



## Terms of General Purchasing

( for VW Group Companies in India including Volkswagen India Pvt. Ltd., Skoda Auto India Pvt. Ltd., Volkswagen Group Sales India Pvt. Ltd., Volkswagen IT Services India Pvt. Ltd. )

### 1. General terms and conditions

Volkswagen AG is represented in India inter alia through a number of companies in India including Volkswagen India Pvt. Ltd., Skoda Auto India Pvt. Ltd., Volkswagen Group Sales India Pvt. Ltd., Volkswagen IT Services India Pvt. Ltd. collectively referred to as "VW Group India" and individually as "**COMPANY**". Bidders (equipment, services etc.) who quote (commercially and technically) for the requirements asked by VW Group India are herein referred as "**Suppliers**".

COMPANY's terms and conditions shall be deemed to be forming part of the Purchase Order / Contract issued to the Supplier and shall supersede all other terms and conditions of the Supplier.

No specific terms and conditions of the Supplier will be accepted unless approved in writing by an authorized signatory of the COMPANY. Supplier specifically agrees that the issuance of a Purchase Order to the Supplier implies his acceptance to COMPANY'S Terms as laid out in this document.

In the event of any doubts as to interpretation of any clause in this document the interpretation of the COMPANY shall be final and binding on the Supplier who has voluntarily agreed to accept the interpretation of the COMPANY.

It will be the sole duty and discretion of the Supplier to recruit personnel of his own choice for the said project. The personnel engaged by the Supplier shall work under his control, supervision and administration and the COMPANY will have no right to interfere in it.

It is also agreed between the parties that the Supplier shall decide the service conditions of his employees and ensure that he will pay them fair wages and under no circumstances below the rates of minimum wages as applicable to the scheduled industry in which the Supplier is engaged in.

It is agreed between the parties that the Supplier shall take necessary license whenever required under provisions of Contract Labour (Regulation & Abolition) Act, 1970 and shall submit a copy of the same to the COMPANY. The COMPANY shall provide an access card to employees of the Supplier who are deployed in the premises of the COMPANY to enable them to enter the premises. It will be the responsibility of the Supplier to ensure that the said card is returned to the COMPANY once the contract employee is not required in the premises of the COMPANY. The Company reserves its right to recover the costs associated with provision of such card.

The Supplier shall maintain various records, registers and shall submit timely returns required under legislations, rules and regulations as applicable to him and his personnel. The Supplier shall submit necessary copies and evidences of musters, vouchers, provident fund challan copies to the COMPANY in respect of his personnel on a monthly basis and shall also produce for inspection such documents as required by the Auditors of the COMPANY from time to time.

The Supplier indemnifies the COMPANY, its directors and its officers and shall bear any burden of whatsoever nature like fees, fines penalty, damages, rise in wages, HRA, back wages etc. in respect of his personnel under the provisions of any law or by virtue of any claim or order/award of any statutory authority or court of law or demands from any personnel of the Supplier.

The Supplier shall ensure that the persons engaged by him shall not obstruct the working of the COMPANY and in the event of any such obstruction the Supplier shall be liable for the damages and compensation to the COMPANY.

The Supplier shall ensure that he will maintain discipline amongst his personnel. In case of any misbehavior or misconduct by the personnel engaged by the Supplier, the Supplier shall take proper disciplinary action against such person. The COMPANY shall not have any right to take such decision. In the event if the Supplier does not take proper action, the contract is liable to be terminated without notice.

The Supplier shall pay timely dues under ESI Act if applicable, provident fund dues in respect of his persons / employees and shall maintain Registers, Challans, submit returns under ESI Act and Employees Provident Fund & Miscellaneous Provisions Act. If due to failure of the Supplier to ensure compliance of applicable laws if there is any financial liability on the COMPANY then the COMPANY is at liberty to recover the same from dues, if any, payable to the Supplier. If the Supplier fails to fulfill his responsibility fully or partially on any day or at any time an amount equal to the work done short, plus 10% damages shall be deducted from the Supplier's bill.

The Supplier shall comply with the provisions of all the laws including labor laws of the region as applicable.

