

General Purchase Conditions

1. Scope; conclusion of contracts

1.1 The term "Supplier" in these Conditions of Purchase shall mean the supplier of Voith GmbH and/or its affiliates.

The term "Customer" in these Conditions of Purchase shall mean Voith GmbH and/or its affiliates.

1.2 These Conditions of Purchase shall apply to deliveries and services of the Supplier, unless otherwise agreed. Other general standard terms and conditions, in particular standard terms and conditions of the Supplier, shall not apply even if they are not expressly objected to in an individual case or if ordered goods/services have been accepted without reservation.

1.3 Orders and their acceptance shall be in writing. Acceptance of orders shall be acknowledged on the form intended for this purpose on the order, unless otherwise agreed.

1.4 Oral agreements, of whatever nature, shall not be valid unless confirmed in writing by the Customer. Written form shall also include confirmations sent by data transfer or fax.

1.5 If the Supplier does not accept orders within two weeks of their receipt, the Customer shall be authorised to revoke them at no cost.

2. Delivery; consequences of failure to meet delivery times

2.1 Agreed delivery times shall be binding. The Customer shall be notified immediately of any circumstances which prevent the delivery time from being met or delay delivery. The time the goods are received or the service is completed at the Customer's premises or at the place where they are to be delivered/performed as stated in the order ("Place of Performance") shall determine whether the delivery time has been met.

2.2 Part deliveries shall require the prior consent of the Customer.

2.3 The Supplier is obliged to ensure that goods he has supplied or spare parts for the supplied goods can be supplied to the Customer at reasonable terms and conditions for a period of 15 years after the last delivery. If the Supplier intends to discontinue supplying such goods or spare parts for them during this period of time or after this period of time expires, he shall inform the Customer immediately but not later than six months in writing and give the Customer the opportunity to place last orders.

2.4 If agreed delivery/performance times are not met, the Customer can demand for each complete week by which the deadline is overdue an amount of 0.5%, but a maximum of 5%, of the total order value as a lump sum without having to furnish proof of damage or loss, unless otherwise agreed explicitly. Notwithstanding the Customer reserves the right to claim for compensation of any damages which were incurred by the non performance of the Supplier. Acceptance of the delayed delivery or service shall not constitute any waiver of compensation. The Supplier shall be liable to pay the above even if no explicit reservation is specified when the goods or services are accepted.

3. General Customer Service Activities

The Supplier shall have all necessary capabilities to ensure service for goods supplied, and therefore offer repair and maintenance services, by either using its own personnel or by using third-party contractors, provided these personnel and third-party contractors has demonstrated capabilities to execute the required service activities, at the entire satisfaction of the Customer.

4. Prices; terms of payment; transfer of risk

4.1 The price specified in the order shall be binding. Unless otherwise agreed, the prices are delivered at place (DAP) in accordance with Incoterms 2010, including packaging. The specified price does not include statutory direct or indirect taxes which may be applicable.

4.2 Invoices can only be processed if – in accordance with the stipulations in the order – they specify the order number stated in the order and all other reference information; the Supplier shall be responsible for all the consequences of a failure to comply with this obligation, unless the Supplier can prove that he is not responsible for said failure.

4.3 Unless otherwise agreed, invoices shall be settled in net within 60 days as of the date the demand for payment is due and receipt of both the invoice and the goods/performance of the service.

4.4 The Supplier shall bear the risk of accidental loss and accidental deterioration of the goods until they have been accepted by the Customer or its agent at the place where the goods are to be delivered as instructed.

4.5 The mutual offset of invoices derived from these Conditions of Purchase is permitted, unless the Customer contests the existence of a specific claim.

5. Credit policy

In exceptional cases, individual arrangements diverging from the general policy may be agreed upon between the Supplier and the Customer.

6. Training

6.1 The Supplier shall be responsible for the training of Supplier's support personnel.

6.2 The Supplier shall ensure that the technical skill level and the performance standard of his commercial and technical personnel are adequate to carry out their duties in the framework of the specified requirements.

