BOSCH TERMS AND CONDITIONS OF PURCHASE

1. General

Bosch Terms and Conditions of Purchase apply **exclusively**. None of the terms and conditions of the supplier shall be applicable to the business contemplated hereunder, irrespective of it being attached to any documents to be provided to Bosch. Such exercise shall have no meaning and binding effect unless the same is accepted by Bosch in writing.

Acceptance or payment of goods and services from the supplier (hereinafter referred to as Products) neither constitutes agreement nor waiver of liability of the Supplier for defective Products and services, even if the acceptance or payment is made with knowledge of conflicting or supplementary terms and conditions of contract of the Supplier. Similarly, any terms and conditions of contract of the Supplier previously agreed upon that conflict with or supplement these Terms and Conditions of Purchase shall no longer be recognized.

2. Conclusion of and Modifications and Annual Orders

2.1 Orders, contracts and order releases as well as modifications and supplements thereto must be placed and made in writing.

2.2 Oral agreements of any kind – including subsequent modifications and supplements to Bosch Terms and Conditions of Purchase – must be confirmed by Bosch in writing to become effective.

2.3 The written form requirement is also deemed complied with if communications are sent by remote data transmission or facsimile transmission.

2.4 Cost estimates are binding and escalations are not to be compensated unless otherwise expressly agreed by Bosch prior to supply.

2.5 Bosch is entitled to cancel the Order if the Supplier does not accept the Order and return a signed copy of the Order as token of acceptance of these Terms and Conditions of Purchase within two weeks of receipt thereof, either via email or through regular post.

2.6 Bosch shall not be liable or bound to receive supplies under an Order, if the Supplier fails to confirm acceptance of such Order within two weeks in the manner mentioned above. However, without any obligation to do so, Bosch may at its sole discretion accept delivery, subject to the terms and conditions contained herein. No deviation from the Supplier to these terms and conditions shall be entertained. Such acceptance shall be implied and shall not require any written confirmation by Bosch to the Supplier.

2.7 If, however, before confirmation, the Products are supplied to Bosch, then it would imply unconditional acceptance of these Terms and Conditions of Purchase by the Supplier.

2.8 The Agreement on Quality, Occupational Health and Safety, Environmental Protection and Social responsibility for Suppliers (Quality Assurance Agreement), the Logistics Manual and the Delivery and Packaging Specifications of Bosch Limited shall form an integral part of the contract for supply and be read along with these Terms and Conditions of Purchase.
Conditions of Purchase. The execution of the above agreements is essential for business with Supplier. The Supplier shall within 7 days of confirmation of the orders execute the above agreements without any deviations. Violation of the same shall entitle Bosch to terminate the orders immediately without any compensation of any nature as per the conditions contained under the termination clause.

Applicability of the above agreements on the Supplier shall, however, be based on a case to case basis, at the sole discretion of Bosch.

2.9. It being clarified that the quantity ordered is the approximate quantity estimated as Bosch requirement during the period of an Order i.e. for a period of one year. The estimate has been made taking into account the demand /market situation and Supplier’s delivery performance. The quantity being approximate is, therefore, subject to change. The Supplier is requested to note that Bosch shall not be liable to accept the full quantity mentioned in such Order (as it is only an estimate keeping in mind future requirements), in case its estimates are revised, based on the factors mentioned above. Consequently, Bosch shall also not be liable to make any payment or any compensation in case of change in requirements.

If due to revision of the estimated requirements Bosch does not purchase all the quantities from the approximate schedule accompanying such Order, the balance quantity at the end of the year will automatically be deemed to have been deleted from the total order quantity under a particular Order.

3. **Delivery, Acceptance and Rejection**

3.1 Deliveries deviating from Bosch Orders are only admissible if prior written approval is received from Bosch.

3.2 Products must be supplied/dispatched within the time and in the manner specified in the Order. The time and date of delivery stipulated in an Order shall be deemed to be of the essence of the contract and delivery shall be completed not later than the date specified therein. Should the Supplier fail to deliver the Products within the period prescribed for such delivery, Bosch shall be entitled to purchase elsewhere without notice to Supplier at the Supplier’s risk and cost. Supplier shall be liable for any loss which Bosch may sustain due to the above breach.

3.3 If the Supplier is responsible for set-up or installation and unless other-wise agreed, the Supplier shall bear all the necessary incidental costs such as travel expenses, provision of tools and daily allowances, subject to the reservation of divergent regulations viz. labour and safety laws of India.

3.4 If the Supplier anticipates difficulties with respect to production, compliance with the delivery period or similar circumstances that could interfere with Supplier’s ability to deliver punctually or to deliver the agreed quality, the Supplier must immediately notify Bosch’s ordering department.