The Supplier represents and warrants that all the Services being provided by Supplier shall comply with all applicable state and local laws, rules, regulations, ordinances, codes, orders and/or programs. Supplier further represents and warrants that it will have obtained any necessary permits, licenses or any other documentation and authorization required to comply with any such laws and regulations.

Without limitation to the above, It is obligatory and binding on Supplier to follow all applicable statutory compliances and registrations required in compliance of various applicable Provisions of the laws relating to but not limited to Factories Act,



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1948, Provident Fund and Miscellaneous Provisions Act, 1952, Contract Labour (Abolition and Prohibition) Act, 1970, Workmen Compensation Act, 1923, Employees State Insurance Act, 1948, Payment of Bonus Act, 1965, Payment of Gratuity Act, 1972, Maternity Benefit Act, 1961 and rules under the same, including the Maintenance of records/Registers, rules and regulations of local body, the Building and other Construction workers (regulation of Employment and conditions of Service) Act (BOCWA) etc.), labour welfare, direct and indirect taxes as applicable, in respect of required work under this Purchase Order or Frame Contract. COMPANY shall have the right to withhold payments in case there is failure by Supplier in complying with any / all of the applicable statutory compliances.

Supplier shall keep COMPANY indemnified from any statutory non-compliance of laws/ regulations / provisions etc. and in no way COMPANY would be responsible for organization and costs of the same.

In case the Supplier contravenes any provisions of the law and the COMPANY suffers any damage or loss or harm due to any acts of commission or omission of the Supplier, the Supplier is bound to indemnify the COMPANY immediately on receipt of demand notice from the COMPANY. The Supplier shall also be responsible for the discharge for all legal liabilities towards the COMPANY and also for observing all laws and government rules relating to the labour laws and other applicable laws.

The Supplier shall vacate the premises of the COMPANY along with his personnel immediately within 24 hours, after termination of this contract failing which he shall have to pay 1,000 INR per day to the COMPANY by way of damages.

The Supplier or his employees have no right whatsoever to store or keep any material requirement equipment in the premises of the COMPANY without prior written permission of the COMPANY.

The Supplier indemnifies the COMPANY against any liability that may arise because of the personnel engaged by the Supplier.

The Supplier or his personnel deployed in the premises of the COMPANY shall not disclose to any one regarding the information, technology, formulae or any other information of the COMPANY which adversely affects the interest of the COMPANY. The Supplier shall ensure that a confidentiality agreement shall be signed by him with all the personnel whosoever is proposed to be deployed in the premises of the COMPANY during the tenure of this agreement. A copy of such an agreement shall be produced for verification to the officials of the COMPANY and its auditors as and when called for by them.

The Supplier will issue the equipment, material etc. to his personnel on his responsibility and will keep proper record of it. In case of any short-comings the Supplier is liable to pay the costs of the same to the COMPANY.

COMPANY and its Group companies believes in Green Environment and Energy Efficient Plant. Hence, request all its Business Associates / Suppliers in fulfilling this mission. Kindly contact your respective buyer / VW India representative for getting a copy of our "Energy and Environment Policy".

If you are delivering the Goods at our premises using your own transporter, kindly ensure they are fulfilling all CMVR / EMS related requirements (eg. PUC Certificate, MSDS, Insurance etc.) else they may not be allowed to enter. The truck carrying material should not contain any leakages from Containers or Tankers. Your transporter/representative must wear Uniform, Safety Shoes & have ID card whenever/wherever coming in COMPANY's premises to supply material/ services.

## 2. Rights of retention and offsetting

Any limitation of COMPANY's rights to assert a right of retention as regards claims made by the contracting Supplier or to offset any claims against the contracting Supplier shall be invalid.

COMPANY and its Group Companies shall be entitled to claims asserted by COMPANY and its Group Companies in their capacity as joint creditor.

COMPANY and its Group Companies may allocate or offset their claims against claims by the contracting Supplier. All material and procedural rights to which the contracting Supplier may be entitled as regards a claim against the joint creditor also exist adverse to the remaining joint creditor.

In the case of the claims made by the contracting Supplier against COMPANY and its Group Companies, shall be entitled to offset or allocate the claims of the contracting Supplier against claims of COMPANY and those of its Group Companies.