6.3 The Customer will provide training, subject to availability of resources, to Supplier's personnel, on the request of the Supplier. The Supplier will bear the expenses of this training.

7. Acceptance

7.1 In case of a work supply or work performance contract, an acceptance testing of deliveries and/or services or parts of them is essential. In the event such work supply or work performance requires commissioning, the acceptance testing shall be performed after successful commissioning. The acceptance testing shall be conducted at the Customer's choice at the Supplier's premises or at the place of delivery.

7.2 The acceptance shall be granted by issuing a formal acceptance certificate unless otherwise agreed. Unconditional payments made by the Customer do neither constitute acceptance nor approval of the deliveries, nor shall they constitute any waiver of claims for defects.

7.3 If an official inspection or acceptance testing of deliveries and/or services or parts of them is stipulated, this shall be conducted at the Supplier's works, unless otherwise agreed.

7.4 The costs of the acceptance testing shall be borne by the Supplier

8. Shipment

8.1 Notification of shipment of the goods shall be given by, at the latest, the time the deliveries leave the Suppliers' works. The shipping address and the Customer's order number, including the item number, shall be indicated on all notices of shipment, bills of lading and parcel labels. Consignments for which the Customer is to bear all or part of the freight costs shall be transported at the lowest freight rates or according to the Customer's shipping instructions. The shipping instructions, in particular the place where the goods are

to be delivered, which is also the place of performance, shall be stated in the order.

8.2 The Supplier shall have the cargo secured by the carrier collecting it in order to prevent damage in transit due to the cargo being secured inadequately or not at all.

9. Packaging

9.1 The Supplier undertakes to ship the goods it has produced or processed only in packaging that is environmentally friendly in terms of type, shape and size and that complies with the latest version of official or other goods related applicable packaging regulations.

9.2 Irrespective of whether the packaging concerned is transport packaging, retail packaging or an outer protective wrapping, the Supplier agrees to take it back after use without any additional charge and to reuse or recycle it. The Customer undertakes to handle any reusable packaging identified by it as such properly and make it available to the Supplier free of charge in the best possible condition.

10. After-Sales Service

10.1 All after-sales services shall be performed promptly and shall conform to the 'state-of-the-art' technology;

10.2 The Supplier shall keep and maintain written records of all after-sales services performed throughout the effective period of these Conditions of Purchase. These records have to be handed over to the Customer whenever Customer request for the same. If the Supplier intends to destroy these records after the expiration of this Agreement, the Supplier shall hand these records to the Customer.

10.3 The Supplier shall maintain a 'state-of-the-art' repair workshop and shall maintain a sufficient number of vehicles to adequately mobilise its services. Furthermore, the Supplier shall employ a sufficient number of trained technicians.

10.4 The Supplier shall perform after-sales service at competitive prices.

10.5 The Supplier may engage third parties to execute after-sales service after taking prior written approval of the Customer.

10.6 The Customer shall provide to the Supplier, at Customer's expense, all technical documentation, which is necessary to the performance of after-sales services.

10.7 The Supplier shall perform warranty work of all goods supplied to the Customer. The extent of the warranty will be determined by the Customer. All defective parts which have been replaced by the Supplier must be returned to Customer, unless Customer expressly waives their return.

10.8 The Supplier shall install and maintain on his own account an inventory of spare parts. This inventory of spare parts shall be restocked as necessary. The Supplier shall safely store the spare parts and keep them in good working order.

10.10 In performing after-sales services, including warranty work, the Supplier shall use only spare parts which have been manufactured specifically for the Customer.

11. Notice of defects

The Customer shall endeavour to check incoming deliveries for their correct quantity, damage in transit and obvious defects, insofar and as soon as this is expedient in the ordinary course of business. The Customer shall report defects as soon as they are discovered. In this regard, the Supplier waives the argument of receiving delayed notice of defects.

12. Liability for defects

12.1 The Supplier warrants to the Customer that the ordered goods or services are free of defects and legal imperfections in title at the time of the passage of risk.

