

Standard terms & conditions of sale

07.2016

1 Acceptance: Acceptance by Freudenberg Performance Materials India Pvt. Ltd. (FPMIPL) of buyer's purchase order is expressly made conditional on buyer's acceptance of the following terms and conditions of sale, which are in lieu of any additional or different terms contained in buyer's purchase order or other document or communication pertaining to buyer's order for the goods. Buyer's assent to the terms and conditions contained in this document shall be conclusively presumed from buyer's acceptance of all or any part of the goods or from payment by buyer for all or any part of the goods. None of these terms and conditions may be added to, modified, superseded or otherwise altered, except by a express written consent signed by authorized signatories of FPMIPL. Failure of FPMIPL to object to any terms or conditions which may be contained in any document or form of buyer shall not be construed as a waiver of these conditions, nor as an acceptance of any such terms and conditions.

2. Payment Terms: Payment terms are net as mentioned on this invoice. Payment shall be made in favor of Freudenberg Performance Materials India Pvt. Ltd. Acceptable payment modes are NEFT/RTGS (as per details overleaf), A/c Payee Cheque/ Demand Draft/Pay Order, Letter of Credit. Collection charges for Outstation cheques will have to be borne by the customer. Advance or part payments are non-interest bearing. Invoices are due as per terms stated overleaf and payable without discount, unless specifically stated. Cheque dishonors, for whatever reason, will be subject to a minimum charge of Rs. 500/- per case, to cover administrative costs. Sales Tax Declaration Forms, as applicable, should be submitted within the due dates as per applicable Act(s), failing which differential sales tax will be debited to customer account and stands payable by customer. Any payments not made within due date of this invoice shall be subject to a late payment charge of 1.25% per month on the unpaid balance of any due amount. This shall not restrict the right to claim additional damages or costs. In case the buyer becomes insolvent or subject to bankruptcy proceedings, reorganization proceedings, or comparable proceedings, shortages of liquid funds or a significant deterioration of financial circumstances FPMIPL shall be entitled to suspend deliveries immediately and to refuse the fulfillment of current contracts unless the customer executes counter-performance or, on our request, provides appropriate securities.

3. Taxes: The quoted purchase price may be increased to the extent that FPMIPL's cost of the product sold hereunder may be increased as a result of (1) any agreements, codes, or legislative enactments made or enacted pursuant to central, state, local or municipal legislation; and (2) increase in the cost of labor or raw materials. In addition to paying the quoted purchase price, Buyer is solely liable for any excises, levies or

taxes which FPMIPL may be required to pay or collect, under any existing or future law, upon or with respect to the sale, purchase, delivery, storage, processing, use, consumption or transportation of any of the goods covered hereby, and Buyer agrees to pay the amount thereof on the same terms as it shall pay the quoted purchase price.

4. Shipment: Delivery terms are as mentioned on this invoice. Scheduled dates of delivery are determined from the date of FPMIPL's acceptance of any order/orders placed by Buyer and are estimates of approximate delivery dates, not a guarantee of a particular delivery date. FPMIPL shall not be liable for any damages caused by failure or delay in shipping the goods described herein, if such failure or delay is due to any war, embargo, riot, fire, flood, accident, mill condition, strike or other labor difficulty, an act of Buyer, an act of God, an act of a governmental authority, transportation shortage or failure, inability to obtain sufficient fuel, labor, materials or manufacturing facilities, or any other cause beyond the reasonable control of FPMIPL.

5. Performance: Warranty for a special purpose or particular suitability shall be given only in case of explicit written agreement; otherwise the risk of suitability and use shall be assumed by the customer. Features or other qualities of deliveries and services, other than the ones expressly stipulated, shall not be warranted. Details of the delivery item (e.g. provided in catalogues, product information, electronic media or on labels) are based on our general experience and knowledge and are thus reference values or markings only. These product details as well as expressly stipulated features/purposes shall not relieve the customer of the need to test the product themselves, for the intended purpose. Further, FPMIPL, will under no circumstances be liable for any third party claims or for any other indirect consequential or penal damages, whatsoever.

6. Returns & Rejections:

- It is generally not possible to return sold and non-defective goods. No goods shall be returned by customer, without first obtaining written consent from an Executive/Officer of the FPMIPL.
- Rejections, if any, must be reported in writing to FPMIPL within five (5) days of receipt of the goods along with a detailed rejection report. FPMIPL shall be allowed to sort out such goods and rectify the defect or to make an additional delivery, as mutually agreed. Such rejected goods are to be send to FPMIPL only on receipt of written confirmation from FPMIPL.
- Necessary central excise and other dispatch documents, as applicable, must be sent along with the rejected goods within seven (7) days of receipt of FPMIPL's acceptance of returning the material.