The above regulations shall also apply in the event that, on the one hand, cash payment and, on the other, the allocation of bills of exchange has been agreed or in the event that the reciprocal claims are due on different dates, whereby the settlement shall take place in accordance with value dates. This entitlement shall apply to the balance in the case of ongoing monetary transactions.

Upon request, COMPANY shall provide a list of its Group Companies entitled to carry out group offsetting.



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### 3. Illegal interference with competition

Using appropriate organizational measures, the Supplier contracting with COMPANY shall be obliged to ensure that no employee dealing with COMPANY commits any civil or criminal offences against competition within the meaning of applicable laws in India).

### 4. Anti-corruption and sustainability

The requirements for Sustainable Development define the expectations of COMPANY and its Group companies regarding sustainable conduct by business partners involved in adding value of our products.

The full text of the requirements can be found on [www.vwgroupsupply.com](http://www.vwgroupsupply.com) under cooperation -> Sustainability. They contain our Expectations in regard to Environmental Protection, Employee Rights, Safety at Work and Health Protection for all Business Connections of the Volkswagen Group, which you may please go through before bidding for the contract with the COMPANY.

When you submit an offer to COMPANY or accept and complete an order, you confirm your awareness of the requirements for Sustainable Development.

The Supplier is obliged to comply with the conditions of the COMPANY's "Facility regulations", which includes penalties in cases of theft , damage to property, traffic violations and non-compliance with safety and security, regulations as stipulated therein or any other incidents of similar nature thereto covered under non-compliances.

### 5. Conflict of interest

The Supplier warrants that at the date of entering into a Contract it does not and is not likely to have a conflict of interest (direct or indirect or through a third party Supplier) in the performance of its obligations under the Contract. If a conflict or risk of conflict of interest arises (without limitation, because of work undertaken for any person or otherwise) the Supplier will immediately give notice of the conflict of interest, or the risk of it, to the COMPANY.

A conflict of interest arises without limitation when the material personal interests of the employee of the COMPANY or any of its holding , subsidiary, associate or group COMPANY or any other person associated with COMPANY Group entities are inconsistent with the responsibilities of his/her position with the COMPANY or its respective companies/entities or the Supplier otherwise tries to exploit the information, process , relationship, business interest by influencing the existing systems , processes, authority levels in the COMPANY to get undue and undesired benefit or when a Supplier establishes any direct or indirect business association with the employee or relative of the employee of the COMPANY to gain, share any monetary or other benefit or any other situation that creates any conflict of interest with the interests of the COMPANY. The Supplier will take all reasonable measures to ensure that its employees, agents and sub-Suppliers do not engage in any activity or obtain any interest which is in conflict with providing the Supplier services to the COMPANY fairly and independently. The Supplier will immediately give notice in writing of any conflict of interest relating to the activities or interests and take steps that the COMPANY reasonably requires to resolve the conflict or deal with the risk to the COMPANY.

Failure of the Supplier to comply with the above conflict of interest obligation can at the sole discretion of the COMPANY lead to the cancellation of the contract and black listing the Supplier for future business dealings with the COMPANY.

### 6. Insurance of activities carried out in COMPANY premises

The Supplier has to arrange and ensure the following and keep COMPANY indemnified from,

- Workmen Insurance including sub- contractors, if any engaged by them.
- Complete Project Insurance covering all risks/accident/injury including third party in case of Supply & Installation in Construction Projects
- Insurance of plant & machinery brought on the site

The Supplier shall provide the Finance & Accounting department of- COMPANY with a copy of each insurance policy and documents taken out by Supplier in pursuance of the contract immediately after taking the insurance coverage. In case of non-payment of premium by the Supplier then COMPANY shall keep the policy active and deduct the premium cost from the Supplier. The Supplier shall be responsible for making all the claims.

