

Terms & Conditions of Purchase

All purchase transactions by VAV Life Sciences Pvt. Ltd. and VAV Lipids Pvt. Ltd. from its "SELLERS" are subject to the terms and conditions mentioned below and available on the company's web site i.e. www.vav.in. It shall be deemed acceptable to "SELLER" at the time of issuing purchase order. "BUYER" means VAV Life Sciences Pvt Ltd or VAV Lipids Pvt Ltd, as the case may be, referred to at the beginning of the Order Confirmation. Acceptance of this Purchase/ Work Order (hereinafter referred to as "PO/Order") includes the acceptance of the following terms & conditions and is made expressly conditional on Seller's assent to the exact terms contained herein. None of the terms in the Order may be modified, added to, or superseded, except with the written consent of the BUYER.

1. PRICE

- 1.1. The prices mentioned in this Order are the prices at which Buyer has agreed to purchase the Goods or Services (as applicable). No escalation in the aforesaid prices shall be binding on Buyer, notwithstanding anything that may be mentioned in Seller's terms of acceptance of Order.

2. ADVICE OF DISPATCH

- 2.1. A full and comprehensive dispatch advice notice shall be sent to stores or concerned department of the Buyer ("Buyer Stores"). Instructions regarding dispatch & Insurance as mentioned in this Order should be complied with and the packing slips giving reference of Buyer order number shall be included securely with the goods in closed envelopes.

3. DELIVERY TERMS

- 3.1. Delivery Date: Time is of the essence. Time of delivery/performance as mentioned in this order shall be the essence of the Agreement and no variations shall be permitted except with prior authorization in writing from the Buyer.
- 3.2. For Place of Delivery: The goods/services shall be delivered/ performed strictly as per the instructions in the Order. All Goods/Services delivered/performed at should reach Buyer Stores before 5.00 p.m. on weekdays except that no deliveries/ dispatches shall be made or accepted on Sundays or holidays at Buyer Works.
- 3.3. Delayed Delivery: The time and date of delivery/performance as stipulated in the Order shall be deemed to be the essence of the Agreement. In case of delay in performance of its obligations by the Seller, or any extension granted by the Buyer, the Buyer shall at his option either (i) accept delayed deliveries at price reduced by a sum/ percentage (%) mentioned in the Purchase Order for every week of delay or part thereof; and/or (ii) cancel the Order in part or in full and purchase such cancelled quantities from open market at the prevailing market price at the risk & cost of the Seller without prejudice to his rights under 3.(c)(i) above in respect to the goods delivered; and/or (iii) refuse to accept the Goods delivered beyond the delivery date and claim/set-off the difference

between the prevailing market price and contracted price of such quantity delivered belatedly by the Seller. In the event of default of payment, all rebates, cash discounts and other concessions that may have been granted by the seller to the BUYER shall be null and void.

- 3.4. Delay due to force majeure: In the event of cause of force majeure occurring within the agreed delivery terms, the delivery date may be extended by the Buyer at its sole and absolute discretion on receipt of application from the Seller without imposition of liquidated damages. Only those cause which have duration of more than seven (7) consecutive calendar days will be considered the cause of force majeure. The Seller must inform the Buyer, by a Registered Post or courier letter duly Certified by the Chamber of Commerce or Statutory Authorities, the beginning and the end of the cause of delay immediately, but in no case later than ten (10) days from the beginning and end of each cause of force majeure as defined above.
- 3.5. The goods shall correspond with the description of the samples of the original specification thereof in full details and must be delivered and dispatched within the stipulated time, as the case may be otherwise the same shall be liable to be rejected and the Seller shall be deemed to have failed to deliver the goods in breach of the PO. The Buyer shall in that event at its sole and absolute discretion, will be entitled to either purchase such goods from other sources on Seller's account, in which case, the Seller shall be liable to pay to the Buyer any difference between the price at which such goods have been purchased and the price calculated at the rate set-out in this Order or to hold the Seller liable to pay the Buyer damages for non-delivery of goods for such breach.
- 3.6. Packing Goods supplied against this order must be suitably and properly packed (conforming to special conditions stipulated by the Buyer, if any, for safe and/or undamaged transport by road or rail.)