- Loss of excise duty or sales tax due to the non-compliance of the above procedure while returning the rejected goods shall be to the customer's account.
 - Free replacement may be decided, based on the nature of defect. Under no circumstance will free replacement be made, without receiving the rejected materials at FPMIPL works / warehouse.
- 7. Cancellation:** Orders accepted by FPMIPL are subject to cancellation by Buyer only upon the express written consent of FPMIPL. Upon such cancellation and consent, FPMIPL shall cease work and hold for Buyer all completed and partially completed articles and work in progress and Buyer shall pay FPMIPL for all work and materials that have been committed to and/or identified to Buyer's order plus a cancellation charge as prescribed by FPMIPL, in addition to a reasonable profit to FPMIPL on the entire contract.
- 8. Claims:** Claims by Buyer for shortages or errors in delivery must be made within five (5) days after the delivery of the Goods. Goods are sold subject to the standard manufacturing practices of FPMIPL's suppliers. Claims for defective goods, including – without limitation – any damages relating to defective goods, notwithstanding the respective cause in law, shall lapse within 6 months after delivery of the goods.
- 9. Indemnification:** In addition to the foregoing, Buyer agrees to save and hold FPMIPL harmless from any claims, demands, liabilities, costs, expenses or judgments arising in whole or in part, directly or indirectly, out of the negligence or lack of care by Buyer or Buyer's customers, agents, employees or invitees involving the use of the goods supplied by FPMIPL. This indemnification shall include all costs, Advocate's fees and other expenses paid or incurred by or imposed upon FPMIPL in connection with the defense of any such claim.
- 10. Governing Law:** Any agreement arising out of this transaction shall be deemed to have been made in India, District Chennai. The parties agree that the validity, interpretation and performance of any agreement arising out of this transaction shall be governed by the laws of India, State of Tamil Nadu without regard to conflicts of interest laws. Buyer and FPMIPL hereby submit to the exclusive jurisdiction for the resolution of any disputes hereunder, to the District Court of Chennai. This shall be the sole and exclusive jurisdiction and venue for the purpose of adjudication of any rights and liabilities hereunder.
- 11. Default:** In the case of default or breach by Buyer in the performance of any or all of the provisions of this agreement, FPMIPL may cancel any outstanding order from Buyer and declare all obligations immediately due and payable, and shall in addition have all remedies afforded by The Contract Act, and any other applicable law. Buyer shall in addition, be liable for FPMIPL's expenses incurred in exercising any remedies available to it, including reasonable Advocate's fees and legal expenses. All unpaid obligations shall bear interest at the contract rate provided under terms of payment above.
- 12. Insurance:** In case of any damage in transit the

customer has to inform FPMIPL in writing within 6 Hours of receipt of the damaged consignment after taking open delivery certificate from the transporter. In case of damage while in transit either by Truck or Courier the same has to be lorry receipt / docket it is the sole responsibility of the customer to endorse on the lorry receipt / docket of any damages. If no endorsement has been made by the customer Freudenberg Performance Materials India Pvt. Ltd. (FPMIPL) will not be liable to make good the loss to the customer. Customer is advised to take open delivery in case of suspected damages, FPMIPL shall not be responsible for complains of damages on a later date without endorsements on the lorry receipt / docket.

13. Export control requirements: The buyer undertakes to refrain from the following transactions under all circumstances:

- Transactions involving persons, organizations or institutions listed in sanction lists under the EC-Regulations or US export control laws and regulations
- Illegal transactions involving embargoed countries.
- Transactions subject to permits, in particular export permits however not having been granted such permits.
- Transactions related to nuclear, biological or chemical weapons or related to any other military end-use and for which the required permits have not been granted.

14. General:

- Octroi Charges are to be borne by the customer and as agreed as per Purchase order of customer.
- Non Fulfillment of any terms of the order due to unavoidable circumstances such as natural calamities, labor unrest, lock out, fire, floods, war, government restrictions., etc. will not be treated as failure to supply on our part and no penalty / liquidated damages, of any nature will not be admitted by FPMIPL.
- Errors / discrepancies found if any in the documents should be intimated to FPMIPL within five (5) days from the receipt of the documents/goods. No claims will be entertained thereafter.
- If any clause of these Terms and Conditions becomes invalid, the validity of the remaining stipulations shall not be affected.

15. Secrecy & Property: All technical information, advice, know-how drawings designs specifications and other things communicated or supplied by FPMIPL shall remain the property of FPMIPL and shall not, without the FPMIPL express and written consent be disclosed or shown to a third party and shall be used solely for the purpose of this contract. This order shall be treated as confidential and shall not be disclosed to any third party, without the consent of FPMIPL. The ownership of the good remain at FPMIPL until the Purchaser conclude the whole payment of it.