

## PURCHASE ORDER - GENERAL TERMS AND CONDITIONS (V 2023.01)...

### Validity of the conditions

All contracts with respect to deliveries and performances, which we conclude as of 1st April 2023 or later with entrepreneurs, legal entities, persons, suppliers, job workers are subject to the conditions hereinafter.

In the event the articles, supplies, material and / or services covered by the Purchase Order ;or in case of work order for job worker -57f challan; are intended to be used directly or indirectly in the performance of a contract with the R&D Engineers, or with a supplier or subcontractor of the said company, this order shall be deemed to include, in addition to all the terms and conditions set forth herein, all applicable provisions of such contracts, laws, executive orders and regulations of the Republic of India (refereed as "India") as required to be incorporated in this type of contract.  
For engineering standards IS applies; unless otherwise stated or agreed.

### 1.0 ORDERING AND PURCHASE ORDER CONFIRMATION:

Purchase Orders will be issued by R&D Engineers in writing, sent electronically and will be binding at Supplier acceptance (in writing), sent electronically. Any modifications of or comments to the Purchase Order by Supplier are binding only, if accepted by R&D Engineers (in writing). Supplier commencement of the performance of any part of a Purchase Order issued by R&D Engineers will operate as Supplier unconditional acceptance of the Purchase Order. A Purchase Order issued by R&D Engineers and accepted by Supplier is hereinafter referred to as a Purchase Order. Products and/or services covered by a Purchase Order are hereinafter referred to as "Products"

### 2.0 TERMS OF DELIVERY:

Delivery of Products shall be made pursuant to the Purchase Order. If the delivery terms are not specified in the Purchase Order deliveries shall be made DDP\* the ordering R&D Engineers entity. DDP shall be interpreted in accordance with the version of Incoterms valid on the time of Supplier's acceptance of the Purchase Order.  
R&D is not obligated to accept early deliveries, partial deliveries or excess deliveries.  
(\*D.D.P. Door Delivery freight Paid).

### 3.0 PRICES AND PAYMENT:

Unless expressly stated to the contrary, prices stated in a Purchase Order are  
(i) fixed and firm  
(ii) exclusive of GST (if any), but including all other costs, including, but not limited to taxes, duties, levies, charges, travel costs, expenses, incidentals, etc. and  
(iii) inclusive of the costs of appropriate packaging according to packaging requirements.  
**Payment terms are current month plus sixty (60) days from the date of undisputed invoice.** Where products are invoiced, invoicing may take place upon completion of delivery. Where services are invoiced, invoicing may take place only upon finalization and acceptance of services, or on a monthly basis if so specified in the Purchase Order.  
All invoices shall be in English and state R&D Engineer' order number and the agreed terms of payment.  
Invoices without this information are not payable and will be returned to Supplier for correction and re-issuance.

### 4.0 TERMS OF PAYMENT:

Invoices shall be dated no earlier than date of shipment or delivery of service. The payment period begins upon receipt of invoice, required delivery date, or date of any applicable discrepancy is resolved, whichever date is later. Buyer's payment of an invoice shall not constitute acceptance of the Goods and/or Services and shall be subject to appropriate adjustment for Seller's failure to meet the requirements of this Purchase Order in full.

### 5.0 General Requirements for Invoice & Documents:

Documents designated by Buyer in the body of the Purchase Order, including design, supplemental terms and conditions, etc. if any, are incorporated by reference the same as if set out in full therein.  
(a) All documents should include reference of the Purchase Order  
(b) Inspection Report by Seller  
(c) Identifying each item in serial order, to identify individual items  
(d) Tax Documents as applicable.  
(e) Instructional Manual (if applicable), including soft copy in appropriate format.  
(f) For imported goods, the certificate of origin must accompany the delivery.  
(g) "Branded" items must clearly be mentioned with appropriate make of product.

R&D Engineers, Hyderabad - 500037, India ([www.rndwafers.com](http://www.rndwafers.com))

[https://rndwafers.com/Pdf\\_Files/purchase\\_terms.pdf](https://rndwafers.com/Pdf_Files/purchase_terms.pdf)

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### 6.0 GENERAL REQUIREMENTS FOR INVOICES

All invoices to R&D Engineer must be sent directly to: [purchase@rndwafers.com](mailto:purchase@rndwafers.com).