4. EXAMINATION OF GOODS

- 4.1. Irrespective of the fact that the goods are delivered to the Buyer by the Seller at the Seller's place or at Buyer's said office or are dispatched as per Buyer's instructions by rail or by road, the goods shall always be supplied, subject to detailed inspection, at the Buyer works or such other destinations as specified in the Order for ascertaining whether the goods are in conformity with the Agreement or not and until then in no event the Buyer shall be deemed to have accepted such goods and upon any rejection of goods in question the Seller shall be deemed to have failed to deliver the concerned goods in accordance with the Agreement.

5. REJECTION / REMOVAL OF REJECTED GOODS AND REPLACEMENT

- 5.1. Buyer shall have the right to reject the goods whether in full or parts which are not delivered in accordance with the terms of the PO. Within fifteen days from the receipt of the intimation from the Buyer of his rejection to accept the goods the Seller shall remove, at his own cost, the rejected goods from the Buyer's works or wherever such goods are lying. The Buyer shall not be in any way responsible for or be held liable for any loss or deterioration of the rejected goods shall be at the Seller's risk entirely. The Seller shall pay to the Buyer reasonable storage charges for storing such rejected goods for a period exceeding 15 days as aforesaid.
- 5.2. Upon rejection, if the Seller fails to replace the goods with the goods acceptable to the Buyer within the contractual period then the Buyer may, solely at his discretion, exercise all or any of the

following options in respect of the rejected/undelivered quantity:- (a) Dispose-off the rejected goods and claim/set-off the difference between the prevailing market price and contracted price of such undelivered/rejected quantity to the Seller's account; and/or (b) purchase such undelivered/rejected quantity from open market at the prevailing market price at the risk and cost of the Seller.

6. INSURANCE

- 6.1. In case insurance is not included in Seller's scope he must furnish details such as reference, Lorry Receipt, Note No., nature of packing, number of cases, gross weight net weight, train carrying the goods, value of the goods dispatched etc. immediately on dispatch to Buyer's office to take up insurance in case of goods sent by Regd. Post, the Regd. Post parcel No. should be furnished to the Buyer with a packing slip when action will be taken to insure the goods. This procedure will be adopted unless specially advised by the Buyer to the contrary.
- 6.2. Seller agrees that during the term of its performance hereunder, it shall, at its sole cost, maintain worker's compensation insurance and other legally required insurance in accordance with and meeting requirements of applicable law.

7. COMPLIANCE WITH LAWS

- 7.1. Seller represents and warrants that it: (a) has and shall maintain as valid shall under this order strictly comply with the specifications and the requirements agreed upon. The at all times all applicable licenses, permits, approvals, authorizations and/or or other statutory approvals required to perform its obligation/s under the PO; (b) shall at all times duly observe, perform and comply with all obligations, requirements and/ or prohibitions contained in any statutes, regulations or ordinance of any authority whether governmental or provincial, relating to or in any way affecting or regulating the respective performance of the PO by it.

8. STANDARD GST CLAUSE

- 8.1. The price quoted in this PO for supply of goods shall be exclusive of any applicable Goods and Services Tax, Customs duties, or any other indirect tax as may be imposed by the Government of India from time to time. The Seller shall provide a proper invoice in the form and manner prescribed under GST Invoice Rules containing all the particulars mentioned therein. In the event that the Seller fails to provide the invoice in the form and manner prescribed under rules, Buyer shall not be liable to make any payment against such invoice. Notwithstanding anything contained anywhere in the Agreement, in the event that the input tax credit of the GST charged by Seller is denied by the tax authorities to Buyer, Buyer shall be entitled to recover such amount from the Seller by way of adjustment from the next invoice, In addition to the amount of GST, Buyer shall also be entitled to recover interest at the applicable rate and penalty, in case any penalty is imposed by the tax authorities on Buyer.
- 8.2. As required by any applicable legislation, where identifiable cost savings are realised by virtue of the enactment of the GST law, those cost savings will be reflected in the calculations of the consideration under this Agreement and shall be passed on by the Seller to Buyer.

