for all acts and omissions of its agents and employees in connection with the provision of products, material/equipment or performance of services under this Agreement and for any breach by it of the terms of this PO.
25. Environmental Management System (ISO 14001) requirements: FPMIPL believes in creating a safe and clean global environment and dedicates itself, towards this end. It aims at a controlled environment in and around the factory to ensure:
 - (a) Safe and Healthy Working Conditions
 - (b) Continuous Improvement in quality of its environment through efficient use of resources and prevention of pollution
 - (c) Compliance of applicable statutory environmental rules and regulations.
26. The Supplier should send only emission free certified vehicles and drivers with driving license, for loading/unloading and the emission free certificate should be available in all trucks/vehicles while coming to FPMIPL's factory. Transport accidents and damages caused therefrom by the Supplier, to self, FPMIPL and or to third parties, will be to their account, without prejudice to any other action or remedy or rights that FPMIPL has or may exercise.
 - The Supplier should ensure that there is no leakage of oil from the vehicle.
 - The supplies made shouldn't affect the environment in FPMIPL's plant
 - The packing of the materials should be as per Material Safety Data Sheet (MSDS) already sent by the Supplier.
 - If there are any changes in MSDS, the Supplier should forward the same immediately for updating at FPMIPL's end.
27. The Supplier shall be responsible for and indemnify FPMIPL against all claims, proceedings, damages, costs and expenses arising from or incurred by reason of:
 - (a) Any infringement or alleged infringement of any patent, copyright, registered design, trade mark, trade name or other intellectual property right by the use, possession, supply or sale of the products, material/equipment and/or services which FPMIPL its clients or agents may incur or become liable for in any action for such infringement; and
 - (b) Any personal injuries or any loss of or injury or damage to any property tangible or intangible caused by, or in

the course of or in any way arising out of the work done by the Supplier (or his servants, agents or subcontractors) or any damages arising from any defect in or failure of the products, material/equipment and/or services.

- (c) Any breach of the PO by the Supplier, including any non-conformity of the products, material/equipment with the agreed upon specifications or delay in delivery of the products, material/equipment beyond the stipulated time in the PO.
28. The Supplier shall not assign or otherwise transfer the PO or any of its rights or obligations under it without prior written consent from FPMIPL.
29. All differences, disputes or claims arising out of or in relation to this PO, or any breach or alleged breach thereof, shall be settled by the parties through mutual discussions. In case where such disputes are not settled through mutual discussions, the parties shall refer such dispute to Arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and its subsequent amendments. The arbitration shall be referred to a Sole arbitrator, appointed by FPMIPL. The Arbitration proceedings shall be held at Chennai, India. The language of the Arbitration Proceedings shall be in English.
30. Both Parties shall comply with all respective statutes, affecting the arrangement under this PO whether directly or indirectly. It is understood that the personnel deputed by the Supplier shall be the employees of the Supplier. The Supplier shall not and shall ensure that the personnel shall not make any claims or statements in respect of FPMIPL or its business or anything concerning FPMIPL unless prior express consent in writing shall be obtained to do so from FPMIPL. The Supplier shall be solely liable to pay all the dues of its employees/personnel.
31. It is the intent of the Parties that no payment or transfers of value shall be made which have the purpose or effect of public or commercial bribery, acceptance or acquiescence in extortion, kickbacks or other means of securing the success of a contract. It is the further intent of the Parties that no payments of money or anything of value will be offered, promised or paid, directly or indirectly, to any officials, political parties, party officials, or candidates for public or political party office to influence the acts such officials, political parties, party officials, or candidates in their official capacity, to induce them to use their influence with the government or an instrumentality thereof, or to obtain an improper advantage in connection with any business venture or contract in which FPMIPL is a participant.
32. Any breach of this PO may result in irreparable damage to FPMIPL for which FPMIPL will not have an adequate remedy at law. Accordingly, in addition to any other remedies and damages available, Supplier acknowledges and agrees that FPMIPL may immediately seek enforcement of this PO, by means of specific performance or injunction, without any requirement to post a bond or other security.
33. If any part of the PO is held unlawful or unenforceable

that part shall be struck out and the remainder of the PO shall remain in effect. No delay, neglect or forbearance by FPMIPL in enforcing its rights under the PO shall be a waiver of or prejudice those rights.