Questions should be addressed to: [purchase@rndwafers.com](mailto:purchase@rndwafers.com) & [info@rndwafers.com](mailto:info@rndwafers.com)

The invoices must be in PDF format. The PDF must be created directly from a program - we do not accept scanned invoices due to the quality of process. Paper copies of invoices must accompany the goods.

We do only accept one Purchase Order per invoice. We cannot handle the invoice if you bundle the different purchase orders.

#### **The invoice header must contain:**

- The Purchase Order number as stated on our Purchase Order.
- Your supplier ID as stated on our Purchase Order.
- For non-direct where no PO is issued: Full name of the person from R&D Engineer who initiated the purchase and our project number (if indicated).
- Invoice date and payment due date.

#### **Each item line must contain the following in tabular format:**

- R&D Engineers item number, quantity, unit price, discount percent or discount amount and total price. Your item number may be included before or right after R&D Engineer item number.
- All information must be in the same line and in the same column on every invoice.
- Discount must be provided per line and not as a lump sum.
- We do not accept any fees on the invoice, that is not mentioned on the Purchase Order, besides transport (if relevant as per Incoterms stated on R&D Engineer's Purchase Order).

#### **Requirements related to payment:**

- If the invoice does not apply with our minimum requirements the invoice will not be booked and/or paid. A notification email will be sent if your invoice fails to comply with the terms.
- The currency must be according to the Purchase Order.
- Interest and fees related to delayed payments must be invoice separately. In case you invoice as a part of an other invoice, the invoice will be rejected.
- If an item on the invoice is missing or not in the agreed quality the whole invoice will not be paid before the dispute is settled.

6.1 CHANGES. The Buyer reserves the right at any time to issue a written change order or amendment to the Purchase Order concerning any of the following:

- (a) specifications, drawings, and data incorporated in the Purchase Order where the items to be furnished are to be specially manufactured for the Buyer;
- (b) quantity;
- (c) methods of shipment or packaging,
- (d) place of delivery,
- (e) time of delivery; or
- (f) any other matters affecting the Purchase Order.

6.2 TERMINATION. Buyer may terminate the Purchase Order for its convenience, in whole or in part, at any time prior to shipment by (written or electronic) notice to Seller. Upon receipt of such termination notice, Seller shall promptly comply with the directions contained in such notice and shall, as required,

- (a) take action necessary to terminate the work as provided in the notice, minimizing cost and liabilities for the terminated work, and
- (b) continue the performance of any part of the work not terminated by Buyer.

6.3 ASSIGNMENT. Seller may not assign, transfer or subcontract this Purchase Order or any right or obligation hereunder without Buyer's written consent.

6.4 NOTIFICATION OF NONCONFORMING MATERIAL. No product shall be shipped under this Purchase Order which contains material that departs from drawings or specifications.

The supplier will provide notification of any proposed deviation of material and receive prior consent to manufacture and ship nonconforming material.

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The Seller shall be responsible for any additional costs incurred due to use of such nonconforming material. Should the Seller detect that nonconforming material has been delivered to Buyer, the Seller is required to notify the Buyer immediately.

### **7.0 DELAY:**

Supplier shall use its best efforts to avoid delay in the delivery of Products. If Supplier has reason to believe that it will not be able to deliver Products at the agreed time of delivery, Supplier shall immediately notify R&D Engineers thereof in writing in order to agree the right priorities.

For the avoidance of doubt it is outlined that such notice shall not relieve Supplier of its responsibility and liability to deliver on time.

If Supplier does not deliver the Products on the agreed time of delivery R&D Engineers is entitled to liquidated damages as from the agreed delivery date, unless the delay is caused by R&D Engineers.

The liquidated damages amount to two (2) percent of the total order sum per week or commenced of the delay.

The liquidated damages cannot amount to more than ten (10) percent of the total order sum. The liquidated damages shall fall due for payment at R&D Engineer's written demand. Part deliveries shall not exempt Supplier from liability pursuant to this provision.

Any delay beyond fourteen (14) days from the agreed delivery date is considered a material delay which entitles R&D Engineers to terminate the Purchase Order as well as any Purchase Order which is related to the delayed Purchase Order.

Supplier's payment of liquidated damages due to delay does not exclude the right of R&D Engineers to claim compensation for any direct loss in excess of the liquidated damages amount.