- 8.3. Event of default clause – In the event that the Seller does not deposit the GST charged on the invoice issued to Buyer or such GST charged on the invoice and paid by Buyer is not reflected in online tax credit ledger on common GSTN portal of the govt. as eligible input tax credit for any reason whatsoever, this Agreement shall be liable to be terminated with immediate effect and Seller shall be liable to pay such damages as may be reasonably estimated by Buyer. In the event that the compliance rating prescribed under the GST Act, 2017 read with GST Rules, 2017 of Seller falls below prescribed level for any reason whatsoever, this Agreement shall be liable to be terminated with immediate effect and Seller shall be liable to pay such damages as may be reasonably estimated by Buyer.

- 8.4. Representation and warranties clause – The Seller represents and warrants that it shall have and maintain in effect level of compliance rating as prescribed by the govt.

9. WARRANTY

- 9.1. The Seller warrants that goods and/or services supplied shall be of the highest grade and quality unless otherwise specified; shall conform to the specifications, drawings, samples or other descriptions contained in the Order or furnished or specified by the Buyer; shall be performed in a workmanlike manner; shall be fit and sufficient for the purpose intended; shall not violate any third party intellectual property rights and shall be merchantable, of good material and workmanship and free from all the defects whether latent or patent. In case the same is found to be defective, inter-alia, in respect of materials, workmanship, design or process of manufacturing within a period 12 months after the same had been put in use or 20 months from the date of acceptance of the goods by the Buyer, whichever is earlier, the Seller shall refund the price paid by the Buyer in respect of the said goods. The Seller shall guarantee that the material shall under this order strictly comply with the specifications and the requirements agreed upon. The Seller further agrees that all materials / goods shall be repaired or replaced as the case may be at his own expense. The seller shall be liable for all costs and damages and replacements at the sole option of the Buyer. These warranties are in addition to those implied by or available at law to Purchaser and shall exist notwithstanding the acceptance and/or inspection by Purchaser of all or part of the goods or services.

10. RIGHT OF BUYER TO SET OFF

- 10.1. In the event, the Seller fails to deliver the goods in accordance with the terms of this PO, the Buyer shall have the right to cancel the PO forthwith and claim refund of any payment made by the Buyer as advance or otherwise to the Seller under the PO. The Buyer shall also have the absolute right to withhold, adjust, and/ or set-off any payment required to be made by the Buyer to the Seller under this PO or any other PO entered into between the parties against the cost, losses, damages etc. suffered by the Buyer due to the failure of the Seller to deliver the Goods in accordance with the terms of this PO, and the Seller expressly waives any objections it may have in this respect.

11. CANCELLATION / TERMINATION

11.1. The Buyer reserves the right to cancel/terminate this Purchase Order or any part thereof. The Buyer shall be entitled to rescind the Agreement wholly or in part in a written notice to the Seller if (i) The Seller fails to comply with the terms of the Purchase Order; or (ii) The Seller goes bankrupt or goes into liquidation proceedings; or (iii) The Seller fails to deliver the goods on time and / or replace the rejected goods promptly; or (iv) the Seller fails to deliver the Goods/Services of desired quality, weight, specification, drawing, layout, design, etc.; or (v) The Seller makes general assignment for the benefit of the creditors; or (vi) Receiver is appointed in respect of property of the Seller. The Buyer shall also be entitled to cancel this Order without assigning any reasons or becoming any way liable in such cancellation.

12. NO ASSIGNMENT

12.1. This Purchase Order shall not be assigned to any other agency by the Seller without obtaining prior written consent of the Buyer.