3.5 The acceptance of a delayed delivery or service does not constitute a waiver of claims to which Bosch is entitled due to the delayed delivery or service;

3.6 Partial deliveries are inadmissible unless Bosch expressly agreed to them in writing

3.7 The values established by Bosch during the incoming Products inspection shall determine the quantities, weights and measurements subject to the reservation of different values being proved.

3.8 Bosch shall have the implied unrestricted right in terms of time and territory to use software belonging to the scope of delivery, including the software documentation, duplication, loading and running the software, and further sublicensing, renting and
every other form of passing the software on to affiliates of Bosch, to a legally permissible extent.

3.9 The supplementary Terms and Conditions of Purchase for Software of Bosch Limited apply to software (can be viewed in the download area of Purchasing and Logistics at www.boschindia.com).

3.10 Bosch shall also have the right to use such software, including the software documentation, with the agreed performance characteristics and to the extent necessary for the use of the Products in accordance with the agreement. Bosch shall also have the right to make a backup copy even without an ex-press agreement. The Supplier shall license to Bosch a royalty free license to use such software and make copies thereof in any manner.

3.11. Since the “time is the essence” of the Agreement, no dispute with Bosch shall in any manner entitle the Supplier to interrupt and or completely stop supplies during any dispute resolution. The Supplier shall be solely liable for all losses and damages caused by such interruption and or stoppage for any reason whatsoever.

3.12 All airway/railway/lorry receipts must be made in the name of Bosch and not to self i.e. in the Supplier’s name. The excise gate pass, Delivery note where applicable should accompany the consignment along with other relevant documents.

3.13 The acceptance of Products is subject to inspection or clearance by Bosch upon arrival at its works i.e. the delivery destination in this Purchase Order (Premises). This shall, however, only be a preliminary acceptance based on initial verification of Products for visible damage during delivery and shall not include checks on workability of the Products for its intended use. If any defects are found during any stage of manufacture wherein such Products are used, Bosch shall have the right to reject such Products at the sole cost of the Supplier.

3.14 The supplier shall be obliged to inform us about any applicable (re-)export licence requirements or restrictions for the Products under Indian, German, European, US or any other applicable export control law and customs regulations as well as the export control law and customs regulations of the country of origin of the Products in its business documents and to send the following information on Products subject to licence requirements to Bosch and the concerned contact persons in good time prior to the first delivery:

- Bosch material number
- Product description
- All applicable export list numbers including the Export Control Classification Number pursuant to the U.S. Commerce Control List (ECCN)
- Country of origin of the Products under commercial policy
- HS Code of the Products
- A contact person in its organisation to resolve any inquiries.

3.15 The supplier shall be obliged to inform us without undue delay of any changes to the licence requirements applying to the Products it supplied to us, as a result of technical changes, changes to the law or governmental determinations.

3A. Packing

Products should be securely packed and protected against loss, damage, handling or corrosion in transit. Packing shall conform to Bosch specifications. Any breakage, damage and/or pilferage in transit arising from faulty packing shall be borne by the Supplier.
Each box/packing/bundle/reel must be plainly marked with Bosch’s purchase order no and address along with position of the Products and special instructions wherever necessary.

3B. Raw Materials

Where raw materials are provided by Bosch, the same should be collected from Bosch stores within its premises. Proportionate replacement cost of such raw material toward rejection/short supplies due to reasons attributable to the Supplier will be debited to the Supplier’s account. The raw materials/part will remain property of Bosch until the value thereof debited to Supplier’s account has been adjusted in full against the supplies made by the Supplier to Bosch. The Supplier shall not hypothecate/pledge the raw materials/parts or create any other charges thereon. The Supplier shall not use the raw materials/parts for any purpose other than for manufacturing Products ordered by Bosch.

4. Force Majeure

4.1 Acts of God, operational disturbances without fault, unrest, governmental measures and other unavoidable events discharge Bosch from its obligation to take punctual delivery for the duration of such event. During such events and for a two-week period thereafter Bosch shall be entitled—notwithstanding its other rights—to withdraw from the contract in whole or in part, provided that such events are not of inconsiderable duration and its requirements are considerably reduced as the goods have to be procured elsewhere as a result thereof.

4.2 The provisions of paragraph 4.1 above also apply in the case of labor disputes.

5 Advice of Dispatch and Invoice

The details in Orders and order releases shall apply. An invoice showing the invoice number and other allocation references is to be sent in one copy to the respective printed mailing address or e-mailed to Bosch; the invoice must be enclosed with the shipments.