This obligation on Supplier to compensate R&D Engineer's loss shall exist irrespective of whether R&D Engineers chooses to terminate the Purchase Order or not. In the event of delay of products R&D Engineers may request Supplier to deliver the products by the fastest means of transport. If R&D Engineer's request is reasonable based on the potential implication on R&D Engineers, Supplier shall meet R&D Engineer's request. Any additional delivery charges in excess of those that would apply for the usual means of delivery shall be borne by Supplier.

a. **PACKAGING, PACKING LIST, AND BILL OF LADING.** Seller shall be responsible for proper packaging, loading and tie-down to prevent damage during transportation. Buyer's weight and /or count will be accepted as final and conclusive on all shipments not accompanied by a packing list.

b. **INSPECTION.** All goods and services furnished hereunder, including related records and documentation, will be subject to inspection and test by Buyer, its customers, higher tier contractors, and (in the case of Goods and/or Services purchased for an overseas buyer contract or subcontract), but not limited to the facilities of Seller and the Seller's subcontractors, and will be subject to Buyer's final inspection and approval within a reasonable time after delivery.

Records will be retained as directed by the Purchase Order, Buyer may reject goods and services not in accordance with Buyer's instructions, specifications, drawings, data, or Seller's warranty (expressed or implied), or for untimely delivery.

Buyer may return rejected goods to Seller at Seller's expense and Buyer shall have no further obligation for such goods. Payment for any goods or services shall not be deemed acceptance and in no event shall Buyer incur any liability for payment for rejected goods for service.

c. **CORRECTIVE ACTION.** Acceptance of this Purchase Order obligates the Seller to perform, upon request, a corrective action investigation when discrepant material is received by Buyer, a written report shall be furnished, within a reasonable time period not exceeding the time stated on the specific request, which is specific and conclusive to prevent a reoccurrence of the discrepancy.

### **8.0 CONFIDENTIALITY AND RESTRICTED USE:**

Any non-public information, including, but not limited to, drawings, descriptions, specifications and any other documents which R&D Engineer has made or may make available to the Supplier ("Confidential Information") shall remain the property of R&D Engineer and shall be treated as confidential by Supplier and its representatives and must not, without the written consent of R&D Engineer, be copied, reproduced, or transferred to third parties other than Affiliates or be used for other purposes than those intended when the Confidential Information was made available.

Confidential Information shall be returned upon R&D Engineer's request.

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**9.0 CONFIDENTIALITY; LIMITED USE.** Unless otherwise agreed by Buyer in writing, Seller shall keep confidential and not disclose to any third party, any confidential and/or proprietary materials provided by Buyer to Seller in connection with Seller's performance of this Purchase Order or prepared by Seller specifically for Buyer pursuant to this Purchase Order, including but not limited to any drawings, masters, software, specifications, raw materials, components, data, business information or plans, customer list or other customer information ("Confidential Information"). Seller shall not make any copies of Confidential information except as specifically authorized by Buyer in writing. At the completion of this Purchase Order, or upon Buyer's request, Seller shall promptly return to Buyer all Confidential Information not consumed in the performance of this Purchase Order, together with any copies in Seller's possession. Seller shall use Confidential Information solely for Seller's performance of this Purchase Order for Buyer, and Seller shall not, without Buyer's written consent, directly or indirectly use Confidential Information or information derived there from in performing services or providing goods for any other customer of Seller, or any other person or entity.

### 10.0 WARRANTIES CONCERNING SERVICES:

If Supplier provides services to R&D Engineer Supplier warrants that:

- (a) Supplier has the requisite expertise, knowledge and skills necessary to perform the services with a high standard of quality and in accordance with the terms and conditions of any Purchase Order;
- (b) the services will be performed in a workmanlike and professional manner in accordance with high industry standards;
- (c) Supplier has the right to enter into and fully perform any Purchase Order and Supplier's performance of the services will not violate any agreement or obligation between Supplier and a third party; and
- (d) all services shall be in conformance with all applicable laws, rules and regulations of the country where the services are performed.