The necessary documents and evidence of insurance must be submitted by the Supplier to the COMPANY compliance team immediately upon the start of the works and should be kept valid throughout the Purchase order/contract period, also valid for extensions if any. In case the necessary documents are not submitted and if COMPANY is obliged to cover the necessary



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insurance the cost incurred would be debited to the Supplier account. The above is applicable for all type of Purchase Orders against which the Supplier's engaged Manpower works at the premises of COMPANY or the works are executed at the site of COMPANY. Workmen Compensation Insurance Policy and Other Insurance Policies shall have sufficient cover for Supplier's engaged manpower, whether direct or through sub- contractor, working at COMPANY'S Premises against any direct or indirect loss or damage caused to person or property of such worker or third party due to any accident, injury, death or any other mishap. The Supplier shall be responsible and liable for settlement of all such claims of compensation, loss or damage by the workers or any third party at its own cost and efforts without recourse to COMPANY.

### 7. Services on factory or industrial premises (If Applicable)

Provided that the service is performed on COMPANY factory or industrial premises, the following applies:

Services shall be performed by the contracting Supplier independently and on its own authority in accordance with COMPANY's technical and organizational specifications under the supervision and managerial authority of the responsible employee designated by the contracting Supplier. The decision on the choice of personnel shall be made by the contracting Supplier.

On-site contact persons shall be designated by both contracting parties for all information to be exchanged. Regular coordination meetings should take place between the contracting parties' contact persons to discuss the content and performance of services and to exchange all information needed for the fulfillment of the contract.

For each change of personnel and during the orientation period for new employees, the contracting Supplier should ensure that the contractually agreed performance meets agreed quality standards.

### 8. Inspection and Performance of Services & Operations Rendered

Unless determined otherwise by COMPANY, it shall be the place of performance. Partial deliveries shall be permissible only if expressly agreed in writing between COMPANY and the Supplier; deliveries ahead of schedule shall also be subject to written agreement with COMPANY.

COMPANY reserves the right to inspect the goods after the receipt of ordered goods at the specified location. If COMPANY ascertains deviations from an order or a bill of delivery, e.g. differences in quantity, quality shortcomings or damage caused by transportation, it may return the consignment or accept it without losing its legal rights.

Delivery of goods shall be made in accordance with COMPANY's instructions. The Supplier shall ensure that the delivered goods are accompanied by appropriate accompanying documents viz., packing list, bill of lading (in case of delivery from outside India), Original invoice, a document confirming the origin of goods and any other documents as required. The Supplier shall compensate COMPANY for damages it incurs as a result of the absence of the above mentioned documents.

The Supplier undertakes to perform and render all and any services, work and operations ordered through his own employees/authorized representatives employed pursuant to general legally binding regulations. Further, he undertakes not to allow employees/ workers/ authorized representatives without valid documentation and permissions required to perform and render ordered services, work and operations.

The services supplied must satisfy the provisions of the agreement/Purchase order.. They shall not be deemed to have satisfied the provisions of the agreement/Purchase order if they do not possess the properties which COMPANY was entitled to expect pursuant to the agreement.

Where no detailed description has been provided of the requirements of the services, they shall in any event be of good quality and satisfy, at the very least, the normal requirements of reliability, effectiveness and workmanship.

### 9. Indemnification

Supplier agrees that it shall save, indemnify and hold the COMPANY / Its Directors/ Officers/ employees/operators harmless against any and all claims, losses, damages, liabilities or expenses (including attorney's fees) whatsoever for physical injury or death of any person and for loss or damage to any property, occurring in connection with the performance of your obligations hereunder, any breach of the terms and conditions of this purchase order or anything else to which COMPANY may become subject due to any action taken or any failure to act on your part, or in violation of the terms hereof or the applicable laws or regulations. The Supplier shall also indemnify the company for supply of any defective parts/goods, towards the cost of goods/spare parts etc. including rework cost and other expenses which the COMPANY may incur/is likely incur on account of supply of wrong/defective parts/goods promptly.



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### 10. Termination:

COMPANY shall have a right to cancel or terminate this Purchase order by giving 30/60/90 days' written notice to the Supplier depending on case to case basis:

(a) If Supplier defaults in the due performance or observance of any of the obligations, covenants, conditions, warranties or provisions contained herein including but not limited to failure to supply and / or commission the above said goods/services conforming to COMPANY's specifications, within the agreed delivery date.

