

General Terms and Conditions for Purchase and for Performances/Services of External Service Providers

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General Part

1. General

- 1.1 These Terms and Conditions shall apply for all Performances/Services of external service providers, which we, the company SGB TRANSFORMERS India Pvt Ltd, obtain from the Contractor (particularly purchase-, work- and service-contractual performances). They shall thereby apply exclusively. Terms and conditions standing contrary or deviating from our Terms and Conditions shall not be acknowledged. We will also not acknowledge terms and conditions standing contrary either, even if we have not specifically contradicted them, or if we refer to letters of the contracting party, in which reference is made to its terms and conditions.
- 1.2 Our Terms and Conditions shall also apply for all future business with the Contractor, even if they are not explicitly included in repetition once more.

2. Offering, Comprehensiveness

- 2.1 In his Offer, the Contractor shall generally adhere strictly to the enquiry. Deviations or variations shall be particularly indicated.
- 2.2 The Offer shall be free of charge, and it shall not constitute any obligation whatsoever for us.
- 2.3 The Contractor shall ensure and warrant, that the service he is offering is complete, effective and suitable for the attainment of the contractual purpose.

3. Ordering

- 3.1 Order placements, agreements, as well as amendments are required to be confirmed in writing.
- 3.2 If the Contractor does not contradict our Order, or any possible supplements or amendments within 10 days, then this shall be regarded as an acceptance of the Order, or of possible amendments.

4. Prices, Invoice, Packing and Terms of Payment

- 4.1 The prices indicated in the Order shall be obligatory and binding.
- 4.2 Prices shall be exclusively quoted without sales tax. They shall be fixed prices, and they shall be valid free to receiving destination as designated, including packing. Packing costs shall only be compensated, if this has been particularly agreed.
- 4.3 The Contractor shall be obliged, to only use packing materials (for transportation, exterior- and sales packing), which correspond to the principles and the aims of the Directive regarding the avoidance of packing - waste in the respectively valid version. He shall be liable for damages resulting from incomplete or improper packing. In lack of any divergent agreement, the packing materials shall be disposed of at the expense and at the risk of the Contractor.
- 4.4 Invoices shall be sent to us in 2 copies. In as far as nothing else to the contrary has been agreed, we shall effect payment to the 25th day of the month following the delivery, under deduction of 3% cash discount, or within 90 days net.
- 4.5 The period of payment shall commence upon complete delivery, free of defects, and the receipt of the proper invoice documents.
- 4.6 Payments may be made by means of cheque, or by bank transfer. The payment shall be regarded as punctual, if the cheque was dispatched by mail on the date due for payment, or if the bank or financial institution was assigned the transfer order on the date due for payment.

4.7 We shall be entitled to offsetting and retention in the scope as stipulated by law.

5. Times of and Amendments in Performance/Service

- 5.1 The time limits or exemption deadlines designated in the Order regarding delivery and Performance/Service shall be obligatory and binding, and they are to be understood as arriving free at receiving destination.
- 5.2 The statutory prescriptions shall apply for the prerequisites for and the legal consequences of delay, without requiring a formal note (reminder) regarding such delay.
- 5.3 The Contractor shall immediately inform us, as soon as he must expect, that he will not be able to adhere to the delivery dates on time; the notice shall state the reason and the expected duration of the delay in delivery; if the Contractor violates this obligation, then he shall not be entitled to refer to the hindrance as cause for the delay.
- 5.4 In the case of a delay which is to be represented by the Contractor, we shall be authorized to demand a penalty for breach of Contract in the amount of 0.2% of the Order value (net) per working day as minimum damage (compensation), at most, however, 5% of the Order value. The Contractor shall be entitled to prove, that no damage, or a considerably lower damage, has occurred because of the delay. We shall be authorized to reserve for ourselves the penalty for breach of Contract until final payment.
- 5.5 Claims reaching beyond shall remain unaffected, and we shall be entitled to such as stipulated by law.
- 5.6 After conclusion of Contract, we shall be entitled to request amendments of Performance/Service on a reasonable scale. The Contractor shall immediately inform us, at the latest within a period of 10 working days, about any possible changes regarding the Performance/Service period and/or of price which may be possibly caused by such change.