It is to be ensured that the relevant documents such as such as invoice, delivery note etc. should accompany the Goods. These documents are required to be presented to the check post/octroi, port authorities and excise authorities as and when needed and should be handed over to Bosch while delivering the Goods. Dispatches by road besides Ex-works, FCA all other dispatches should be through Bosch approved carriers. Deviation, if any, has to be specifically confirmed by Bosch in writing prior to undertaking such deviation.

Invoices must strictly confirm to the descriptions of Orders and must beat the order nos. and number of items of each order.

6. Passing of Risk

Unless otherwise agreed by the Parties in writing,-the Supplier bears all risks of loss or of damage to the Products until the Products are received by Bosch at the location to which they are to be delivered.

6A. Payment Terms

Payment shall be as per the terms mentioned in the purchase order. Payment is subject to date of verification of receipt of goods.
It being clarified that payment does not mean acceptance of the Products and Bosch shall have right to reject and claim damages if Products do not meet the specified requirement of Bosch.

For the above instances, Bosch shall have the right to either set off such claims against payments from current or future Orders.

7. Claims Based on Defects

7.1 Acceptance is affected subject to the reservation of an examination for faultlessness, in particular also including accuracy and completeness, insofar and as soon as this is pertinent in the ordinary course of business. Bosch will give notice of any defects found without undue delay after their discovery. To this extent the supplier waives the objection to delayed notification of defects.

7.2 In principle Bosch shall have the right to select the type of supplementary performance. The supplier may refuse the type of supplementary performance Bosch selected if it is only possible at disproportionate expense.

7.3 In the event that the Supplier does not commence rectifying the defect immediately after request to remedy it has been made by Bosch, in urgent cases, especially to ward off acute danger or to prevent greater damage, Bosch shall be entitled to undertake such rectification itself or to have it undertaken by a third party at the expense of the Supplier.

7.4 If the Supplier in performance of its obligation replaces any defective Products, the warranty for such products shall run afresh from the date of replacement. Further, if Supplier performs its obligation to effect supplementary performance by supplying a substitute product, the statute of limitations of the products delivered in substitution shall start to run anew after delivery thereof unless, when effecting the supplementary performance, the supplier explicitly and appropriately made the reservation that the substitute delivery was effected purely as good will, to avoid disputes or in the interests of continuation of the delivery relationship.

7.5 Should Bosch incur expenses as a result of the defective delivery of the Product, in particular transport, carriage, labor costs, assembly and disassembly costs, costs of material or costs of incoming goods control exceeding the normal scope of the control, such costs shall be borne by the supplier.

Subject to the above conditions, at the sole option of Bosch, if the defective Products are not rectifiable, shall be removed by the Supplier at its expense within a period of 7 days from the date of receipt notice by Bosch. If Supplier fails to do so, then Bosch shall arrange to dispatch the materials to the Supplier at the sole risk and cost of the Supplier. Such costs shall include but not be limited to expenses towards packing, forwarding, freight etc. If there is any damage to the Products during the period of transit, Bosch shall not under any circumstances be responsible and liable for any consequences arising therefrom.

7.6 The supplier is accountable for the fault of its sub-suppliers as it is for its own fault.

8. Warranty

8.1 Notwithstanding the agreed Bosch’s warranty term, the Supplier shall be liable for defects in the Products with regard to direct materials at least for a minimum period of 36 (thirty-six) months with effect from the periods mentioned below under sub-clause i and ii. In case there are limitation periods in excess of this provided by statute or agreed upon, such longer limitation periods shall apply.
i. For automotive business effective from the date of commissioning or first registration of the vehicle.

ii. For non-automotive business & after market, effective from date of manufacture.

Warranty shall be applicable as follows in case of indirect materials:

For machinery, equipments, tools, chemicals and consumables, instruments, devices, office and factory, supplier shall replace free of charge if any parts found to be defective in quality, finish, colour, design material and workmanship or in the event of failure or indication of failure within 12 months from the date of receipt unless specifically agreed in writing.

8.2 In case of Imports, if the goods are not conforming to given specifications and rejected, it shall be returned to you by sea/air freight as the case may be, on freight pay basis, either on receipt of Supplier’s credit note and remittance for the CIF value plus the incidental charges or on receipt of free replacement of goods and acceptance and after obtaining the necessary permission from Reserve Bank of India for export of rejected goods. The credit note and remittance or free replacement of goods should be received by Bosch within 3 months from the date of intimation of rejection. If supplier requests to scrap the rejected goods, Bosch should be paid with customs duty in addition to value of goods and incidental charges incurred.