(b) If any representation, warranty, information or statement made or deemed to be made by you, whether explicitly or not, proves to be untrue, incorrect or misleading in any material respect or if any event occurs as a result of which, if any of the aforesaid representations, warranties or statements were repeated immediately thereafter with reference to the facts subsisting at the time of such repetition, the same would be untrue, incorrect or misleading in any material respect.

(c) If there shall have occurred Supplier's dissolution or liquidation or any order is made or resolution, law or regulation passed or other action taken for Supplier's dissolution or liquidation or Supplier shall otherwise enter into liquidation

(d) If Supplier applies for or agrees to an arrangement with its creditors or any proceeding or arrangement by which a substantial part of Supplier's assets is submitted to the control of its creditors

(e) If Supplier becomes or are declared by any Government Authority or any other competent authority to be insolvent or is unable or admit in writing its inability to pay its debts as they fall due or become subject to or apply for any suspension of payment, bankruptcy, insolvency or reorganization proceedings if such cessation in your opinion has a material adverse effect on you

(f) If the consent of any Government Authority, required for the validity, enforceability or legality of the terms hereof ceases to be or is not for any reason in full force and effect or such performance becomes unlawful

(g) If extra-ordinary circumstances have occurred which in our sole opinion make it improbable for Supplier to fulfill your obligations hereunder.

In case of cancellation or termination of this Purchase order, all the payments made to Supplier pursuant to the terms hereof shall become immediately due and payable to COMPANY, along with liquidated and other damages, Any cancellation or termination of this Purchase order shall not constitute a waiver by us of any obligation that by its terms shall survive such cancellation or termination or a waiver of any claim which we may have for actual damages caused by reason of, or relieve you from liability for, any breach of the terms and conditions of this Purchase order prior to such termination or cancellation.

Notwithstanding anything contained herein, this Purchase order can be terminated by the COMPANY, for any reasons, whatsoever and without any compensation by giving thirty days' notice in writing.

### 11. Force Majeure

Force majeure shall be deemed to be such circumstances arising after the contract has been executed as a result of unforeseeable, insurmountable and ineluctable by the Supplier events of an extraordinary nature occurring independent of the will of the Parties, such as a natural disaster or war. It means any event beyond the reasonable control of the Supplier but shall not include any industrial dispute involving any of its own employees or any reasonably foreseeable event to the extent that its effects could reasonably have been mitigated. The Contracting Supplier shall as soon as reasonably practicable notify the COMPANY in writing of the Force Majeure Event and may terminate the contract with immediate effect by giving written notice.

### 12. Protection of Rights

Supplier shall ensure that the goods delivered or services rendered to COMPANY do not, when taken together or as individual elements, infringe intellectual property rights (arising from patents or industrial designs) of any third party and that the goods or services are not burdened by any third party's rights in the Republic of India or abroad.

Supplier shall inform COMPANY of the use of all its own patents or industrial designs and the licensed use of third party patents and industrial designs on the goods delivered or services rendered to COMPANY.

This shall not apply if Supplier produced the goods according to drawing, models or other comparable descriptions or information handed over by COMPANY and supplier do not know, or in connection with the products which Supplier develops, do not have to know, that it is infringing protected rights.



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If so requested by COMPANY, Supplier shall inform COMPANY of the use of unpublished or licensed protected rights and applications for protected rights in the production of the goods.

Supplier may not use solutions and procedures which are COMPANY's intellectual property for purposes other than the production of the goods for COMPANY.

Supplier may not apply for the registration of an invention or industrial design for any solution which is the intellectual property of COMPANY/Volkswagen AG and was handed over to Supplier with documents or which was discovered during development work for COMPANY/Volkswagen AG or during consultations with COMPANY's specialists. No such solution may be recognized and remunerated as an improvement proposal. If Supplier obtain protected rights in a manner inconsistent with the previous paragraph Supplier shall immediately transfer them to COMPANY.

### 13. Pricing & Taxes:

Prices mentioned in the Purchase order/ Frame contract are firm till delivery and & no escalation whatsoever would be allowed. The total value of this Purchase order/ Frame contract (excluding taxes) is the maximum amount allowed to be billed under this Purchase order/ Frame contract, however it does not entitle you to claim the full amount without the performance of activities as per this Purchase order/ Frame contract. In case this contract is terminated for any reason then the amount of this Purchase order/ Frame contract shall stand closed on pro-rata basis.