12.2 If the Customer informs the Supplier of the intended use and place of use of the goods to be supplied, the Supplier warrants that its delivery and service are suitable for that use and place.

12.3 If a defect or imperfection in title exists, the Customer shall be entitled to statutory warranty claims without reduction, unless otherwise agreed.

12.4 In principle, the Customer shall have the right to select the manner of remedy. If the Supplier does not begin with subsequent remedy as part of the contract, i.e. rectification of defects or delivery of a substitute, as soon as it has been requested to do so by the Customer, the Customer shall have the right in urgent cases, in particular to avert danger or avoid/limit damage, to carry out the manner of remedy selected by the Customer, or to have it carried out by a third party, at the expense of the Supplier. The Customer shall have the same right if rectification of defects or delivery of a substitute fails or is refused.

12.5 If claims are asserted against the Customer due to the infringement of third-party rights in connection with the Supplier's delivery/service, the Supplier shall be obliged to indemnify the Customer against these claims at the first written request. The Supplier's obligation to indemnify the Customer shall relate to all expenses necessarily incurred by the Customer from or in connection with the claims asserted against it by a third party.

12.6 Claims for defects shall become time-barred – except in cases of intention to deceive – in 36 months starting from the

passage of risk, unless otherwise agreed. If the Supplier meets its obligation to remedy a defect by supplying substitute goods, the period of limitation for said goods shall commence anew after they have been delivered.

12.7. The Supplier undertakes to bear all installation and removal costs as well as transport costs to and from the place of use in cases where such costs have demonstrably been incurred due to deficient delivery/performance. The Customer therefore advises the Supplier to take out special liability insurance for installation, removal and transport costs to and from the place of use with coverage of at least €250,000.00 per individual case.

13. Software

13.1 The Customer shall obtain the right to use software that is part of the scope of delivery, including the documentation for it, with the agreed features and to the extent necessary for ensuring use of the software in compliance with the contract or permitted by law

13.2 Before the software is shipped or installed on a system of the Customer or its end customers, the Supplier shall check it for viruses, Trojans and other computer malware using up-to-date, customary antivirus programmes.

14. Quality assurance

14.1 The Supplier undertakes to warrant permanent quality assurance for its goods by means of installation of an adequate quality assurance system, e.g. ISO 9001 ff or similar and undertaking of quality tests and checks that are prescribed by the Customer or are otherwise suitable during and after production of its deliverables. The Supplier shall create documentation on these tests and checks.

14.2 The Customer shall have the right to require proof of the quality assurance system installed at the Supplier, to satisfy itself of how the quality tests and checks are carried out on site, including if applicable at subcontractors' premises and to conduct audits at the Supplier's site.

14.3 Without being requested to do so, the Supplier shall immediately inform the Customer of changes in the composition of the processed material or design of its deliveries or services. The changes shall require the written consent of the Customer.

14.4 If the Supplier intends to subcontract its deliveries and services partially or wholly to third parties, the Supplier must inform the Customer and seek for the prior written approval of the Customer.

14.5 The quality assurance policy of the Customer disclosed to the Supplier and the quality assurance agreements concluded with the Supplier shall be part of the contract.

15. Requirements for marketing products; product liability

15.1 The Supplier undertakes to comply with the relevant laws and regulations applicable to the goods delivered and/or service provided, including but not limited to health and safety requirements to be in force at the Place of Performance. If the goods according to the Customer's purchase order will be exported to the European Union and therefore fall under the scope of application of a European Directive for first-time placing on the market, such as the EU Machinery Directive, Pressure Equipment Directive, EMC Directive, etc. The Supplier undertakes that it shall comply with the relevant health and safety requirements and processes specified in them. If provided for in these Directives, the Supplier shall issue an EC declaration of conformity for its products and shall affix a CE mark.

In the case of partly completed machinery according to the EC Machinery Directive No. 2006/42/EC, the Supplier shall provide the Customer with a declaration of incorporation according to Annex II B of the EC Machinery Directive in the form requested by the Customer (extended declaration of incorporation) as well as in addition provide instructions for use in accordance with Section 1.7.4 of Annex I of the EC Machinery Directive.