9. Product Liability and Recall

9.1 In the event a product liability claim is asserted against Bosch, the supplier is obliged to hold Bosch harmless from such claims if and to the extent the damage was caused by a defect in the product supplied by the supplier.

9.2 In the cases of paragraph 9.1 above, the supplier assumes all costs and expenses, including the costs of any legal action taken by Bosch.

9.3 In all other respects the provisions of statute shall apply.

9.4 Prior to any recall action which is partially or wholly due to a defect in a Product supplied by the Supplier, Bosch shall notify the supplier, give the supplier the opportunity to collaborate and discuss with Bosch the efficient conduct of the recall action, unless no notification or collaboration by the supplier is possible on account of the particular urgency. The costs of the recall action shall be borne by the supplier insofar as a recall action is due to a defect in a product supplied by the supplier.

10. Rights of Withdrawal and Termination

10.1 Bosch shall have the right to withdraw from or terminate the contract with immediate effect if the supplier has stopped supplying its products for a continuous period of 12 weeks, there is or threatens to be a fundamental deterioration to the financial circumstances of the supplier and as a result of this the performance of a supply obligation to Bosch is in jeopardy, the supplier meets the criteria for insolvency or overindebtedness, or the supplier stops making its payments.

10.2 Bosch shall also have the right to withdraw from or terminate the contract if the supplier files an application for insolvency or comparable debt settlement proceedings to be initiated with respect to its assets.

10.3 If Bosch withdraws from or terminate the contract by virtue of respective termination rights, then the supplier must compensate Bosch for the loss or damage incurred as a result, unless the supplier was not responsible for the rights arising to withdraw from or terminate the contract.
10.4 Statutory rights and claims shall not be limited by the regulations included in this Section 10.

Notwithstanding anything contained above, all obligations of the supplier which existed prior to termination of relationship shall continue to be in force unless it is fulfilled in toto. To such extent, these terms and Conditions of Purchase along with all other documents mentioned under this Agreement shall be effective until such obligations of the supplier have been fulfilled in totality.

11. Conducting Work

Persons who carry out work on Bosch factory premises in fulfillment of the contract must observe the respective plant regulations. The liability for accidents suffered by these persons on Bosch factory premises is excluded except to the extent caused by willful or gross negligent breach of duty by Bosch legal representatives or persons employed in the performance of Bosch’s obligations.

12. Provision of Materials

Materials, gauges, parts, containers and special packaging provided by Bosch shall always remain its property. These may only be used as designated. The materials are processed and parts assembled for Bosch. It is agreed that Bosch shall be co-owner of the products manufactured with Bosch materials and parts in proportion to the value of the materials or parts provided in relation to the value of the whole product; such products shall be kept safe for Bosch by the Supplier to this extent.

We reserve the right to joint ownership of the products manufactured using our materials pending settlement in full of the claims accruing through the materials. The Supplier has the right to on-sell the products manufactured using our materials in the normal course of business subject to reservation of title. The Supplier assigns to us in full now already all of the claims and ancillary rights accruing to the Supplier from such sale. The assigned claims serve as security for the claims accruing to us through the materials. The Supplier has the right to collect the assigned claims. We may revoke the Supplier’s rights pursuant to this paragraph 12 if the Supplier fails to duly perform its obligations to us, is in default of payment, stops making its payments, or if the Supplier applies for the opening of insolvency proceedings or of similar debt settlement proceedings with respect to its assets. We may also revoke the rights of the Supplier under this paragraph 12 if the financial circumstances of the Supplier should deteriorate fundamentally or threaten to do so or if the Supplier meets the criteria for insololvency or over-indebtedness.

13. Documentation and Confidentiality

13.1 The supplier shall keep confidential with respect to third parties all business and technical information made available by Bosch (including features which may be derived from objects, documents or software pro-vided and any other knowledge or experience) as long and to the extent that it is not proven public knowledge, and it may only be made available to those persons in the supplier’s business facility who necessarily need to be involved in the use thereof for the purpose of delivery to Bosch and who are also committed to confidentiality; the information remains Bosch’s exclusive property. Without Bosch’s prior written consent, such information must not be duplicated or exploited commercially – except for deliveries to Bosch. At Bosch’s request, all information originating from Bosch (if appropriate also including any copies or records made) and loaned items must be, without undue delay, returned to Bosch in full or destroyed. Bosch reserves all rights to such information (including copyright and the right to file for industrial property rights such as patents, utility models, semiconductor protection, etc.). In the event this is provided to Bosch by third parties, the reservation of rights also applies for the benefit of such third parties.
13.2 Products manufactured on the basis of documentation drafted by Bosch such as drawings, models and the like, or based on Bosch’s confidential information, or manufactured with Bosch’s tools or with tools modeled on Bosch’s tools, may neither be used by the supplier itself nor offered or supplied to third parties. This also applies analogously to Bosch print orders.