Every Supplier / Service Provider, who are located in India and within the frame of Goods and Service Tax ("GST") has to register itself on Goods and Service Tax Network ("GSTN"), a website / platform provided by Government of India for initiating any transaction in relation to GST. Further that Vendor / Service Provider shall indemnify Volkswagen Group Company / ies for the loss caused in case the tax credit of GST is not passed on to the Volkswagen Group Company / ies for any reason whatsoever. In order to claim the credit/set off of Excise duty, Service tax, MVAT, GST and applicable Cess or any other tax or duty , the Supplier has to provide appropriate invoice / document prescribed under the relevant Central / State Government and local authority legislation. Supplier should also submit other statutory documents as applicable from time to time to be furnished to the COMPANY's - Finance & Accounting Department [in the correct name of the transacting entity of Volkswagen Group Company in India] for taking credit.

Any reduction in the rate of tax on supply of goods or services or the benefit of Input Tax Credit or any other benefit accruing as a consequence of GST or any other applicable law shall be passed on to the COMPANY by way of commensurate reduction in prices.

The Supplier undertakes to provide to the COMPANY the order of Indian Income Tax Authority under section 195 of the Income Tax Act, 1961 of India for determination of the appropriate withholding tax before COMPANY makes the remittance to Supplier. The remittance will be affected after Supplier provides the said order to the Direct Tax team of COMPANY. No interest will be payable by COMPANY to Supplier for delay in remittance on this account.

T.D.S (tax deduction at source) for "services" provided will be deducted as applicable according to the Indian Taxation Laws and Regulations. Accordingly the T.D.S Certificate will be issued by COMPANY's Finance department.

COMPANY would deduct the amount with respect to taxes and other contributions from the payment due and payable to Supplier as applicable under any Central / State Government and local authority in the manner and time and at the rates applicable from time to time, unless Supplier submits a specific certificate for non-deduction or lower deduction of taxes/ contribution, under the applicable legislation from the relevant statutory authority in advance.

If Supplier has not submitted the proper invoice for availing any tax credit and the COMPANY is not able to avail the Tax credit, then COMPANY shall effect the payment to the Supplier after deducting the equivalent amount of the Tax credit so lost.

The Supplier shall be solely responsible and liable for any of his wrong assumption/omissions/consideration of all applicable taxes, duties and levies in the Contract price including on account of non-compliance with any statutory procedure for claiming the tax exemption, concession if any. In addition to above, taxes, duties and levies, if any, which are prevailing on the date of signing of the Contract, but not considered by the Supplier in the Contract price, shall be borne and paid by the Supplier.

The Supplier shall bear and pay all taxes, duties, charges or levies which may be assessed, imposed or levied upon the Supply/ Works outside India or any receipt realized by him outside India in connection with and in the execution of the Contract by any country or governmental agency thereof in which the goods/ Works/ services are carried out as per this Purchase Order & agreement.

Further, it would be the obligation of Supplier to immediately inform COMPANY on account of any subsequent order(s) passed by the tax authorities amending the withholding tax order referred above. In case there is a delay or default on part of Supplier

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to inform COMPANY of such amendment(s) to the withholding tax order, then Supplier will immediately reimburse COMPANY for the tax/ interest / penalty / litigation costs (including fees of advisors) or any other costs borne by COMPANY (including any interest, penalties or income-tax impact on account of any remittance amount) and that Supplier would not wait for the order of the appellate authorities to reimburse the tax/ interest / penal / other aforesaid costs. COMPANY would refund the interest and penalty to Supplier in case there is a favorable order from the appellate authorities.

### 14. Anti- Profiteering Clause

Any reduction in rate of tax on the supply of goods or services or the benefit of input tax credit or any other benefit accrued in consequence of provisions under Goods and Services Tax or any other applicable laws shall be passed on to the COMPANY by way of commensurate reduction in prices.

### 15. Discounts

Any discount given to the COMPANY before or at the time of supply of goods or services shall be distinctly mentioned in the invoices. Any discount given after the supply has been effected shall be granted through the issue of a Credit Note which shall have reference to the original invoice against which discount has been granted.