If requested by the Customer, the Supplier shall at the Customer's discretion either allow the Customer to inspect the risk assessment created by it or shall provide it to the Customer.

15.2 If the Supplier is responsible for damage outside the supplied goods and claims are asserted against the Customer pursuant to product liability law, the Supplier shall be obliged to indemnify the Customer in this regard against claims for damages by third parties at the first time of request if the cause of the damage is in the sphere of responsibility of the Supplier and the Supplier itself is liable in relation to third parties.

15.3 As part of its liability under Section 15.2, the Supplier is also obliged to reimburse any expenses incurred by the Customer from or in connection with a warning issued or recall conducted by the Customer.

15.4 Where possible and reasonable, the Customer shall inform the Supplier of the content and scope of the measures to be performed and coordinate them with the Supplier. Other claims under product liability law shall remain unaffected.

15.5 The Customer advises the Supplier to maintain product liability insurance to cover the risks from Sections 15.2 and 15.3, with coverage of at least € 1,000,000.00 per damaging event.

16. Safety; protection of the environment

16.1 The Supplier shall ensure that its deliveries and services meet the environmental protection, accident prevention and

work safety or further security or safety related regulations in force at the premises of the Customer or other known place of performance. In order to avoid or reduce harmful impacts on human beings and environment. To this end, the Supplier shall install and enhance a management system, e.g. ISO 14001 or similar. The Customer shall have the right, if applicable, to require proof of the management system installed at the Supplier and to conduct audits at the Supplier's site./The Supplier shall bear the cost of such audits.

16.2 The Supplier has to comply with the relevant laws and regulations on the handling and placing on the market of hazardous goods to be in force at the Place of Performance. The Supplier further has to observe the relevant laws and regulations on the disposal of waste and recycling material and point out any product handling, product storage and disposal requirements to the Customer.

17. Models and tools; confidentiality

17.1 Any models and tools which are produced by the Supplier at the Customer's expense shall become the property of the Customer upon payment for them. They shall be treated with care by the Supplier, indicated as property of the Customer and – where possible – stored separately from the other products of the Supplier, as well as insured at the expense of the Supplier against disasters such as fire, water, theft, loss and other damage. Resale of the parts produced using these models and tools shall not be permitted without the express written approval of the Customer.

17.2 Documents, drawings, plans and sketches and other know-how of the Customer which the Customer entrusts to the Supplier for producing the ordered delivery and/or service, in whatever form (in writing, by fax, by e-mail or on electronic data carrier) shall remain the property of the Customer. They are trade secrets of the Customer and shall be treated strictly confidentially. The Supplier undertakes to treat them with care, to make them available only to employees who need them for fulfilling the contract and who are in turn obligated to maintain confidentiality, not to make them available to third parties, to make copies only for the purpose of executing the order, and to return all documents, including copies of them, to the Customer upon completion of delivery.

18. Competing Products

During the term of these Conditions of Purchase the Supplier undertakes not to solicit or negotiate sales of, offer for sale, sell, manufacture or cause to be manufactured any competitive product. Moreover, the Supplier shall not assist or encourage competing companies, either directly or indirectly, in any competition with the Customer, or engage in any activity, which may be detrimental to Customer's interests. This provision also applies to shareholders or directors of the Supplier.

19. Additional Obligations of the Supplier

The Supplier undertakes the following obligations towards the Customer:

19.1 Commit all necessary human and material resources to properly, effectively and efficiently carry out the activities listed under the Agreement;

19.2 The Supplier shall comply with all industrial, labour, tax and other statutory regulations;

19.3 Verify order, quantity and packaging before giving possession of the goods, and accept any difference in quantity or any defective equipment received to Customer immediately;

19.4 Forward information relating to the use of the goods, especially technical information, to the Customer;

19.5 Notify Customer immediately of any real or perceived violation of any patent, trademark, industrial design or copyright held by Customer that may be drawn to its attention;

19.6 The Customer shall have the right to inspect and audit the Supplier in respect of all obligations and additional obligations.