Further, it is mutually understood and agreed between the Parties that patterns, tools dies supplied or paid for by Bosch for the manufacture of any parts in relation to the Goods shall always be Bosch’s property and are for its sole use and are to be returned in good order and condition at any time upon demand or at the time of completion of order as required by Bosch.

14. **Intellectual Property**

All intellectual property belonging to Bosch, viz. copyright, patents and trade marks shall remain its property at all times. For the purpose of services to be provided by the Supplier, such rights shall only be licensed for the limited and sole purpose of using the same for the manufacture and supply of the Products by the Supplier.

15. **Compliance**

15.1 The supplier shall comply with the respective statutory provisions governing the treatment of employees, environmental protection and health and safety at work and to work on reducing the adverse effects of its activities on human beings and the environment. In this respect the supplier shall set up and further develop a management system (if required by Bosch) in accordance with ISO 14001 within the realms of its possibilities. Further, the supplier shall comply with the principles of the UN Global Compact Initiative relating basically to the protection of international human rights, the right to collective bargaining, the abolition of forced labor and child labor, the elimination of discrimination when personnel is engaged and employed, the responsibility for the environment and the prevention of corruption. Further information on the UN Global Compact Initiative is available at: www.unglobalcompact.org.

15.2 In the event that a supplier repeatedly violates the law and/or violates the law despite being given respective advice, and fails to evidence that the violation of the law has been cured as far as possible and that appropriate precautions have been taken to avoid violations of the law in future, then notwithstanding anything contained under clause 10 above, Bosch reserves the right to terminate or withdraw from existing contracts immediately without notice.

16. **Place of Performance**

The place of performance is the place to which the goods are to be delivered in accordance with the contract or where the service is to be rendered.

17. **Miscellaneous**

17.1 If one of the provisions of these Terms and Conditions and of additional agreements reached should be or become ineffective, this shall not affect the validity of the Terms and Conditions in other respects. The parties hereto are obliged to agree upon a provision to replace the ineffective provision that approximates as closely as possible the economic intent of the ineffective provision.

17.2 The contractual relationships shall be governed exclusively under Indian Law and the courts of Bangalore shall have exclusive jurisdiction.

17.3 In the event of any dispute or difference arising at any time between the parties hereto as to the construction, meaning or effect of this Agreement or any clause or thing
contained herein or the rights, duties, liabilities and obligations of the Parties hereto in relation to the premises the same shall be referred to a single arbitrator, in case the parties can agree upon one (1), within a period of thirty days upon being called by a party to do so and failing such agreement to three (3) arbitrators one (1) each to be appointed by Bosch and the supplier and the third to be appointed by the two arbitrators so appointed. All such arbitration proceedings shall be held in Bangalore in accordance with the Arbitration and Conciliation Act, 1996 as amended from time to time.

17.4 These Terms and Conditions along with the other Agreements supersedes and replaces any and all prior agreements, understandings or arrangements, whether oral or written heretofore made between the supplier and Bosch relating and constitutes the entire understanding with respect to the subject matter of these Terms and Conditions. These Terms and Conditions may be modified, changed, altered or amended from time to time without prior notification to the supplier.

17.5 No waiver by Bosch of a breach of or a default by you under any of the provisions of these Terms and Conditions or under any other agreement, nor the failure by Bosch, on one or more occasions, to enforce any of the provisions of these Terms and Conditions to exercise any right or privilege hereunder will thereafter be construed as a waiver of any subsequent breach or default of a similar nature, or as a waiver of any such provisions, rights, or privileges hereunder.

17.6 The supplier shall indemnify and keep Bosch indemnified from and against all claims, demands, actions, suits and proceedings, whatsoever that may be brought or made against Bosch on behalf of any person, body, authority whomsoever and whatsoever and all duties penalties, levies, taxes, losses, damages, cost, charges and expenses and all other liabilities of whatsoever nature which Bosch may now or thereafter be liable to pay incur or sustain by virtue of or as a result of the performance or non performance or observance or non-observance by the supplier of any of the terms and conditions of contained hereunder and the additional agreements mentioned herein. Without prejudice to Bosch’s other rights under law or under these Terms and Conditions, Bosch will be entitled to deduct from any compensation or other dues payable to you, the amount payable by Bosch as a consequence of any claims, demands, cost, charges and expenses.

17.7 The Supplier shall not sub-contract any and or all part of the works under contemplated either under the terms and conditions contained hereunder or under a particular purchase order to any third party, firm or company without prior express written permission of Bosch.