### 11.0 WARRANTY:

For a period of twenty-four (24) months from the date of delivery Supplier warrants that Products delivered

- (i) are designed and manufactured in a professional and workmanlike manner;
- (ii) are fit for any normal or agreed purpose;
- (iii) are free from defects in design, materials and workmanship;
- (iv) comply with applicable law; and
- (v) comply with agreed specifications and requirements.

Supplier shall without undue delay - at R&D Engineer discretion - credit, repair or replace defective Products at Supplier's cost and risk. Supplier shall reimburse R&D Engineer any documented, direct loss incurred as a result of defective Products including, but not limited to, inspection costs, dismantling and installation cost, freight, import and export duties, charges and taxes.

Defective Products that have been replaced at Supplier's cost shall be the property of Supplier and shall be returned to Supplier at Supplier's risk and cost if Supplier requests so within thirty (30) days from Supplier's receipt of R&D Engineer's complaint.

### 12.0 SERIAL DEFECTS IN PRODUCTS:

If the same type of defect occurs, within the warranty period of the Products, such defect is considered a "Serial". All such Products delivered to R&D Engineer within the three months' period are referred to as "Serial Products". Supplier shall without undue delay - at R&D Engineer's discretion - repair or replace Serial Failure Products at Supplier's cost and risk. Supplier shall compensate R&D Engineer any documented loss incurred as a result of a Serial including, but not limited to, project management costs, analysis costs, advertising costs, inspection costs, recall costs, freight, import and export duties, charges and taxes.

Serial Products that have been credited or replaced at Supplier's cost shall be the property of Supplier and shall be returned to Supplier at Supplier's risk and cost if Supplier requests so within thirty (30) days from Supplier's receipt of R&D Engineer's complaint.

**13.0 TITLE; RISK OF LOSS.** Title shall pass to Buyer upon Buyer's receipt of goods at destination. Risk of loss of all goods shall remain in Seller until receipt by Buyer at destination, unless otherwise specified in this Purchase Order, except for loss occasioned by gross negligence or willful neglect of Buyer or its customer.

All goods shall be shipped prepaid, insured for the Buyer's full price and F.O.B to the Buyer's main address or other address provided to the Seller.

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### 14.0 RESOLUTION OF CONFLICTS OR INCONSISTENCIES OCCURING IN

THE ORDER. It is Seller's responsibility to comply with this Purchase Order and all referenced documents, and to clarify with Buyer any inconsistencies or conflicts in any parts of the Purchase Order or referenced documents. Should Seller fail to contact Buyer to resolve conflicts or inconsistencies, Seller will be solely responsible for errors resulting from said conflicts or inconsistencies. Where documents are referenced, the version in effect at the time of order placement shall apply.

(a) **BUYER'S TERMS AND CONDITIONS APPLY.** Acknowledgment of the Purchase Order, shipment of any goods, or commencement of work pursuant to the Purchase Order shall be deemed an acceptance of these General Terms and Conditions. No modification of or release from this Purchase Order shall be binding unless agreed to in writing by the parties and specifically labeled as a modification or release.

Unless specifically agreed to otherwise by Buyer and Seller, these terms and conditions supersede any submitted by Seller in any proposal or acknowledgment.

(b) **EXTRA CHARGES.** No charges for extras or for cartage or boxing or storage will be allowed unless the same has been agreed upon in writing by Buyer. All goods must be forwarded in accordance with Buyer's shipping instructions, otherwise the difference in freight rate will be charged to Seller.

(c) **SUBSTITUTIONS.** No substitutions of materials or accessories may be made without written permission from Buyer.

(d) **WORK PERFORMED ON BUYER'S OR BUYER'S CUSTOMER'S PREMISES.**

If Seller's work under the Purchase Order involves operations buy Seller on the premises of Buyer or one of Buyer's customers, Seller shall take all necessary precautions and such additional precautions as Buyer or Buyer's customer may prescribe to prevent the occurrence of any injury to persons or property during the progress of such work and, except to the extent that any such injury is due solely and directly to Buyer's or Buyer's customer's negligence, shall indemnify Buyer against all claims, liability, damage, or loss (including expenses and attorneys' fees) which may result in any way from any act or omission of the Seller, or Seller's agents, employees, or contractors; and shall maintain such public liability, property damage, and employer's liability and compensation insurance as will protect Buyer and Buyer's customer from said risk and from any claims under any applicable worker compensation and occupational disease acts.