13. FORCE MAJEURE

13.1. Failure or omission to carry out or observe any of the stipulation or condition of the Agreement shall not give rise to any claim or be deemed a breach of the Agreement if the same shall arise from any of the following cause. viz. the imposition or restriction on import, Acts of God. The Seller submits his acceptance of this agreement with the above conditions by acceptance of Buyer's Order even in case where the confirmation has been made under assumption of different condition.

14. LIMITATION OF LIABILITY

14.1. In no event shall Buyer be liable to Seller, or to Seller's officers, employees or representatives, or to any third party, for any indirect, consequential, incidental, special, punitive or exemplary damages of whatsoever nature (including, but not limited to, lost business, lost profits, damage to goodwill or reputation and/or degradation in value of brands, trademarks or trade names, service names or service marks, or injury to persons) whether arising out of breach of contract, warranty, tort (including negligence, failure to warn or strict liability), contribution, indemnity, subrogation or otherwise.

15. WORKS CARRIED OUT IN BUYER'S FACTORY OR PREMISES BY THE SELLERS REPRESENTATIVES

15.1. Agent representative or employees of the Seller who in pursuance of the Agreement have to work in Buyer/Owner's Factory/Premises will be subject to the rules and regulations existing in the works. The Buyer shall not be liable for any accident which may cause to the Sellers personnel.

16. INTELLECTUAL PROPERTY RIGHTS

16.1. All drawings, specifications and other documents furnished by Buyer and the Buyer's consultants, and copies thereof furnished to the Seller, are for use solely with respect to this Order. Such drawings, specifications and other documents are to be returned to the Buyer at the completion of

the Order or earlier termination of this Agreement. All drawings, specifications and other documents prepared by or for Seller in contemplation of, in the course of, or as a result of performing the work shall be deemed works for hire and all right, title and interest therein shall vest in Buyer, whether or not the Order is ultimately completed. To the extent such drawings, specifications or other documents cannot be considered, by operation of law, works for hire, Seller shall assign to Buyer all right, title and interest thereto and all copies of such drawings, specifications and other documents shall be delivered to Buyer upon completion of the Order or earlier termination of this Agreement. Seller agrees to provide Buyer with reasonable assistance necessary to perfect Seller's interest in intellectual property created under this Agreement. This shall include, but not be limited to, the execution of documents necessary for the Copyright registration. No drawings, specifications or other documents may be used by the Seller or any Sub seller or material or equipment supplier on other projects or for additions to their Project outside the scope of the work without the specific written consent of the Buyer. The Seller, Sub suppliers, Sub-Sub suppliers and material or equipment suppliers are authorized to use and reproduce applicable portions of the drawings, specifications or other documents appropriate to and for use in the execution of their work under the contract documents. All copies made under this authorization shall bear the statutory copyright notice, if any, shown on the drawings, specifications and other documents prepared by or for the Buyer. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Purchaser's copyrights or other reserved rights. Any intellectual property conceived or developed during the course of the Order based upon or arising from Buyer's confidential and proprietary information shall be solely owned by Buyer. Except as expressly provided herein, no license or right is granted hereby to the Seller, by implication or otherwise, with respect to or under any patent application, patent, claims or patent or proprietary rights of Buyer.

17. INDEMNIFICATION

17.1. Seller agrees to defend, indemnify and hold harmless Buyer, its affiliated companies or parent companies, and their officers, employees, agents, guests, invitees and customers from and against any and all liability, loss, damage, fine, penalty, cost or expense (including attorneys' fees) by reason of any allegation, claim, action or suit, whether for death, personal injury, property damage or otherwise, arising out of (1) failure of the goods or services supplied to meet specifications or warranties or for the goods or services to be otherwise defective; or (2) any alleged or actual, direct or contributory infringement or misappropriation of any patent, copyright, trade secret or other proprietary right arising from the purchase, use or sale of such goods or services; or (3) any leak or spill of any goods while being transported or delivered to Buyer; or (4) any breach by Seller of any term or condition contained in the Order; or (5) violation of applicable laws; or (6) alleged defect in the Goods and/or packaging material, or packed Product, or due to the Goods or packaging thereof being alleged to not adhere to any standard or quality set out herein or under any applicable laws; and/or (7) the acts, omissions, or willful misconduct of Seller's employees and subcontractors, including their agents and representatives, and all other persons performing any services under the Order with the Seller, whether or not caused in part by a party indemnified hereunder. In the event that the goods or services, in Purchaser's reasonable opinion, are likely to infringe a patent or