### 16. Internal Audit clause

The Supplier hereby grants the officials of Internal Audit department or any other officer of COMPANY and/or such other officer or agencies appointed by the Management of COMPANY such as statutory auditors, tax advisors, external consultants etc. (hereinafter referred as Review Agency), who are bound to professional confidentiality, the right to review and inspect all data and documents created between the contracting parties, as a result of the transactions arising out of the business relationship described in the Purchase Order. In the event of such a review by the Review Agency, the Supplier shall ensure participation and full co-operation by his employees from department(s) dealing with the transaction under review. The Supplier shall also ensure that his sub-Suppliers or any other third Supplier related with such transaction under review including his agents, representatives, associates etc. shall participate and give their full co-operation for such review by Review Agency. Further the Supplier shall ensure that his sub-Suppliers, agents, representatives, associates etc. shall be bound by strict professional confidentiality obligation of such review at his own expense.

The Supplier hereby agrees and makes a commitment to COMPANY to include suitable clauses for an identical right of review and inspection of the transaction data and related documents in favour of COMPANY's Review Agency in his contracts with its agents, representatives, associates, sub-Suppliers etc. related to such transactions under review of the Review Agency.

In the event of mandatory inspections (e.g. tax audits) required under any applicable law or rules and regulations, the inspectors and/or statutory authorities are to be granted access to accounting documents the original documents or certified legible copies (hardcopies) must be provided in an adequate timeframe. Information of such inspections or audits shall be immediately given by the Supplier to Company.

### 17. Damages for Delay in Supply and Services

COMPANY and Supplier agree that if the parts/machinery or services to be supplied /performed hereunder is not performed or delivered/developed on or before agreed date and as per the agreed specifications and as a result, COMPANY suffers damages. COMPANY and Supplier have therefore agreed upon reasonable liquidated damages that may be imposed if the Supplier fails to meet the agreed obligation.

The amount of liquidated damages shall be 0.5% of per week delay till the time Supplier supplies the material or performs the obligation in case there is a separate service level agreement/negotiation or supply agreement/negotiation is mutually agreed upon between the Supplier and the Company under this clause. The terms and conditions of the Separate Agreement / negotiation in relation to this clause shall supersede this clause

### 18. Liability

The liability of Supplier shall not be limited to the contract value / order value. Further, the liability shall be unconditional.

### 19. Right to Impose Penalty/Debit Notes

The COMPANY shall impose appropriate penalty for any violation of terms and condition contained in any service or supply agreement to the Supplier, the debit note if received or acknowledged by any of the Supplier's representative, shall be final and conclusive evidence of debit.



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### 20. Withholding of payment

The COMPANY shall be entitled to withhold the payment made to a Supplier, in case where if the Supplier has not fulfilled his obligation under the Contract or in case the dues payable to the COMPANY exceeds the claim of the Supplier. Please quote Purchase Order Number & Vendor Code in all your Delivery Challans / Original Invoices for fast & smooth payments.

### 21. Dispute Resolution

This terms and conditions shall be construed and governed in accordance with the laws of India and shall be subject to the exclusive jurisdiction of the appropriate courts of Mumbai, Maharashtra. In the event of any dispute arising between the Supplier and COMPANY in connection with this Purchase order or agreement shall be referred to the Sole Arbitrator appointed by the COMPANY. The arbitration proceedings will be conducted in accordance with the provisions of Arbitration and Conciliation Act, 1996 and amendments made thereunder. The language of arbitration shall be English.

### Additional requirements for International / Outside India Suppliers

#### **Import Documents:**

Following are documents required for Import Clearance:

1. Invoice
2. Packing List
3. Country of Origin (can also be mentioned on invoice but preferably needed)
4. Catalogue
5. Fumigation Certificate (if wooden packaging is used)
6. Purchase Order Copy (if it is commercial transaction)

#### **Invoice:**

Below details are mandatory on Invoice :

1. Invoice should be in English
2. Description, Unit Price, Total Price & Incoterm should tally with purchase order
3. Country of Origin.
4. Actual manufacturer name
5. Bank details of supplier (required to make foreign remittance)
6. Purchase order number & date
7. Buyer & End User name (at least one is preferred to be mentioned on invoice)
8. Net weights against each line items (for some HS Code customs insists to file as per Net weight rather than quantity)
9. Incoterm should also mention the place e.g... CIF Nhava Sheva, EXW Dageling, FCA Filderstadt, etc.