6. Confidentiality, Advertising, Documents

- 6.1 Constructional drawings, plans, papers, models, electronic data carriers, drawings and similar documents of the enterprise shall remain our property and shall always be treated strictly confidential. They may not be made accessible to third parties without our consent.
- 6.2 The Contractor shall be committed and obliged to strict secrecy with regard to all other information, which becomes known to him in the context of his activity for us.
- 6.3 He shall be obliged to also impose these obligations upon his staff and his successor-contractors.
- 6.4 Upon request, as well as after completion of the Order, the documents, together with copies and transcriptions, shall be handed over to us or they shall be provably destroyed. All records, documents and files which are of importance for the Performance/Service, shall be handed over by the Contractor at delivery of the Performance/Service, at the latest, without having been asked to do so.
- 6.5 Reference advertising and the like using our name shall be only permissive with previous consent.
- 6.6 If the provision of documentation or of similar credentials has also been agreed on in the context of the Order, then the Contractor shall submit such as quickly as possible, at the latest, however, at the delivery of the products or at the performance of the service.
- 6.7 If the Contractor does not comply with these duties, then he shall be liable to us in full extent as stipulated by the statutory prescriptions.

7. Compliance Regulations

- 7.1. Adherence to SGB SMIT Group's Supplier Code Of Conduct

Contractor undertakes to act in its own business operations in accordance with SGB SMIT Group's Supplier Code of Conduct (<https://www.sgb-smit.com/sgb-smit-group/procurement/>), which is made part of this Agreement. The Contractor shall herefore establish a sufficient risk management system, including preventive actions, to control and stop respectively mitigate risks of being non-compliant with the principles set out in the Supplier Code of Conduct.

Contractor shall oblige its subcontractors to comply with the Supplier Code Of Conduct and shall provide a copy of the Supplier Code of Conduct to its subcontractors latest upon conclusion of the respective subcontract. Contractor shall ensure that its subcontractors address and pass on the expectations from the Supplier Code Of Conduct along the Supply Chain. Contractor shall be authorized to comply with the obligations from this subsection on the basis of its own code of conduct provided that the protected rights set out there in correspond to those of the Supplier Code of Conduct made part of this Agreement. Further on Contractor shall establish regular trainings for its employees, that contain the principles of the Supplier Code Of Conduct, especially the therein included points to human and environmental rights.

7.2. Access to SGB SMIT Group's whistleblowing channel

Contractor shall ensure unhindered access by its employees to the whistleblowing channel (weblink) set up by us. In particular, Contractor shall not undertake any actions that hinder, block or impede access to this channel. The Contractor undertakes to pass on the obligations specified in sentences one and two of this subsection to its subcontractors and to ensure that the obligations are passed on along the supply chain.

7.3. Request for documents and audit rights

Contractor is obliged to obtain and provide us all information and documents required by us to comply with all regulatory requirements arising from this Agreement. Regulatory requirements in the former sense includes in particular but is not limited to the regulations of the Indian supply chain due diligence act or similar legislation.

Contractor recognises that the principles of the Supplier Code of Conduct are mandatory part of our supplier audits and supplier evaluation and therefore grants necessary access rights to its premises and offices within normal business hours for any such Supplier audit or ensures participation in relevant inquiries by us (e.g. by means of self-assessments).

7.4. Right to termination or suspension

In the event of breaches by Contractor of the obligations set out in the Supplier Code of Conduct, we shall be entitled to suspend performance of the contract or, at its discretion, decide to resign from or terminate the Agreement, if the breach is not remedied within a reasonable deadline set by us. In cases of serious, persistent or repeated breaches, the deadline need not be set.

7.5. Indemnification

Unless it proves that it is not responsible for the breach:

In the event of breaches by Contractor of the Supplier Code of Conduct, Contractor shall be obliged to pay damages resulting from such breach.

Further on Contractor is obligated to indemnify us against claims by third parties arising from a breach of the Supplier Code Of Conduct.

8. Place of Performance, Place of Jurisdiction, Applicable Law, Contract Language, Insurances and Distribution of the Burden of Proof

- 8.1 Place of performance for our duties (particularly for our payments) shall be the receiving destination as designated by us, otherwise our business seat.
- 8.2 Place of jurisdiction shall be our business seat, provided that the Contractor is also a mercantile / commercial professional, legal entity under public law, or public separate estate property. The same shall apply, if he has no national / domestic general place of jurisdiction, or if he transfers his seat abroad after conclusion of Contract. We shall be authorized to also sue him at other permitted/authorized places of jurisdiction.
- 8.3 The unharmonized law of the Federal Republic of India (Indian Civil Code, Indian Commercial Code) shall be applicable with regard to all claims and rights from this Contract. The applicability of the regulations of the United Nations Convention on Contracts for the International Sale of Goods – (CISG) shall be explicitly excluded. Contract language shall be English.
- 8.4 For damage caused by his performances, his staff and/or his subcontractors, the Contractor shall effect a sufficient (liability-) insurance at his own expense, the existence of which shall be accounted for by submission of evidence upon request. The Contractor shall furthermore, if reasonable and appropriate, effect a sufficient transportation insurance at his own expense.
- 8.5 The distribution of the burden of proof, be it statutory or by judicial decision, shall not be changed by any of the clauses agreed in these provisions.