copyright, or misappropriate a trade secret (and in any event, if a court of law finds that the goods or services, in fact, do infringe or misappropriate), then Seller shall further provide Buyer one of the following forms of relief to be chosen by Seller: (a) obtain a license on Buyer's behalf to continue to use or sell the goods or services; (b) redesign the goods or services so that they do not infringe or misappropriate; or (c) refund Buyer the price paid for the goods or services in question. In any and all claims against Buyer by any employee of Seller, any subcontractor, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, the indemnification obligation under the Paragraph shall not be limited in any way by any indemnity or limitation on the amount or type of damages, compensation or benefits payable by or for Supplier, any subcontractor, or anyone directly or indirectly employed by any of them under workers' compensation acts, disability benefit acts, or other employee benefit acts.

18. CONFIDENTIALITY

18.1. Seller shall keep confidential all specifications and proprietary information furnished by Buyer or prepared by Seller in connection with the performance of the Order (including the existence and terms of the Order) and shall not divulge or use such specifications or information for the benefit of itself or any other party, except as required for the efficient performance of the Order. Upon completion of the Order, Supplier shall make no further use, either directly or indirectly, of any such specifications or information.

19. DISPOSAL

19.1. If applicable, Seller shall at all times retain title and ownership to any and all materials, substances or chemicals not incorporated into the work that Seller or any subcontractor brings onto Buyer's premises. Seller shall be solely responsible for the handling, transportation and disposal of any and all materials, substances and chemicals. Seller or any subcontractor brings onto Buyer's premises, and any waste generated or resulting from the use thereof. Seller shall not dispose or permit the release of any materials, substance or chemical, or any waste generated or resulting from the use thereof on Buyer's premises. Seller shall handle, transport, and dispose of any and all substances and chemicals, including but not limited to hazardous wastes and substances as defined by applicable federal, state and local laws, rules, regulations, codes and ordinances.

20. SEVERABILITY

20.1. Any provision of these Terms which is or becomes prohibited, unenforceable or void in any jurisdiction shall, as to such jurisdiction, be deemed to be deleted and ineffective to the extent of such prohibition or unenforceability without in any way affecting the validity or enforceability of the remaining provisions or affecting the validity or enforceability of such provision in any other jurisdiction

21. ARBITRATION

21.1. All disputes arising from the execution of this contract shall be settled amicably through friendly negotiation. In case settlement could not be reached through negotiation, the case shall be referred to neutral third party approved by both parties for arbitration. The arbitral award made by the third party is final and binding upon both parties. All disputes between SELLER and BUYER shall be resolved by an arbitration proceeding conducted at a location selected by the arbitrator within the city of Mumbai in INDIA.

22. GOVERNING LAW

22.1. This Contract is issued under and is subject to Mumbai Jurisdiction & law. The Mumbai Courts shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the contract.

23. OTHER CONDITIONS

23.1. Seller will ensure that all statutes, regulations of the Central or State Government or strictly followed. Buyer shall not be liable to pay any damages/compensation due to non-compliance of these rules / regulations by Seller.

23.2. The terms and conditions of this Order constitute the entire Agreement between the parties here to and changes will be binding only if the amendments are made in writing and signed by the authorized representatives of the Buyer and the Seller.

23.3. Risk of loss and/or damage to any goods furnished hereunder shall be upon Seller until the goods are physically delivered to Buyer's facility specified on the face of the Order and accepted by the Buyer.

23.4. Unless a specific objection to each of the terms of this Purchase order is raised within 24 hours from the date of Purchase order/email under which this PO is send, it shall be deemed to be accepted in full.