#### **Packing List:**

Packing List should contain following:

1. Number of packages & Dimension of each packages
2. Net & Gross weights for each package
3. Details how packaging is done in each package. This should contain details like Description & Quantity of material inside the package
4. Proper outer labeling of the packages (this helps to trace the packages at the cargo section). Same should also be updated on the packing List

#### **Other Information:**

1. Avoid inclusion of materials which are not in PO.
2. Avoid inclusion of materials which are Old & Used.
3. Identity of Physical material with documents (Invoice, Packing List, Country of Origin Certificate etc.) should be easily established i.e. Customs officer should be able to co-related physical material with documents during examination.
4. One EPCG license taken vide One Invoice / One PO should be imported at a time. Don't use partial shipment.



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### Definitions

The following terms shall have the meanings as set forth below:

<b>Supplier</b>	The vendor who competes with others to get the opportunity to supply material or provide a service for someone else by offering to do it for a particular amount of money.
<b>Purchase Order</b>	A completed and signed document in standard COMPANY layout by which COMPANY places an order under a Specific Agreement. For purposes of clarification, no Purchase Order shall be binding unless accepted by Supplier in writing.
<b>RFQ/ Order acceptance</b>	The agreement that comes into existence upon the acceptance by Supplier of the Purchase Order. Acceptance of Purchase order on email/correspondence by supplier will amount to acceptance of all the terms and conditions of the Purchase order including the general terms and conditions stipulated herein. Incase of no revert, it will be considered as your acceptance.
<b>Agreement / Contract</b>	These Terms and Conditions ns and all Specific Agreements, annexures, schedules and appendices attached thereto or incorporated therein by reference.
<b>Deliverables</b>	All materials, rights and/or services Supplier has agreed to provide to COMPANY pursuant to an Order or Specific Agreement. Deliverables may include (without limitation) Developed Software, Documentation, interfaces, training and source code, but shall exclude Supplier Pre-Existing IPR.
<b>Final Acceptance</b>	The date on which COMPANY certifies or is deemed to have certified satisfactory completion of Acceptance Tests of the Deliverables
<b>Intellectual Property Rights</b>	All rights in inventions, patent applications or issued patents and any continuation applications and continuation-in-part applications, reissue or divisional applications, copyrights (including rights in software (code) and software documentation), neighboring rights, database rights, models and design rights, trademark applications or granted trademarks, trade and business names, Internet domain names, rights to know-how and any other intellectual property right or right of similar nature, anywhere in the world implied by law or accruing under common law and whether registered or unregistered, or under application.
<b>Milestone</b>	A date specified as such in the time schedule in a Specific Agreement on which a Deliverable must be completed or provided successfully, or on which a Service or Project phase has to be started at the latest, as the case may be.
<b>Pre-Existing IPR</b>	Intellectual Property Rights vested in a Supplier, whether immediately prior to the execution of a Specific Agreement or otherwise, including in the case of Supplier, Intellectual Property Rights or other proprietary works of authorship, that have not been created specifically for COMPANY hereunder, including, without limitation, any derivatives thereof, which have been or are originated, developed, purchased, acquired or licensed by Supplier or its Affiliates, or by third parties under contract to Supplier or its Affiliates.
<b>Services</b>	Any services that Supplier has agreed to provide to COMPANY pursuant to this Agreement or one or more Specific Agreements.
<b>Specifications</b>	Specifications for Deliverables as set forth in the applicable Specific Agreement, including but not limited to technical and functional specifications. Specifications shall be based upon the requirements of COMPANY.
<b>Warranty Period</b>	Unless agreed otherwise, the default warranty period / defect liability period that shall apply will be 24 months the following delivery of the applicable Deliverable or the performance of such other Services, or such other period agreed upon in the applicable Specific Agreement.