9. Duration Period of the Contract

- 9.1 The duration period of the Contract shall be individually determined by the parties.
- 9.2 The right to extraordinary termination / cancellation for good cause shall remain unaffected. We shall have the right to extraordinary termination / cancellation or to rescind the Contract particularly in the following cases:
 - Essential deterioration of the assets of the Contractor, which he has not remedied after expiry of an adequate period of respite, or which the Contractor has not eliminated within an adequate period of respite by provision of sufficient securities or by contemporaneous performance.
 - Insolvency or excessive indebtedness (liabilities exceeding the assets) of the Contractor
 - Submission of a filing for insolvency by the Contractor
 - Instigation of insolvency proceedings upon the assets of the Contractor, or rejection of such for lack of mass.

10. Severability Clause

- 10.1 Amendments of the Contract shall only become effective in agreement with us.
- 10.2 If individual provisions of these Terms and Conditions should be completely or partly ineffective or void, then the remaining provisions shall remain unaffected thereof. The contracting parties shall be obliged to agree to an arrangement by which the intended purpose of the ineffective or void provision is fundamentally achieved with regard to the economic aspect.
- 10.3 We attend and process all data of the Contractor exclusively for purposes arising in the course of business affairs, and in accordance with the respectively valid data protection regulations.

Special Part

11. Acceptance and Notification of Defects / Complaints, Inspections and Examinations

- 11.1 Required acceptances shall always be carried out formally. The mere taking into usage or utilization (particularly in test - runs etc.) shall not constitute an acceptance.
- 11.2 We shall, at any time, be entitled to inspect the Performances/Services of the Contractor ourselves or to have them inspected by third parties in reasonable manner. Upon enquiry, the Contractor shall grant us access to his operational facilities or places of performance. He shall render all required and reasonable support (particularly the provision of skilled and proficient auxiliary staff). Inspections and examinations do not constitute an acceptance as contemplated by law, and they shall therefore not relieve the Contractor from his contractual duties.

12. Warranty for Purchase Contracts and for Contracts for Work and Labor

- 12.1 The Contractor shall warrant, that his deliveries and Performances/Services are not afflicted with faults affecting their value or their suitability, that they correspond with the latest state-of-the-art technology, with the Terms and Conditions indicated in the Order, as well as with the other assured qualities, the latest regulations of the authorities, that they meet the respectively valid legal- and technical safety requirements and the relevant Regulations for the Prevention of Accidents.
- 12.2 If the deliveries and Performance/Services are unsatisfactory, then we shall, at our discretion, be authorized to require the renewed delivery or the elimination of the defect (Subsequent Performance), as well as, after the failing of the Subsequent Performance, a reduction of the price or to rescind the Contract. If the Contractor is in delay with the elimination of the defect, or if waiting for the improvement would impose upon us the unbearable threat of exceptionally high damages, then we shall be authorized to eliminate the defect ourselves, or to have it eliminated by third parties, at the expense of the Contractor. Further claims shall remain unaffected.
- 12.3 All costs arising with the warranty obligation, particularly charges for fault diagnosis, dismantling, assembly, traveling expenses, transportation, packing, insurances, customs and other public duties, examinations and technical acceptances, shall be borne by the Contractor.
- 12.4 If the deliveries and Performances/Services are partially unsatisfactory, then we shall be entitled to optionally assert the claims as stipulated above with regard to the whole Order or to a part thereof.
- 12.5. In case of a notification of defects / complaint, the warranty period shall be prolonged by the period of time between the notification of defects / complaint and the elimination of defects. If the delivery item is replaced completely or in part, or if the Performances/Services are rendered anew, then the warranty period for the corresponding part shall commence once more again.
- 12.6 The Contractor shall provide warranty for the duration of 24 months after delivery or acceptance, at least, however, within the periods as provided by law. The limitation period shall be inhibited for as long as we are in negotiations with the Contractor regarding the existence of a warranty claim. In as far as the delivery item is repaired or delivered anew in the context of Subsequent Performance, then the limitation shall, in this respect, commence once more.

13. Intellectual Property, Proprietary Rights

- 13.1 We shall, exclusively and without additional costs, be entitled to all rights of usufruct in connection with the Performances/Services of the Contractor, which are subject matter of the Contract, particularly with regard to inventions and improvements. The same shall apply for utilization rights. Any perhaps relevant patents and licensing rights shall be transferred to us free of charge upon request.
- 13.2 The Contractors shall be accountable, that no rights of third parties are violated in connection with his delivery. If we are approached by third parties for such reason, then the Contractor shall be obliged to exempt / indemnify us from these claims. The exemption shall be issued upon first request. We shall not be authorized to conclude any agreements (particularly settlements /

arrangements) with the third party without the consent of the Contractor. This exemption - obligation also refers to all charges and expenditures which we necessarily incur, caused by or in connection with the claims of a third party. The limitation period for these claims shall be ten years, and it shall commence with the conclusion of the respective Contracts.