20. Export control

20.1 The Supplier must inform the Customer of any approvals required on the (re-)export of its goods and/or services by export or customs regulations of India or any other applicable export or customs regulations in accordance with EU or US export law. For this purpose the Supplier will, insofar as this was not already provided in its offer, supply the required information next to the relevant item references at the Customer's request when an order is accepted and on every delivery note.

20.2 At the request of the Customer, the Supplier shall inform him in writing of all further foreign trade data regarding the goods and its components, as well as inform the Customer immediately in writing of all changes to the data specified in Section 20.1.

20.3 If details in accordance with the previous sections are not provided or are provided incorrectly, the Customer shall, without prejudice to further rights be authorised to rescind the contract.

21. Insolvency of the Supplier

If the Supplier suspends payments or if the Supplier or one of its creditors files for insolvency proceedings liquidation or any other corporate or financial restructure on the Supplier's assets or similar proceedings on debt clearing, the Customer

can, without prejudice to its other statutory and contractual rights, at its discretion terminate the contract and/or enter into the contracts of the Supplier with its subcontractors.

22. Entrepreneurial responsibility; Code of Conduct

The Supplier declares its commitment within the scope of its entrepreneurial responsibility to ensuring that it complies with legal provisions, including environmental protection laws, regulations relating to labour law and laws on the safety of employees, and does not tolerate child or forced labour in or in relation to the production and sale of its goods or the provision of its services. Upon accepting the order, the Supplier further confirms that it shall not commit or tolerate any form of bribery and corruption. In this respect the Customer refers to its "VOITH Code of Conduct", which can be downloaded under <http://www.Voith.com>. The Customer expects the Supplier to comply with the rules and principles as contained therein

23. Applicable Law

The Agreement shall be governed by and construed in accordance with the laws in force in India.

24. Arbitration

24.1 All and any dispute, controversy or claim arising out of or in relation to these Conditions of Purchase (including but not limited to disputes with respect to its breach, termination or validity) which is not settled by mutual agreement of the parties within sixty (60) days following the receipt of a corresponding notice of dispute by the Party allegedly in default, shall be finally and exclusively resolved by arbitration under with the provisions of the Arbitration and Conciliation Act, 1996. The reference shall be made to a sole arbitrator appointed mutually by the Parties. The venue for conducting the arbitration proceedings shall be Mumbai. The language to be used in the arbitration proceedings shall be English and all the pleadings and proceedings and the award of the arbitration shall be in English (India).

24.2 All aspects of the arbitration shall be treated as confidential. Neither the Parties nor the arbitrators may disclose the existence, content or results of the arbitration, except as necessary to comply with legal or regulatory requirements.

25. General provisions

25.1 The assignment of claims without the express written approval of the Customer shall be excluded.

25.2 If individual provisions of these Conditions of Purchase are or become invalid in full or in part, this shall not affect the remaining provisions.

25.3 These Conditions of Purchase shall not be construed as creating an affiliation between the Supplier and Customer, nor shall the Parties be considered associates, partners or legal representatives of each other. Furthermore, the Supplier recognizes to have not received the authority, neither tacitly nor expressly, to create any obligation or to bind Customer in any manner whatsoever. The Parties further acknowledge that they are acting as independent entrepreneurs and, notwithstanding these Conditions of Purchase, enjoy complete independence as to how they manage their respective businesses. The Parties hereby confirm that no provision in this General Purchase Conditions shall be interpreted or construed in such a manner as to grant Customer an authority over the Supplier's business or operations.

25.4 Neither Party may assign or otherwise transfer its rights under these Conditions of Purchase, in whole or in part, to a third party without prior authorization to this effect, in writing, from the other Party.

We,_[NAME OF THE SUPPLIER] hereby declare that we have read the these Conditions of Purchase and accept the same as integral part of this contract.

For ,_[NAME OF THE SUPPLIER]

Signature

Date:

Place