(e) **IDEMNIFICATION.** Seller agrees to indemnify, defend, and hold Buyer harmless from and against all losses, damages, liability, actions, judgments, cost, and expenses (including, but not limited to, reasonable attorneys' fees and other expenses of litigation),

suffered, incurred, or asserted by or against Buyer

(a) by reason of Seller's breach of a warranty,

(b) by reason of Seller's breach of any term of the Purchase Order, or

(c) by reason of personal injury, including death, or property damage sustained by a third party, resulting from or arising out of an act or omission of Seller, or Seller's agents employees, or contractors in fulfillment of this Purchase Order.

(f) **CUMULATIVE REMEDIES; WAIVERS; SURVIVAL OF WARRANTIES.** The remedies herein reserved to Buyer shall be cumulative, and additional to any other or further remedies provided in law or equity. No waiver by Buyer of any term or condition of this Purchase Order shall be construed as permanent waiver of such term or condition or of any other term or condition. Seller's warranties shall survive the completion or cancellation of this Purchase Order.

(g) **GOVERNING LAW.** This Purchase Order shall be governed by the laws of the State of Telangana, India, except for its provisions regarding principles of conflicts of laws, and except to the extent that federal communications law shall apply. Any court action arising under this order shall be venued at Secunderabad jurisdiction, India.

(h) **SECONDARY DAMAGE**

Supplier shall ensure that the Products, or the use or transfer thereof, shall not infringe any intellectual property rights of any third party (including, without limitation, any patent, trademark, industrial design, copyright or license right or trade secret). If claims based on the Products infringement of intellectual property rights are made by a third party against R&D Engineer and/or R&D Engineers customers and/or end-users of the Products or R&D Engineer products of which the Products form part, Supplier shall indemnify R&D Engineer for all damages, costs and expenses arising out of or in connection with such claim or infringement. R&D Engineer shall without undue delay notify the Supplier of any such claim and allow the Supplier to either independently plead or to intervene in the proceedings regarding such infringement claim.

**16.0. "GOODS" AND "SERVICES".** The term "goods" as used herein means any and all materials, parts, products, machines, tooling, test equipment, technical data, computer software, computer software documentation, and other tangible items or documentary information furnished or required to be furnished by Seller under this order. The term "Services" means any and all technical assistance, support, maintenance, consultation, construction work, and other effort furnished or required to be furnished by Seller under this order other than labor furnished in connection with the production of goods.



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### **17.0 INTELLECTUAL PROPERTY RIGHTS**

Should Products be found to infringe the intellectual property rights of a third party, Supplier shall, without cost to R&D Engineer, modify the Products to be non-infringing or shall obtain and maintain such license and rights from the third party as are required for the unrestricted, continuous use of the Products.

### **18.0 FORCE MAJEURE**

Neither party can be held responsible for non-fulfillment of a Purchase Order, provided the non-fulfilling party proves that this is caused by force majeure, including but not limited to labor conflict involving other than Supplier's employees, fire, export and import prohibitions, currency restrictions or other obstructions beyond its control, which could not reasonably have been avoided or limited.

The party intending to claim relief due to force majeure shall, in writing, without delay inform the other party of the obstruction(s) and the implication of this for the fulfillment of the Purchase Order. This party is furthermore obligated loyally to co-operate in mitigating the consequences of a force majeure situation.

In case the specific force majeure situation has not been ceased within three (3) months, the other party is entitled to terminate the Purchase Order by written notice with immediate effect without further liability.

### **19.0 SUSTAINABILITY**

Supplier will in its manufacturing and supply of Products conduct its business with a minimum consumption of raw materials, energy and water, the fewest possible undesirable health, safety and environmental effects and the most effective utilization of natural resources.

ENTIRE AGREEMENT. Unless superseded by a specific signed agreement between Buyer and Seller, this agreement shall include the Purchase Order, these General Terms and Conditions, and all attachments referred to in the Purchase Order or in the General Terms and Conditions, and it shall constitute the entire agreement of the parties with regard to the subject matter contained herein. All other prior or contemporaneous representations, warranties, covenants, or agreements between Seller and Buyer, or their representative, with respect to the subject matter are hereby superseded.

This agreement may not be modified except by mutual written agreement of the parties.

Hyderabad (India)

1<sup>st</sup> April 2023.