14. Recourse

- 14.1 If we are approached because of a defect of the object delivered or of the Performance/Service provided by the Contractor due to producer's liability, product liability, or due to other liability facts or elements, then the Contractor shall exempt / indemnify us from the liability resulting from the defect, in as far as he is responsible for the defect, and he himself is liable in external relationship. The exemption shall be issued upon first request.

15. Other Liabilities of the Contractor (for all types of Contracts)

The Contractor shall be liable as specified in the authoritative statutory regulations, provided that no other agreement has been concluded in the individual case.

16. Liability of the Client / Customer

- 16.1 We shall be liable in accordance with the statutory regulations, in as far as we or our vicarious agents or legal representative infringe / contravene our duties deliberately or by gross negligence; the statutory regulations shall also become effective, if we culpably infringe / contravene an essential contractual duty (cardinal duty); provided that we are not accused of firm intention, our remaining liability shall be limited to the foreseeable damage normally covered by Contract. We shall be liable also according to statutory regulations, if we are charged with a liability concerning the injury of life, body or health. The same shall apply for the assumption of a guarantee and for the assurance of a quality, if a defect pertaining to such should initiate our liability.
- 16.2 The preceding provisions shall also apply accordingly in cases pertaining to the reimbursement of expenses. A reversal of the burden of proof is not intended.

17. Provision of Materials and Components

- 17.1 In as far as we provide the Contractor with parts, we reserve for us the property rights thereto. Provided materials and components shall remain our property, they shall be stored separately and shall be particularly indicated / marked as our property. The use of such shall be permitted only for our Orders. Compensation shall be paid in case of a decrease in value or of loss.
- 17.2 The reservation of title shall be extended to also include, in full value, the products resulting from the processing or the restructuring of our goods, whereas these procedures are carried out for us, so that we are regarded as manufacturers. If, in the course of processing or restructuring of goods of third parties the right of ownership of such third parties should remain with those third parties, then we shall acquire co-ownership in proportion according to the impartial values of these goods. We shall also acquire co-ownership in the relationship as just described in case of intermixing or compounding of our objects with other objects. If the process is carried out in such manner, so that the object of the Contractor is considered as the principal object, then it shall be agreed, that the Contractor shall assign to us a proportionate share of co-ownership. The Contractor shall keep our property in safe custody, applying the care customary in the trade.
- 17.3 In as far as the estimated value of our rights to protection from risks exceeds the value of the protected receivables by more than 50%, the exceeding rights to protection from risks shall become free. The selection of which shall be incumbent upon our decision. This release regulation shall only apply if the Contractor is entitled to conveyance.

18. Reservation of Title of the Contractor

In as far as nothing else has been agreed in the individual case, the deliveries of the Contractor shall be carried out without reservation of title. Rights of third parties to objects which are to be delivered by the Contractor shall be disclosed to us without having been asked to do so.

Supplementary Provisions for the Employment of Subcontractors and Staff of the Contractor

These supplementary provisions shall be applicable for the performance of work or services by the Contractor (by means of own or external staff), which are not to be classified as Performances/Services concerned by or subject to Industrial / Labor Legislation.

19. Staff of the Contractor

- 19.1 The Contractor shall warrant, that he only employs skilled and proficient staff, that the number of staff members employed is sufficient for the attainment of the contractual purpose, that sufficient Hindi/English-speaking contact persons are at the site.
- 19.2 The Contractor shall exempt us from all claims of third parties, which are to be attributed to the deployment of his staff.

20. Subcontractors of the Contractor

- 20.1 The Contractor may employ subcontractors after our previous consent.
- 20.2 He shall ensure, that he employs only skilled and proficient subcontractors, that these subcontractors are subjected to the same contractual requirements and specifications as he is in relation to us.

- 20.3 The Contractor shall be liable in full extent for these subcontractors, also if we have given our consent to their employment. Subcontractors are vicarious agents of the Contractor.
- 20.4 The Contractor shall exempt us from all claims of third parties, which are to be attributed to the employment of subcontractors.

21. Work Regulations, Duties under Public Law

- 21.1 The Contractor and his staff, or his subcontractors, shall observe the Work Regulations (Safety Regulations, etc.) in force and effect at our premises. We will gladly provide these regulations at any time upon enquiry.
- 21.2 In carrying out the Performances/Services, the staff or the subcontractors of the Contractor shall comply with all regulations provided by public law of the respective place of performance (e.g. industrial safety regulations).